

CITY OF FILLMORE

FINANCIAL STATEMENTS

JUNE 30, 2013



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

**CITY OF FILLMORE, CALIFORNIA
FINANCIAL STATEMENTS
Fiscal year ended June 30, 2013**

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Honorable Mayor and City Council
City of Fillmore
Fillmore, California

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Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of City of Fillmore (City), California, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers Anderson Maloney & Scott, LLP

March 28, 2014
San Bernardino, CA

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2013
(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, 2013. Please read this discussion and analysis in conjunction with the basic financial statements and the accompanying notes to the basic financial statements.

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

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

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

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

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

REPORTING THE CITY AS A WHOLE

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the City as a whole and its activities. These statements include all assets 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 position and changes in them. Net position is the differences between assets, deferred outflows, liabilities and deferred inflows, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and economic trends, such as expansion and development, as well as economic strength or weakness.

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

Governmental Activities

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

Business-Type Activities

The City charges a fee to customers to pay for the cost of certain services provided. The City's water system and wastewater system are reported in this category.

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

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

Fiduciary Funds

The City is the trustee, or fiduciary, for certain funds established to account for assets held by the City in a trustee capacity, or as an agent for individuals, private organizations, and other governmental units. The City's fiduciary activities are reported separately in the Statement of Fiduciary Net Position. 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's overall financial condition. This analysis addresses the financial statements of the City as a whole.

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

Governmental Activities

The following schedule summarizes the financial position of the city's governmental activities as of June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets	\$ 8,195,318	\$ 8,590,783
Notes receivable	7,166,105	7,203,327
Capital assets not being depreciated	11,436,938	11,048,806
Capital assets being depreciated, net	<u>28,920,696</u>	<u>29,776,041</u>
Total assets	<u>55,719,057</u>	<u>56,618,957</u>
Liabilities:		
Current liabilities	4,511,787	5,622,696
Noncurrent liabilities:		
Due within one year	248,889	525,991
Due in more than one year	<u>1,152,087</u>	<u>1,077,378</u>
Total liabilities	<u>5,912,763</u>	<u>7,226,065</u>
Net position:		
Net investment in capital assets	39,913,828	40,212,171
Restricted	10,480,391	9,930,184
Unrestricted	<u>(587,925)</u>	<u>(749,463)</u>
Total net position	<u>\$ 49,806,294</u>	<u>\$ 49,392,892</u>

At the end of fiscal year 2013, the current assets are 14.71% of the total assets with the remaining 85.29% representing capital assets not being depreciated and capital assets, net of accumulated depreciation, restricted assets and notes receivable. The current liabilities are approximately 76.31% of the total liabilities of the total net position, 21.04% was restricted and the remaining 78.96% represented invested in capital assets net of related debt and unrestricted net position. These amounts have been reduced due to the removal of the former Redevelopment Agency assets which are included in the Successor Agency, a private purpose trust fund.

The cost of all governmental activities during fiscal year 2013 was \$8,398,409. The amount that the City's taxpayers ultimately financed, however, was \$4,086,575. Some of the cost of governmental activities was paid by those who directly benefited from the programs (\$1,512,766) or by other *government* agencies and organizations that subsidized certain programs with grants and contributions (\$2,805,486).

Overall, the City generated program revenues from governmental activities amounting to \$4,318,252. The remaining cost of governmental activities of \$4,493,559 was covered by the City's sources of general revenue (taxes and other general revenues) of \$4,148,071 and transfers in of \$345,488.

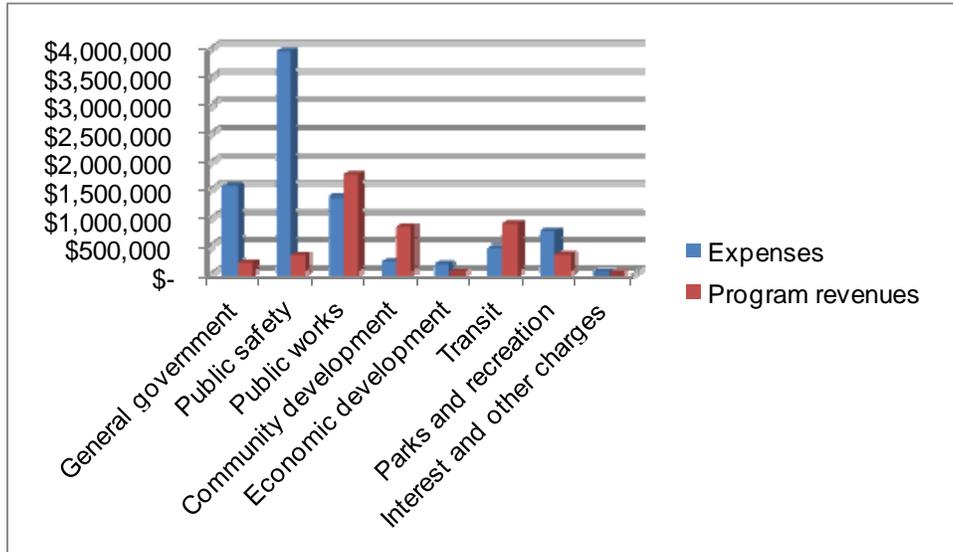
The City's governmental activities include General Government, Public Safety (Police and Fire services), Public Works, Community Development, Economic Development, Transit, Parks and Recreation, and Interest on Long-term Debt.

The following table represents the changes in net position for governmental activities for the fiscal years ended June 30, 2013 and 2012:

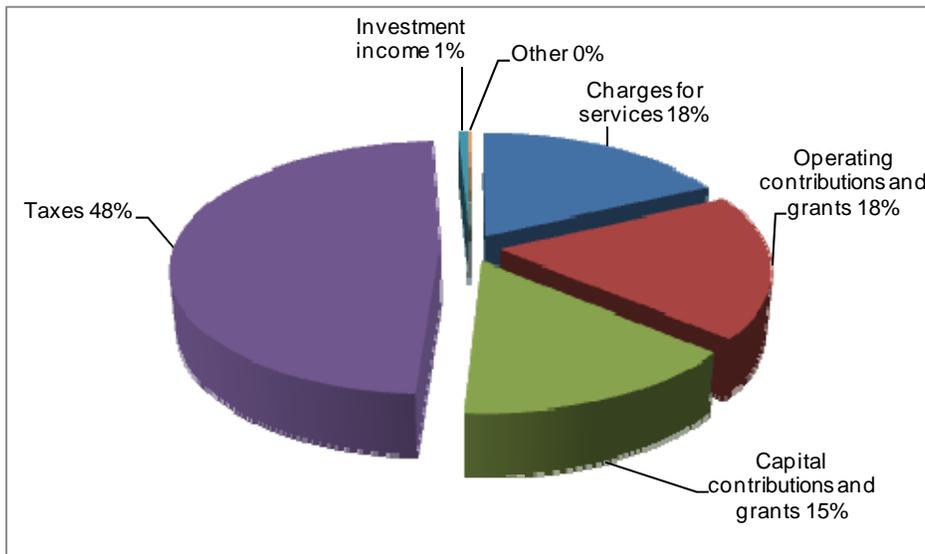
	2013	2012
General revenues:		
Taxes	\$ 4,077,727	\$ 6,163,845
Investment income	61,496	262,677
Other	8,848	17,145
Extraordinary item		
Gain on dissolution of Redevelopment Agency	-	33,059,554
Program revenues:		
Charges for services	1,512,766	1,419,025
Operating contributions and grants	1,555,200	1,189,436
Capital contributions and grants	1,250,286	169,924
Total revenues	<u>8,466,323</u>	<u>42,281,606</u>
Expenses:		
General government	1,543,232	2,149,170
Public safety	3,925,636	4,222,865
Public works	1,349,809	1,453,567
Community development	209,804	596,162
Economic development	160,784	17,632
Transit	455,358	462,246
Parks and recreation	736,543	783,502
Interest and other charges	17,243	923,749
Total expenses	<u>8,398,409</u>	<u>10,608,893</u>
Increase (decrease) in net position before transfers	67,914	31,672,713
Transfers in (out)	<u>345,488</u>	<u>240,489</u>
Change in net position	413,402	31,913,202
Net position, beginning of year, restated	<u>49,392,892</u>	<u>17,479,690</u>
Net position, end of year	<u>\$ 49,806,294</u>	<u>\$ 49,392,892</u>

Governmental Activities

Governmental activities expenses and programs revenues for the year ended June 30, 2013:



Governmental activities revenues by source for the year ended June 30, 2013:



Business Type Activities

The following schedule summarizes the financial position of the City's business-type activities at June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Assets:		
Current assets	\$ 8,238,648	\$ 6,865,072
Deferred charges, net	3,478,580	3,595,946
Restricted assets:		
Cash and investments with fiscal agents	4,015,555	4,015,826
Capital assets not being depreciated	3,186,153	3,186,153
Capital assets being depreciated, net	<u>75,408,429</u>	<u>76,659,042</u>
 Total assets	 <u>94,327,365</u>	 <u>94,322,039</u>
Liabilities:		
Current liabilities	1,415,611	1,233,235
Noncurrent liabilities:		
Due within one year	1,002,493	976,976
Due in more than one year	<u>63,420,781</u>	<u>64,413,189</u>
 Total liabilities	 <u>65,838,885</u>	 <u>66,623,400</u>
Net position:		
Net investment in capital assets	15,210,264	17,615,327
Restricted	3,501,562	4,015,826
Unrestricted	<u>9,776,654</u>	<u>6,067,486</u>
 Total net position	 <u>\$ 28,488,480</u>	 <u>\$ 27,698,639</u>

Net position for business-type activities totaled \$28,488,480. Of the total net position, \$18,174,580 was invested in capital assets, \$4,015,826 was restricted for debt service, and \$6,298,074 was unrestricted.

Total expenses for business-type activities for the fiscal year ended June 30, 2013 were \$7,917,793. Program revenues are primarily comprised of charges for services in the amount of \$9,021,967. Transfers to governmental activities amounted to \$345,488.

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

The following table presents the changes in net position for the business-type activities for the fiscal years ended June 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
General revenues:		
Investment income	\$ 31,155	\$ 14,261
Extraordinary item		
Gain on dissolution of Redevelopment Agency	-	395,253
Program revenues:		
Charges for services	<u>9,021,967</u>	<u>7,601,248</u>
Total revenues	<u>9,053,122</u>	<u>8,010,762</u>
Expenses:		
Sewer	6,164,219	6,046,775
Water	1,753,574	1,866,951
Theater	<u>-</u>	<u>7,592</u>
Total expenses	<u>7,917,793</u>	<u>7,921,318</u>
Increase in net position before transfers	1,135,329	89,444
Transfers out	<u>(345,488)</u>	<u>(240,489)</u>
Change in net position	789,841	(151,045)
Net position, beginning of year, restated	<u>27,698,639</u>	<u>27,849,684</u>
Net position, end of year	<u>\$ 28,488,480</u>	<u>\$ 27,698,639</u>

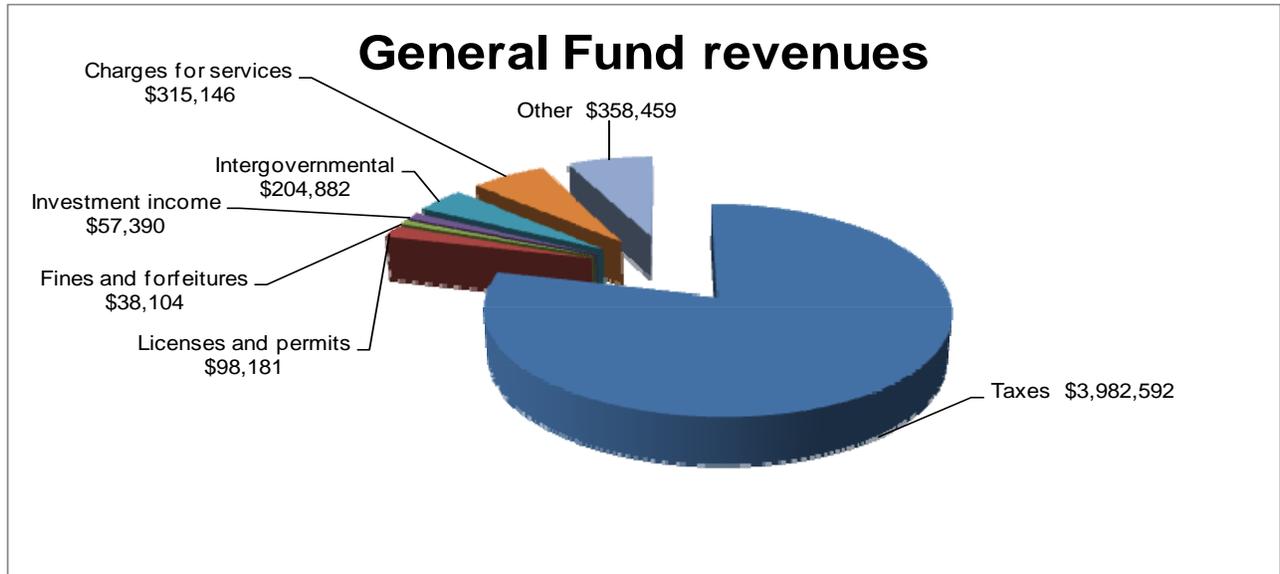
FINANCIAL ANALYSIS OF CITY'S MAJOR FUNDS

General Fund

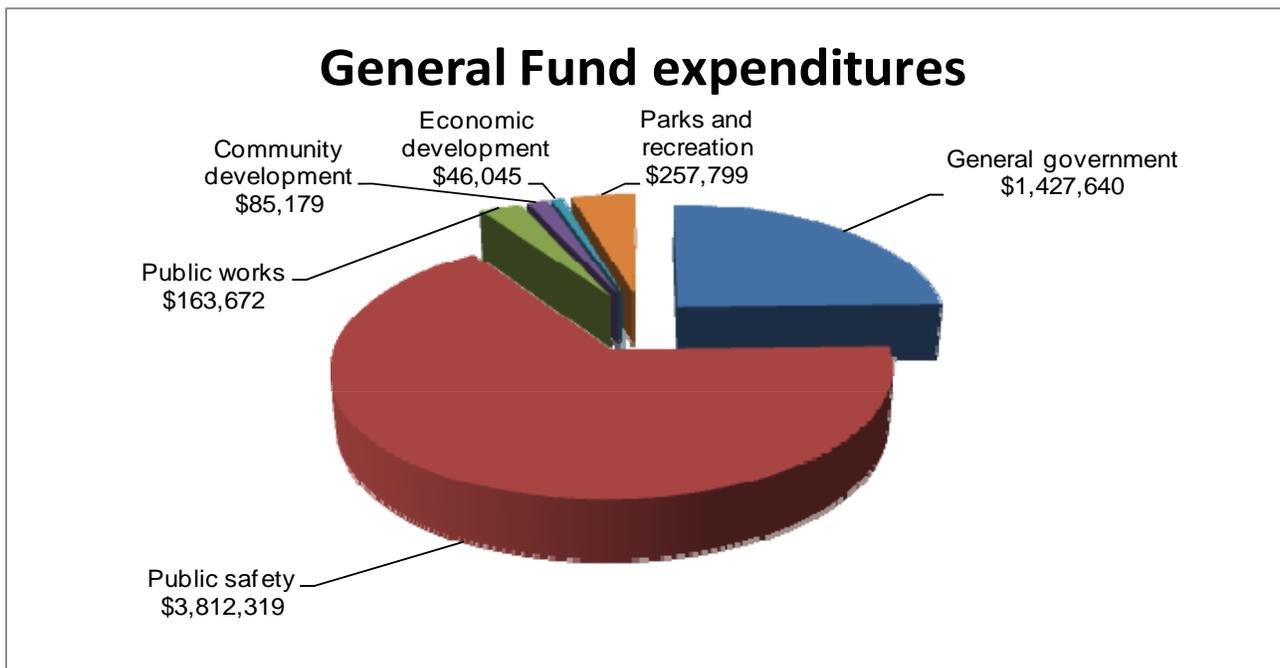
The General Fund accounts for all financial resources traditionally associated with government activities that are not required legally to be accounted for in another fund.

The General Fund ended the fiscal year with a fund balance of (\$84,319), which is an increase of \$33,137 as compared to the prior fiscal year. This increase is primarily due to the use of beginning balances, a reduction in revenue and a decrease in transfers in (due to the elimination of the Redevelopment Agency as of January 31, 2012).

General fund revenues for the year ended June 30, 2013:



General fund expenditures for the year ended June 30, 2013:



Other Major Funds

Successor Housing Special Revenue Fund

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

Enterprise Funds:

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

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business type activities as of June 30, 2013, amounts to \$118,952,216 (net of accumulated depreciation). Of that, \$40,357,634 is in governmental activities and \$78,594,582 is business-type capital assets. The City's capital assets include land, land improvements, buildings, improvements other than buildings, machinery and equipment, and construction in progress.

DEBT ADMINISTRATION

The City used a variety of tax increment, revenue, and lease indebtedness to finance various capital acquisitions. At June 30, 2013, the City's long-term debt outstanding was \$65,824,250. Of this total, \$1,400,976 was in governmental activities and \$64,423,274 was in business-type activities.

The following table provides a breakdown of the City's outstanding indebtedness as of June 30, 2013 and 2012:

	Governmental activities		Business-type activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenue bonds	\$ -	\$ -	\$ 55,645,000	\$ 56,285,000	\$ 55,645,000	\$ 56,285,000
Capital leases	265,274	345,882	-	-	265,274	345,882
State water loan payable	178,532	266,793	9,359	14,055	187,891	280,848
Notes/bond and loans	-	-	6,900,000	7,145,000	6,900,000	7,145,000
OPEB Obligation	800,228	773,847	-	-	800,228	773,847
Compensated absences	156,942	216,847	60,774	84,483	217,716	301,330
Premium on debt	-	-	1,808,141	1,861,627	1,808,141	1,861,627
Total debt	<u>\$ 1,400,976</u>	<u>\$ 1,603,369</u>	<u>\$ 64,423,274</u>	<u>\$ 65,390,165</u>	<u>\$ 65,824,250</u>	<u>\$ 66,993,534</u>

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

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

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

BUDGETING

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

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

General Fund Budgetary Highlights

The General Fund actual expenditures were lower than final budget appropriations, excluding transfers out, by \$121,758, while the actual revenues were higher than final budget estimated revenues, excluding transfers in, by \$954,951.

The General Fund budget to actual statements can be found later in the Required Supplementary Information of this report.

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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CITY OF FILLMORE
Statement of Net Position
June 30, 2013

	Governmental activities	Business-type activities	Total
Assets			
Cash and investments	\$ 7,003,867	\$ 6,105,123	\$ 13,108,990
Cash and investments with fiscal agent	-	4,015,555	4,015,555
Receivables, net:			
Intergovernmental	79,936	-	79,936
Accounts	336,145	2,051,588	2,387,733
Interest	3,456	1,181	4,637
Notes and loans	7,166,105	-	7,166,105
Other	-	80,205	80,205
Prepaid items	369,936	551	370,487
Due from Successor Agency	401,978	-	401,978
Deferred charges, net of amortization	-	3,478,580	3,478,580
Capital assets not being depreciated	11,436,938	3,186,153	14,623,091
Capital assets, net of accumulated depreciation	28,920,696	75,408,429	104,329,125
Total assets	55,719,057	94,327,365	150,046,422
Liabilities			
Accounts payable	2,296,417	617,094	2,913,511
Accrued interest payable	-	514,264	514,264
Due to Successor Agency	750,000	-	750,000
Unearned revenue	1,274,723	81,120	1,355,843
Deposits payable	190,647	203,133	393,780
Noncurrent liabilities			
Due within one year	248,889	1,002,493	1,251,382
Due in more than one year	1,152,087	63,420,781	64,572,868
Total liabilities	5,912,763	65,838,885	71,751,648
Net position			
Net investment in capital assets	39,913,828	15,210,264	55,124,092
Restricted for:			
Community development	7,246,008	-	7,246,008
Debt service	-	3,501,562	3,501,562
Parks and recreation	98,693	-	98,693
Public works	3,009,435	-	3,009,435
Public safety	126,255	-	126,255
Unrestricted	(587,925)	9,776,654	9,188,729
Total net position	\$ 49,806,294	\$ 28,488,480	\$ 78,294,774

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

CITY OF FILLMORE
Statement of Activities
For the year ended June 30, 2013

Functions/programs	Expenses	Program revenues		
		Charges for services	Operating contributions and grants	Capital contributions and grants
Governmental activities:				
General government	\$ 1,543,232	\$ 191,418	\$ -	\$ -
Public safety	3,925,636	100,348	175,000	54,955
Public works	1,349,809	625,443	4,580	1,123,591
Community development	209,804	392,368	368,830	61,340
Economic development	160,784	8,228	-	-
Transit	455,358	-	875,196	-
Parks and recreation	736,543	194,961	131,594	10,400
Interest and other charges	17,243	-	-	-
Total governmental activities	<u>8,398,409</u>	<u>1,512,766</u>	<u>1,555,200</u>	<u>1,250,286</u>
Business-type activities:				
Sewer	6,164,219	5,567,362	-	-
Water	1,753,574	3,454,605	-	-
Total business-type activities	<u>7,917,793</u>	<u>9,021,967</u>	<u>-</u>	<u>-</u>
Total government	<u>\$ 16,316,202</u>	<u>\$ 10,534,733</u>	<u>\$ 1,555,200</u>	<u>\$ 1,250,286</u>

General revenues:

Taxes:

- Property taxes
- Sales taxes
- Transient occupancy tax
- Franchise taxes
- Business licenses
- Other taxes
- Motor vehicle in lieu
- Other
- Investment income
- Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

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

Continued

Net (expense) revenue and changes in net position		
Governmental activities	Business-type activities	Total
\$ (1,351,814)	\$ -	\$ (1,351,814)
(3,595,333)	-	(3,595,333)
403,805	-	403,805
612,734	-	612,734
(152,556)	-	(152,556)
419,838	-	419,838
(399,588)	-	(399,588)
(17,243)	-	(17,243)
<u>(4,080,157)</u>	<u>-</u>	<u>(4,080,157)</u>
-	(596,857)	(596,857)
-	1,701,031	1,701,031
<u>-</u>	<u>1,104,174</u>	<u>1,104,174</u>
<u>(4,080,157)</u>	<u>1,104,174</u>	<u>(2,975,983)</u>
2,276,746	-	2,276,746
1,235,297	-	1,235,297
113,810	-	113,810
327,071	-	327,071
84,983	-	84,983
33,122	-	33,122
6,698	-	6,698
8,848	-	8,848
61,496	31,155	92,651
345,488	(345,488)	-
<u>4,493,559</u>	<u>(314,333)</u>	<u>4,179,226</u>
413,402	789,841	1,203,243
<u>49,392,892</u>	<u>27,698,639</u>	<u>77,091,531</u>
<u>\$ 49,806,294</u>	<u>\$ 28,488,480</u>	<u>\$ 78,294,774</u>

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FUND FINANCIAL STATEMENTS

CITY OF FILLMORE
Balance Sheet
Governmental Funds
June 30, 2013

	General	Special Revenue Fund Successor Housing	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 1,180,637	\$ -	\$ 5,823,230	\$ 7,003,867
Receivables:				
Intergovernmental	45,005	-	34,931	79,936
Accounts	158,776	-	177,369	336,145
Interest	2,217	-	1,239	3,456
Notes and loans	72,000	7,094,105	-	7,166,105
Due from other funds	279,244	-	-	279,244
Due from Successor Agency	401,978	-	-	401,978
Prepaid items	369,936	-	-	369,936
	<u>2,509,793</u>	<u>7,094,105</u>	<u>6,036,769</u>	<u>15,640,667</u>
Total assets	<u>\$ 2,509,793</u>	<u>\$ 7,094,105</u>	<u>\$ 6,036,769</u>	<u>\$ 15,640,667</u>
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ 410,491	\$ -	\$ 120,940	\$ 531,431
Accrued liabilities	1,733,264	-	31,722	1,764,986
Due to other funds	-	16,478	262,766	279,244
Due to Successor Agency	-	-	750,000	750,000
Unearned revenue	441,258	7,094,105	833,465	8,368,828
Deposits payable	9,099	-	181,548	190,647
	<u>2,594,112</u>	<u>7,110,583</u>	<u>2,180,441</u>	<u>11,885,136</u>
Total liabilities	<u>2,594,112</u>	<u>7,110,583</u>	<u>2,180,441</u>	<u>11,885,136</u>
Fund balance (deficit):				
Nonspendable:				
Prepaid items	369,936	-	-	369,936
Restricted for:				
Community development	-	-	151,903	151,903
Public safety	-	-	126,255	126,255
Public works	-	-	3,009,435	3,009,435
Parks and recreation	-	-	98,693	98,693
Assigned	-	-	1,255,503	1,255,503
Unassigned	(454,255)	(16,478)	(785,461)	(1,256,194)
	<u>(84,319)</u>	<u>(16,478)</u>	<u>3,856,328</u>	<u>3,755,531</u>
Total fund balance (deficit)	<u>(84,319)</u>	<u>(16,478)</u>	<u>3,856,328</u>	<u>3,755,531</u>
Total liabilities and fund balance	<u>\$ 2,509,793</u>	<u>\$ 7,094,105</u>	<u>\$ 6,036,769</u>	<u>\$ 15,640,667</u>

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

CITY OF FILLMORE
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Fund balances of governmental funds	\$	3,755,531
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included in the governmental fund activity:		
Capital assets		52,196,015
Accumulated depreciation		(11,838,381)
Long-term debt has not been included in the governmental fund activity:		
Loans payable		(178,532)
Capital leases payable		(265,274)
Compensated absences		(156,942)
OPEB Obligation		(800,228)
Certain accounts, interest, advances, and intergovernmental receivables are not available to pay for current period expenditures and, therefore, are offset by deferred revenue in the governmental funds.		7,094,105
Net position of governmental activities	\$	49,806,294

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 year ended June 30, 2013

	General	Special Revenue Fund Successor Housing	Nonmajor Governmental Funds	Total Governmental Funds
Revenues				
Taxes	\$ 3,982,592	\$ -	\$ 568,994	\$ 4,551,586
Licenses and permits	98,181	-	-	98,181
Fines and forfeitures	38,104	-	-	38,104
Investment income	57,390	16,500	18,959	92,849
Intergovernmental	204,882	-	1,344,710	1,549,592
Charges for services	315,146	-	1,421,965	1,737,111
Other	358,459	1,028	39,413	398,900
Total revenues	<u>5,054,754</u>	<u>17,528</u>	<u>3,394,041</u>	<u>8,466,323</u>
Expenditures				
Current:				
General government	1,427,640	-	-	1,427,640
Public safety	3,812,319	-	-	3,812,319
Public works	163,672	-	791,271	954,943
Community development	85,179	5,303	24,860	115,342
Economic development	46,045	-	-	46,045
Transit	-	-	457,424	457,424
Parks and recreation	257,799	-	351,273	609,072
Capital outlay	-	-	391,792	391,792
Debt service:				
Principal	-	-	169,966	169,966
Interest and fiscal charges	-	-	16,146	16,146
Total expenditures	<u>5,792,654</u>	<u>5,303</u>	<u>2,202,732</u>	<u>8,000,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(737,900)</u>	<u>12,225</u>	<u>1,191,309</u>	<u>465,634</u>
Other financing sources (uses)				
Transfers in	887,350	-	1,306,091	2,193,441
Transfers out	(116,313)	-	(1,731,640)	(1,847,953)
Total other financing sources (uses)	<u>771,037</u>	<u>-</u>	<u>(425,549)</u>	<u>345,488</u>
Net change in fund balances	33,137	12,225	765,760	811,122
Fund balances (deficit), beginning of year	<u>(117,456)</u>	<u>(28,703)</u>	<u>3,090,568</u>	<u>2,944,409</u>
Fund balances (deficit), end of year	<u>\$ (84,319)</u>	<u>\$ (16,478)</u>	<u>\$ 3,856,328</u>	<u>\$ 3,755,531</u>

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

CITY OF FILLMORE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the year ended June 30, 2013

Net change in fund balances - total governmental funds \$ 811,122

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

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

Capital outlay, net of disposals	388,132
Depreciation, net of disposals	(855,345)

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 position.	169,966
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	59,905
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OPEB obligation expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(26,381)
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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.	<u>(133,997)</u>
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Change in net position of governmental activities	<u><u>\$ 413,402</u></u>
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CITY OF FILLMORE
Statement of Net Position
Proprietary Funds
June 30, 2013

	Enterprise Funds		Total
	Sewer	Water	
Assets			
Current assets:			
Cash and investments	\$ 3,340,537	\$ 2,764,586	\$ 6,105,123
Cash and investments with fiscal agent	4,015,555	-	4,015,555
Receivables, net:			
Accounts	1,176,102	875,486	2,051,588
Interest	641	540	1,181
Other	80,205	-	80,205
Prepays	551	-	551
Total current assets	8,613,591	3,640,612	12,254,203
Noncurrent assets:			
Deferred issuance costs, net	2,830,224	648,356	3,478,580
Capital assets:			
Land and construction in progress	2,688,630	497,523	3,186,153
Buildings and improvements	3,280,504	313,488	3,593,992
Infrastructure	73,874,889	8,211,927	82,086,816
Machinery and equipment	-	1,436,574	1,436,574
Less - accumulated depreciation	(8,308,890)	(3,400,063)	(11,708,953)
Total non-current assets	74,365,357	7,707,805	82,073,162
Total assets	82,978,948	11,348,417	94,327,365

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

CITY OF FILLMORE
Statement of Net Position
Proprietary Funds
June 30, 2013

	Enterprise Funds		Total
	Sewer	Water	
Liabilities			
Current liabilities:			
Accounts payable	\$ 408,257	\$ 208,837	\$ 617,094
Accrued interest payable	461,293	52,971	514,264
Deposits payable	124,707	78,426	203,133
Unearned revenue	80,205	915	81,120
Current portion of long-term obligations	<u>732,202</u>	<u>270,291</u>	<u>1,002,493</u>
Total current liabilities	<u>1,806,664</u>	<u>611,440</u>	<u>2,418,104</u>
Noncurrent liabilities:			
Compensated absences	7,064	29,400	36,464
Bonds payable	54,975,000	6,650,000	61,625,000
Loan payable - State Water Board	4,662	-	4,662
Premium on bonds payable	<u>1,742,219</u>	<u>12,436</u>	<u>1,754,655</u>
Total non-current liabilities	<u>56,728,945</u>	<u>6,691,836</u>	<u>63,420,781</u>
Total liabilities	<u>58,535,609</u>	<u>7,303,276</u>	<u>65,838,885</u>
Net position			
Net investment in capital assets	14,813,252	397,012	15,210,264
Restricted for debt service	3,554,533	(52,971)	3,501,562
Unrestricted	<u>6,075,554</u>	<u>3,701,100</u>	<u>9,776,654</u>
Total net position	<u>\$ 24,443,339</u>	<u>\$ 4,045,141</u>	<u>\$ 28,488,480</u>

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

CITY OF FILLMORE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2013

	Enterprise Funds		Total
	Sewer	Water	
Operating revenues			
Sales and service charges	\$ 5,196,249	\$ 3,316,418	\$ 8,512,667
Other	371,113	138,187	509,300
Total operating revenues	5,567,362	3,454,605	9,021,967
Operating expenses			
Administration costs	295,055	177,648	472,703
Bad debt (recovery)	(37,758)	(10,137)	(47,895)
Pumping	-	598,380	598,380
Transmission and distribution	-	257,693	257,693
Customer accounts	-	229,046	229,046
Treatment and disposal plant	1,969,044	-	1,969,044
Depreciation	1,110,783	139,833	1,250,616
Total operating expenses	3,337,124	1,392,463	4,729,587
Operating income	2,230,238	2,062,142	4,292,380
Non-operating revenues (expenses)			
Investment income	10,434	20,721	31,155
Amortization	(83,242)	(34,124)	(117,366)
Interest expense	(2,741,628)	(326,987)	(3,068,615)
Bond trustee charges	(2,225)	-	(2,225)
Total non-operating revenues (expenses)	(2,816,661)	(340,390)	(3,157,051)
Income (loss) before transfers	(586,423)	1,721,752	1,135,329
Transfers in	395,028	85,000	480,028
Transfers out	(475,344)	(350,172)	(825,516)
Change in net position	(666,739)	1,456,580	789,841
Net position, beginning of year	25,110,078	2,588,561	27,698,639
Net position, end of year	\$ 24,443,339	\$ 4,045,141	\$ 28,488,480

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

CITY OF FILLMORE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2013

	Enterprise Funds		Total
	Sewer	Water	
Cash flows from operating activities			
Receipts from customers	\$ 5,544,328	\$ 3,383,293	\$ 8,927,621
Payments to employees	(185,267)	(512,234)	(697,501)
Payments to suppliers	(1,728,246)	(655,277)	(2,383,523)
Net cash provided by operating activities	<u>3,630,815</u>	<u>2,215,782</u>	<u>5,846,597</u>
Cash flows from noncapital financing activities			
Transfer to/from other funds	<u>(80,316)</u>	<u>(265,172)</u>	<u>(345,488)</u>
Net cash (used) by noncapital financing activities	<u>(80,316)</u>	<u>(265,172)</u>	<u>(345,488)</u>
Cash flows from capital and related financing activities			
Principal payments on long-term debt	(644,696)	(245,000)	(889,696)
Interest paid on long-term debt	<u>(2,801,983)</u>	<u>(328,211)</u>	<u>(3,130,194)</u>
Net cash (used) by capital and related financing activities	<u>(3,446,679)</u>	<u>(573,211)</u>	<u>(4,019,890)</u>
Cash flows from investing activities			
Interest on investments	<u>10,604</u>	<u>19,882</u>	<u>30,486</u>
Net cash provided by investing activities	<u>10,604</u>	<u>19,882</u>	<u>30,486</u>
Net increase in cash and cash equivalents	114,424	1,397,281	1,511,705
Cash and cash equivalents, beginning of year	<u>7,241,668</u>	<u>1,367,305</u>	<u>8,608,973</u>
Cash and cash equivalents, end of year	<u>\$ 7,356,092</u>	<u>\$ 2,764,586</u>	<u>\$ 10,120,678</u>

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

CITY OF FILLMORE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2013

	Enterprise Funds		Total
	Sewer	Water	
Non-cash activities			
Amortization of deferred charges	\$ 83,242	\$ 34,124	\$ 117,366
Increase (decrease) in allowance for doubtful accounts	\$ (97,320)	\$ (59,264)	\$ (156,584)
Reconciliation of cash and cash equivalents to amounts reported on the statement of net position			
Reported on the statement of net position:			
Cash and investments	\$ 3,340,537	\$ 2,764,586	\$ 6,105,123
Cash and investments with fiscal agent	4,015,555	-	4,015,555
Totals	<u>\$ 7,356,092</u>	<u>\$ 2,764,586</u>	<u>\$ 10,120,678</u>
Reconciliation of operating income to net cash provided by operations:			
Operating income	<u>\$ 2,230,238</u>	<u>\$ 2,062,142</u>	<u>\$ 4,292,380</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,110,783	139,833	1,250,616
Bad debt expense (recovery)	(97,320)	(59,264)	(156,584)
(Increase) decrease in assets:			
Receivables, net	327,088	(31,577)	295,511
Prepaid expenses	(551)	-	(551)
Increase (decrease) in liabilities:			
Accounts payable	368,816	101,286	470,102
Deposits payable	35,634	9,157	44,791
Unearned revenue	(326,194)	235	(325,959)
Compensated absences	(17,679)	(6,030)	(23,709)
Total adjustments	<u>1,400,577</u>	<u>153,640</u>	<u>1,554,217</u>
Net cash provided by operating activities	<u>\$ 3,630,815</u>	<u>\$ 2,215,782</u>	<u>\$ 5,846,597</u>

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

CITY OF FILLMORE
Statement of Fiduciary Net Position
June 30, 2013

	Private purpose trust fund	Agency fund
Assets		
Cash and investments	\$ 2,077,090	\$ 1,631,525
Cash and investments with fiscal agent	3,975,085	547,768
Receivables:		
Accounts	12,316	-
Interest	-	162
Taxes	-	11,394
Notes and loans	100,312	-
Due from City of Fillmore	750,000	-
Capital assets:		
Land	3,102,062	-
Depreciable infrastructure, net	48,544	-
Depreciable buildings and improvements, net	2,053,032	-
Depreciable equipment, net	11,895	-
Deferred charges, net	1,968,737	-
 Total assets	 14,099,073	 \$ 2,190,849
Liabilities		
Accounts payable	1,870	\$ 36,826
Interest payable	369,195	-
Accrued liabilities	3,052	-
Deposits payable	375	777,451
Unearned revenue	112,776	-
Due to bondholders	-	1,376,572
Due to City of Fillmore	401,978	-
Long-term liabilities:		
Due within one year	1,055,000	-
Due in more than one year	46,130,000	-
 Total liabilities	 48,074,246	 \$ 2,190,849
Net position		
Held in trust for the Successor Agency	\$ (33,975,173)	

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

CITY OF FILLMORE
Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2013

	Private purpose trust fund
Additions:	
Property taxes	\$ 3,597,381
Investment earnings	68,641
Total additions	3,666,022
Deductions:	
Administrative expenses	227,620
Interest and fiscal charges	2,579,848
Depreciation	71,994
Amortization	174,560
Intergovernmental	1,375,171
Total deductions	4,429,193
Change in net position	(763,171)
Net position, (deficit) beginning of year	(33,212,002)
Net position, (deficit) end of year	\$ (33,975,173)

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

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NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

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 unit:

Fillmore Public Financing Authority

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

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

Successor Agency to the Former - Fillmore Redevelopment Agency

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

As of February 1, 2012, the Redevelopment Agency ceased all operations in accordance with AB X1 26. All assets and activity of the former redevelopment agency (except for low and moderate income housing assets), as of February 1, 2012, were transferred to the Successor Agency to the Redevelopment Agency of the City of Fillmore (Successor Agency) (a private purpose trust fund). Since the Successor Agency is a private purpose trust fund, it cannot be considered a component unit of the City. The City of Fillmore elected to be the Housing Successor and chose to retain the housing assets and functions previously held and performed by the former redevelopment agency.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

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

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

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

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

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

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 1: Summary of significant accounting policies (continued)

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

The City reports the following major governmental funds:

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

Successor Housing Special Revenue Fund - This fund accounts for the City's low and moderate income housing activities. The fund was established as the Housing Successor for the former Agency's Low and Moderate Housing (Special Revenue) fund which was eliminated as of February 1, 2012.

The City also reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

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

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

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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 1: Summary of significant accounting policies (continued)

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

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

d. Assets, liabilities, and net position

Cash and cash equivalents

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

Cash and investments

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

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

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

Receivables and payables

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

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 1: Summary of significant accounting policies (continued)

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

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

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

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

Prepaid items

Payments made to vendors for services that will benefit periods beyond June 30, 2013 are recorded as prepaid items and are offset equally by a fund balance account which indicates that they do not constitute expendable available resources and therefore are not available for appropriation.

Cash and investments with fiscal agent

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 1: Summary of significant accounting policies (continued)

d. Assets, liabilities, and net position (continued)

Capital assets

Capital assets, which include property, plant, equipment, fine art, and infrastructure assets (e.g., roads, bridges, sidewalks, traffic lights and signals, street lights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of \$5,000 (\$50,000 for buildings and infrastructure) or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at 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, 2013.

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

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

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

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, 2013, the City has determined that there are no outstanding claims or judgments which would be material to the financial statements.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 1: Summary of significant accounting policies (continued)

d. Assets, liabilities, and net position (continued)

Compensated absences

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

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

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

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

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

Long-term obligations

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 Position. Initial-issue bond premiums and discounts 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, and deferred amounts on refunding is included in interest expense.

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 1: Summary of significant accounting policies (continued)

d. Assets, liabilities, and net position (continued)

Net position

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

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

Fund balances

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

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

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

When both restricted and unrestricted resources are available for use when an expenditure is incurred, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. It is the City's policy to consider committed amounts as being reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

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.

f. Implementation of new pronouncements

Beginning with the current fiscal year, the City implemented GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the government's net position.

Deferred outflows of resources are transactions that result in the consumption of net position in one period that are applicable to future periods and are not considered assets as described by the statement. Deferred outflows of resources are required to be presented separately after assets on the statement of net position.

Deferred inflows of resources are transactions that result in the acquisition of net position in one period that are applicable to future periods and are not considered to be liabilities as described by the statement. Deferred inflows of resources are required to be presented separately after liabilities on the statement of net position.

The statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

For the period covered by these financial statements the City has no transactions classified as deferred inflows or outflows of resources.

Note 2: Stewardship, compliance, and accountability

General budget policies

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

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

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

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

General budget policies (continued)

Encumbrances

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

Deficit fund balances/Net Position

The following funds have deficits of fund balances as of June 30, 2013:

	<u>Amount</u>
Major governmental fund:	
General Fund	\$ 84,319
Successor Housing Special Revenue Fund	16,478
Nonmajor governmental funds:	
Special revenue funds:	
Swimming Pool Maintenance	183,674
Recreation	64,199
DIF Water Improvement	537,588

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 3: Cash and investments

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

Statement of net position:		
Cash and investments	\$	13,108,990
Cash and investments with fiscal agent		4,015,555
Statement of fiduciary assets and liabilities:		
Cash and investments		3,708,615
Cash and investments with fiscal agent		<u>4,522,853</u>
Total cash and investments	\$	<u><u>25,356,013</u></u>
Cash and investments as of June 30, 2013 consist of the following:		
Cash on hand	\$	3,015
Deposits with financial institutions		12,139,566
Investments		<u>13,213,432</u>
Total cash and investments	\$	<u><u>25,356,013</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 Funds (U.S. Treasury)	2 years	None	10%
Ventura County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	100%	\$ 50,000,000

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 3: Cash and investments (continued)

Investments authorized by debt agreements

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

Authorized investment type	Maximum maturity	Maximum percentage of portfolio	Maximum investment in one issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Certificates of Deposit	None	None	None
Money Market Mutual Funds	N/A	None	10%
Investment Contracts	31 years	None	None
Local Agency Investment Fund	None	None	\$ 50,000,000

Disclosures relating to interest rate risk

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

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

Investment type	Totals	Remaining maturity			
		12 months or less	13 to 24 months	25 to 60 months	More than 60 months
State Investment Pool	\$ 4,675,022	\$ 4,675,022	\$ -	\$ -	\$ -
Held by bond trustee:					
Money Market Mutual Funds (US Treasury)	8,538,410	8,538,410	-	-	-
Total investments	\$ 13,213,432	\$ 13,213,432	\$ -	\$ -	\$ -

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).

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 3: Cash and investments (continued)

Disclosures relating to a credit risk

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

Investment type	Amount	Minimum legal rating	Ratings at fiscal year end	
			Aaa	Not rated
State Investment Pool	\$ 4,675,022	N/A	\$ -	\$ 4,675,022
Held by bond trustee:				
Money Market Mutual Funds (US Treasury)	<u>8,538,410</u>	N/A	<u>8,538,410</u>	<u>-</u>
Total investments	<u>\$ 13,213,432</u>		<u>\$ 8,538,410</u>	<u>\$ 4,675,022</u>

Concentration of credit risk

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

Custodial credit risk

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

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2013, \$10,019,517 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.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 3: Cash and investments (continued)

Investment in State Investment Pool

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

Note 4: Accounts Receivable

The following is a list of accounts receivable at June 30, 2013:

	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
Governmental activities:			
Intergovernmental	\$ 79,936	\$ -	\$ 79,936
Accounts	<u>336,145</u>	<u>-</u>	<u>336,145</u>
Total	<u>\$ 416,081</u>	<u>\$ -</u>	<u>\$ 416,081</u>
Business-type activities:			
Accounts	\$ 2,188,980	\$ (137,392)	\$ 2,051,588
Other	<u>80,205</u>	<u>-</u>	<u>80,205</u>
Total	<u>\$ 2,269,185</u>	<u>\$ (137,392)</u>	<u>\$ 2,131,793</u>
Fiduciary funds:			
Accounts	\$ 12,316	\$ -	\$ 12,316
Taxes	<u>11,394</u>	<u>-</u>	<u>11,394</u>
Total	<u>\$ 23,710</u>	<u>\$ -</u>	<u>\$ 23,710</u>

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 5: Notes and loans receivable

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

	Balance at June 30, 2013
a) The Former Redevelopment Agency entered into loan agreements with various residents within the redevelopment project area. The loans are either fully amortized or deferred until the corresponding property is sold. Interest rates are 5.0%. These loans are home rehabilitation loans. These loans were transferred to the City as of January 31, 2012 and are maintained in the City's Housing Successor Fund.	\$ 67,687
b) The Former Redevelopment Agency has a First Time Homebuyers program whereby qualified residents can receive assistance in purchasing a home within the City. The assistance is in the form of deferred loans of up to \$40,000. These loans are secured by a second trust deed and are due upon sale of the property. These loans were transferred to the City as of January 31, 2012 and are maintained in the City's Housing Successor Fund.	1,088,707
c) The Former Redevelopment Agency entered into 2 loan agreements with Ronald and Doris Stewart. The first loan is \$225,000 at 4% and is fully amortized over 20 years beginning January 1, 2011. The second loan is \$85,000 at 4% and is fully amortized over 20 years beginning January 1, 2004. These loans were transferred to the City as of January 31, 2012 and are maintained in the City's Housing Successor Fund.	210,090
e) The Former Redevelopment Agency has entered into a residual receipts agreement with Fillmore Parkview Seniors LP. The original amount of the note was \$4,666,593 and was used by the maker to build senior housing within the Agency project area. The note is to be repaid from 50% of the residual receipts of the housing project. The interest rate is 3% (simple) and the entire note is due and payable by September 1, 2055. The note is secured by the project and is subject to the term of the DDA between the Agency and the maker. Accrued interest included as of June 30, 2013 is \$139,998. These loans were transferred to the City as of January 31, 2012 and are maintained in the City's Housing Successor Fund.	5,727,621
f) The City has entered into a loan agreement with Ronald and Doris Stewart. The loan is \$90,000 at 4% and is fully amortized over 20 years beginning January 1, 2011. The note is secured by a Deed of Trust.	72,000
	\$ 7,166,105
Total notes and loans receivable (including accrued interest)	

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 6: Interfund activity

The following represents the interfund activity of the City for the fiscal year ended June 30, 2013:

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, 2013 were as follows:

<u>Transfers to</u>	<u>Transfers from</u>	<u>Amounts</u>
General Fund	Sewer Fund	\$ 475,344
	Water Fund	350,172
	Nonmajor Governmental Funds	61,834
Nonmajor Governmental Funds	General Fund	116,313
Water Fund	Nonmajor Governmental Funds	85,000
Sewer Fund	Nonmajor Governmental Funds	395,028
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>1,189,778</u>
	Total	<u>\$ 2,673,469</u>

b. Advances

Advances are long-term in nature and will be repaid when the funds become available. As of June 30, 2013, there were no outstanding advances between funds.

c. Due to/from other funds

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

<u>Receivable fund</u>	<u>Payable fund</u>	<u>Amounts</u>
General Fund	Nonmajor Governmental Funds	\$ 262,766
	Successor Housing Fund	<u>16,478</u>
	Total	<u>\$ 279,244</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 7: Capital assets

a. Governmental activities

Capital assets governmental activity for the fiscal year ended June 30, 2013 was as follows:

Governmental activities:	Beginning balance	Additions	Deletions	Re-Classification	Ending balance
Capital assets, not being depreciated:					
Land	\$ 10,865,924	\$ -	\$ -	\$ 182,882	\$ 11,048,806
Construction in progress	182,882	388,132	-	(182,882)	388,132
Total capital assets, not being depreciated	<u>11,048,806</u>	<u>388,132</u>	<u>-</u>	<u>-</u>	<u>11,436,938</u>
Capital assets, being depreciated:					
Buildings and improvements:					
Buildings	15,986,860	-	-	-	15,986,860
Land improvements	6,732,976	-	-	-	6,732,976
Machinery and equipment	1,696,214	-	-	-	1,696,214
Infrastructure:					
Roadways and bikepaths	16,289,027	-	-	-	16,289,027
Other street appurtenances	54,000	-	-	-	54,000
Total capital assets, being depreciated	<u>40,759,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,759,077</u>
Less accumulated depreciation for:					
Buildings and improvements:					
Buildings	(2,103,324)	(217,278)	-	-	(2,320,602)
Land improvements	(1,470,811)	(250,089)	-	-	(1,720,900)
Machinery and equipment	(2,535,142)	(131,792)	-	-	(2,666,934)
Infrastructure:					
Roadways and bikepaths	(4,819,759)	(256,186)	-	-	(5,075,945)
Other street appurtenances	(54,000)	-	-	-	(54,000)
Total accumulated depreciation	<u>(10,983,036)</u>	<u>(855,345)</u>	<u>-</u>	<u>-</u>	<u>(11,838,381)</u>
Total capital assets, being depreciated, net	<u>29,776,041</u>	<u>(855,345)</u>	<u>-</u>	<u>-</u>	<u>28,920,696</u>
Total governmental activities capital assets, net	<u>\$ 40,824,847</u>	<u>\$ (467,213)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,357,634</u>

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

Governmental activities:	
General government	\$ 118,380
Public safety	130,535
Public works	399,179
Community development	77,030
Parks and recreation	130,221
Total	<u>\$ 855,345</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 7: Capital assets (continued)

b. Business-type activities

Capital asset business-type activity for the fiscal year ended June 30, 2013 was as follows:

<i>Business-type activities:</i>	Beginning balance	Additions	Deletions	Ending balance
<i>Sewer activity</i>				
Capital assets, not being depreciated:				
Land	\$ 2,688,630	\$ -	\$ -	\$ 2,688,630
Total capital assets, not being depreciated	<u>2,688,630</u>	<u>-</u>	<u>-</u>	<u>2,688,630</u>
Capital assets, being depreciated:				
Buildings and improvements	3,280,504	-	-	3,280,504
Infrastructure	73,874,889	-	-	73,874,889
Less - accumulated depreciation	<u>(7,198,107)</u>	<u>(1,110,783)</u>	<u>-</u>	<u>(8,308,890)</u>
Total capital assets, being depreciated	<u>69,957,286</u>	<u>(1,110,783)</u>	<u>-</u>	<u>68,846,503</u>
Total sewer capital assets, net	<u>\$ 72,645,916</u>	<u>\$ (1,110,783)</u>	<u>\$ -</u>	<u>\$ 71,535,133</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 7: Capital assets (continued)

b. Business-type activities (continued)

	Beginning balance	Additions	Deletions	Ending balance
Water activity				
Capital assets, not being depreciated:				
Land	\$ 497,523	\$ -	\$ -	\$ 497,523
Total capital assets, not being depreciated	497,523	-	-	497,523
Capital assets, being depreciated:				
Buildings and improvements	313,488	-	-	313,488
Infrastructure	8,211,927	-	-	8,211,927
Machinery and equipment	1,436,574	-	-	1,436,574
Less - accumulated depreciation	(3,260,230)	(139,833)	-	(3,400,063)
Total capital assets, being depreciated	6,701,759	(139,833)	-	6,561,926
Total water capital assets, net	\$ 7,199,282	\$ (139,833)	\$ -	\$ 7,059,449
Total business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 3,186,153	\$ -	\$ -	\$ 3,186,153
Total capital assets, not being depreciated	3,186,153	-	-	3,186,153
Capital assets, being depreciated:				
Buildings and improvements	3,593,992	-	-	3,593,992
Infrastructure	82,086,816	-	-	82,086,816
Machinery and equipment	1,436,574	-	-	1,436,574
Less - accumulated depreciation	(10,458,337)	(1,250,616)	-	(11,708,953)
Total capital assets, being depreciated	76,659,045	(1,250,616)	-	75,408,429
Total business-type activities capital assets, net	\$ 79,845,198	\$ (1,250,616)	\$ -	\$ 78,594,582

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

Business-type activities:	
Sewer	\$ 1,110,783
Water	139,833
	<hr/>
Total	\$ 1,250,616
	<hr/> <hr/>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 8: Long-term liabilities

The following is a summary of changes in the City's long-term liabilities for the fiscal year ended June 30, 2013:

	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Governmental activities:					
Capital leases payable	\$ 345,882	\$ -	\$ (80,608)	\$ 265,274	\$ 96,864
State water loan payable	266,793	-	(88,261)	178,532	89,248
OPEB obligation	773,847	26,381	-	800,228	-
Compensated absences	216,847	106,995	(166,900)	156,942	62,777
	<u>1,603,369</u>	<u>133,376</u>	<u>(335,769)</u>	<u>1,400,976</u>	<u>248,889</u>
Governmental activity long-term liabilities	<u>\$ 1,603,369</u>	<u>\$ 133,376</u>	<u>\$ (335,769)</u>	<u>\$ 1,400,976</u>	<u>\$ 248,889</u>
Business-type activities:					
<i>Water</i>					
Compensated absences	\$ 55,030	\$ 33,390	\$ (39,420)	\$ 49,000	\$ 19,600
Bonds	7,145,000	-	(245,000)	6,900,000	250,000
Premium on bonds	13,818	-	(691)	13,127	691
	<u>7,213,848</u>	<u>33,390</u>	<u>(285,111)</u>	<u>6,962,127</u>	<u>270,291</u>
Sub-total water	<u>7,213,848</u>	<u>33,390</u>	<u>(285,111)</u>	<u>6,962,127</u>	<u>270,291</u>
<i>Sewer</i>					
Compensated absences	29,453	8,013	(25,692)	11,774	4,710
State water loan payable	14,055	-	(4,696)	9,359	4,697
Revenue bonds	56,285,000	-	(640,000)	55,645,000	670,000
Premium on bonds	1,847,809	-	(52,795)	1,795,014	52,795
	<u>58,176,317</u>	<u>8,013</u>	<u>(723,183)</u>	<u>57,461,147</u>	<u>732,202</u>
Sub-total sewer	<u>58,176,317</u>	<u>8,013</u>	<u>(723,183)</u>	<u>57,461,147</u>	<u>732,202</u>
Business-type activities long-term liabilities	<u>\$ 65,390,165</u>	<u>\$ 41,403</u>	<u>\$ (1,008,294)</u>	<u>\$ 64,423,274</u>	<u>\$ 1,002,493</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 8: Long-term liabilities (continued)

a. Capital lease obligations

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

The balance of the capital lease at June 30, 2013 is \$265,274. Minimum annual payments are \$96,864 for the lease, which includes interest between 4% and 5%.

b. Loan payable – State Water Resources Control Board

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

In fiscal year 1995-96, this loan was restructured into a zero interest State Revolving Fund Loan. In order to accomplish this, the City paid \$99,106 accrued interest through October 31, 1995 and the State match share of \$312,904. The balance of governmental activities long-term debt is \$178,532 as of June 30, 2013. An additional amount of \$9,359 is recorded in the Sewer Enterprise Fund, for a total outstanding balance of \$187,891.

Minimum annual payments on the loan amount to \$88,261 and \$4,696 for the governmental activities long-term debt and Sewer Enterprise long-term debt, respectively.

c. Fillmore Public Financing Authority revenue bonds

Series 2007 Revenue Bonds

On June 7, 2007, the Fillmore Public Financing Authority issued \$57,490,000 of Series 2007 Revenue Bonds. The proceeds were to be loaned to the City's wastewater enterprise utility to assist in the construction of a new wastewater treatment facility. The bonds are secured by an installment agreement between the Authority and the City and through which the new revenues of the wastewater system are pledged. Proceeds from the issue have also been used to fund a reserve account, fund capitalized interest on the bonds through May 1, 2009, and pay costs of issuance. With the City's election to remove the PFA from the annual financial report during the year ended June 30, 2011, the outstanding bonds are only reported as long-term debt of business-type activities. Interest on the bonds consists of serial and term bonds and are payable semi-annually each May 1 and November 1. The first 2 years of interest will be paid through the bond proceeds. The principal will be paid annually on May 1 beginning in 2011 and ending in the year 2047. Interest rates vary between 4% and 5%. The outstanding principal balance of the bonds as of June 30, 2013 was \$55,645,000.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 8: Long-term liabilities (continued)

d. 2010 Water System Refunding Bonds

On November 30, 2010, the Fillmore Public Financing Authority issued \$7,480,000 in Water System Refunding Bonds.

The proceeds were to be loaned to the City's water enterprise utility for the purpose of refinancing improvements to the water system. The issuance of these bonds defeased \$7,200,000 of outstanding 2002 Certificates of Participation. The water system will be sold by the Fillmore Public Financing Authority to the City of Fillmore pursuant to an Installment Sale Agreement.

The City and the Authority have entered into an Installment Sales Agreement to make payments solely from the net revenues of the water system. The installment payments are scheduled to be made in amounts sufficient to pay, when due, the annual principal and interest with respect to the certificates.

As a result of the refunding, the City reduced its total debt service requirements by \$951,313, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$397,962.

e. Governmental long-term debt amortization

The schedules of annual requirements to amortize all governmental long-term debt outstanding as of June 30, 2013 including interest are as follows:

Fiscal year ending June 30,	Capital lease payable 2006 Pierce	Fiscal year ending June 30,	Loan payable - State Water Resource Control Board Principal
2014	\$ 96,864	2014	\$ 89,248
2015	96,864	2015	89,284
2016	96,864		
Totals	290,592	Totals	\$ 178,532
Less amount representing interest	(25,318)		
Present value of minimum payments	\$ 265,274	Equipment	\$ 633,717
		Less: accumulated depreciation	10,562
		Total	\$ 623,155

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 8: Long-term liabilities (continued)

f. Business-type long-term debt amortization

The schedules of annual requirements to amortize business-type long-term debt outstanding as of June 30, 2013, including interest are as follows:

Fiscal year ending June 30,	Loan payable - State Water Resource Control Board Principal
2014	\$ 4,697
2015	4,662
Totals	\$ 9,359

Fiscal year ending June 30,	2007 Revenue Bonds		
	Principal	Interest	Total
2014	\$ 670,000	\$ 2,767,756	\$ 3,437,756
2015	700,000	2,740,956	3,440,956
2016	735,000	2,705,956	3,440,956
2017	770,000	2,669,206	3,439,206
2018	810,000	2,630,706	3,440,706
2019-2023	4,590,000	12,606,850	17,196,850
2024-2028	5,825,000	11,369,413	17,194,413
2029-2033	7,510,000	9,683,263	17,193,263
2034-2038	9,595,000	7,596,000	17,191,000
2039-2043	12,245,000	4,945,500	17,190,500
2044-2047	12,195,000	1,561,500	13,756,500
Totals	\$ 55,645,000	\$ 61,277,106	\$ 116,922,106

Fiscal year ending June 30,	2010 Water Revenue Refunding Bonds Series 2010		
	Principal	Interest	Total
2014	\$ 250,000	\$ 317,825	\$ 567,825
2015	260,000	310,325	570,325
2016	265,000	303,175	568,175
2017	275,000	295,888	570,888
2018	285,000	287,088	572,088
2019-2023	1,585,000	1,261,350	2,846,350
2024-2028	1,985,000	860,275	2,845,275
2029-2032	1,995,000	280,450	2,275,450
Totals	\$ 6,900,000	\$ 3,916,376	\$ 10,816,376

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 8: Long-term liabilities (continued)

g. Defeased debt

As of June 30, 2013, all debt defeased has been paid in full. There are no outstanding debt balances.

Note 9: Defined benefit pension plan

Plan description

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

Funding policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. For the fiscal year ended June 30, 2013, the amount contributed by the City on behalf of the employees was \$61,899. 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, 2013 was 43.120% for safety employees and 16.339% 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, 2013, 2012, and 2011 were \$124,624, \$120,199, and \$119,829, respectively for safety employees; and \$194,841, \$217,504, and \$297,009, respectively for miscellaneous employees, and equal 100% of the required contribution for each fiscal year.

Note 10: Other post employment benefits

Plan description

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 10: Other post employment benefits (continued)

Funding policy

The contribution requirements of the City are established and may be amended by the City Council. The required contribution is based on pay-as-you-go financing requirements. For fiscal year 2012-13, the City contributed \$6,997 to the plan.

Annual OPEB cost and net OPEB obligation

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

	June 30, 2013
Annual required contribution	\$ 35,120
Interest on net OPEB obligation	30,954
Adjustment to annual required contribution	(32,696)
Annual OPEB cost (expense)	33,378
Contributions made	6,997
Increase in net OPEB obligation	26,381
Net OPEB obligation – beginning of year	773,847
Net OPEB obligation – end of year	\$ 800,228

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the two preceding years were as follows:

Fiscal year ended	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB obligation
June 30, 2011	\$ 214,410	4.06%	\$ 545,943
June 30, 2012	233,874	8.66%	773,847
June 30, 2013	33,378	20.96%	800,228

Funded status and progress

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 10: Other post employment benefits (continued)

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

Actuarial methods and assumptions

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

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

Note 11: Risk management

Description of self-insurance pool pursuant to joint powers agreement

The City of Fillmore is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its 2 members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

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

Additional information regarding the cost allocation methodology is provided below.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 11: Risk management (continued)

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2011-12 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies. The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence. Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

Workers' compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Pollution legal liability

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 11: Risk management (continued)

Property

The City of Fillmore participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Fillmore property is currently insured according to a schedule of covered property submitted by the City of Fillmore to the Authority. City of Fillmore property currently has all-risk property insurance protection in the amount of \$43,886,729. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime

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

Adequacy of protection

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

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

Note 12: Deferred compensation plan and trust

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

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 13: Contingencies and commitments

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

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

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

Note 14: Special assessment district debt with no City commitment

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as debt of the City. The outstanding balance of each of these issues as of June 30, 2013 is as follows:

Description	Issue year	Fiscal year	
		Maturity year	June 30, 2012
North Fillmore Industrial Park CFD # 1	2006	2028	\$ 2,020,000
Baldwin Towne Plaza Improvements CFD # 2	2005	2021	520,000
River Oaks CFD # 3	2006	2036	<u>2,680,000</u>
Total special assessment district debt			<u>\$ 5,220,000</u>

Note 15: Bonded Debt Rating

The rating for the City's outstanding Series 2007 Revenue Bonds was reviewed by Standard & Poor's Financial Services, LLC and Moody's Investors Service, Inc. On March 30, 2012, Standard and Poor's downgraded the bonds from A with a stable outlook to A- with a negative outlook. On August 12, 2012, Moody's downgraded the bonds from A2 with a stable outlook to A3 with a negative outlook. In 2013, the City has begun to see improvements in its customer base and expects these improvements to continue into the future, which is expected to improve its financial condition and in turn allow the City to satisfy its bond coverage ratios.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 16: Successor Agency – Private Purpose Trust Fund

Legislation dissolving California redevelopment agencies

In accordance with the provisions of the State of California AB X1 26 (Bill) and the California Supreme Court's decision to uphold the Bill, the assets and liabilities of the former redevelopment agency are being reported in a Fiduciary Private Purpose Trust Fund.

The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. On January 9, 2012 the City Council met and created a Successor Agency in accordance with the Bill as part of the City's resolution number 3408. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

The obligations of the former redevelopment agency became vested with funds established for the successor agency upon the date of dissolution, February 1, 2012. Former tax increment revenues pledged to fund the debts of the former redevelopment agency will be distributed to the Successor Agency subject to the reapportionment of such revenues as provided by the Bill.

In future fiscal years, successor agencies will only be allocated tax revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 16: Successor Agency – Private Purpose Trust Fund (continued)

Successor Agency capital assets

Capital assets activity of the Successor Agency for the fiscal year ended June 30, 2013 was as follows:

Successor Agency:	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 3,102,062	\$ -	\$ -	\$ 3,102,062
Total capital assets, not being depreciated	<u>3,102,062</u>	<u>-</u>	<u>-</u>	<u>3,102,062</u>
Capital assets, being depreciated:				
Buildings and improvements:				
Buildings	3,227,564	-	-	3,227,564
Machinery and equipment	90,716	-	-	90,716
Infrastructure:				
Roadways and bikepaths	<u>52,773</u>	<u>-</u>	<u>-</u>	<u>52,773</u>
Total capital assets, being depreciated	<u>3,371,053</u>	<u>-</u>	<u>-</u>	<u>3,371,053</u>
Less accumulated depreciation for:				
Buildings and improvements:				
Buildings	(1,109,422)	(65,110)	-	(1,174,532)
Machinery and equipment	(72,749)	(6,072)	-	(78,821)
Infrastructure:				
Roadways and bikepaths	<u>(3,417)</u>	<u>(812)</u>	<u>-</u>	<u>(4,229)</u>
Total accumulated depreciation	<u>(1,185,588)</u>	<u>(71,994)</u>	<u>-</u>	<u>(1,257,582)</u>
Total capital assets, being depreciated, net	<u>2,185,465</u>	<u>(71,994)</u>	<u>-</u>	<u>2,113,471</u>
Total Successor Agency capital assets, net	<u>\$ 5,287,527</u>	<u>\$ (71,994)</u>	<u>\$ -</u>	<u>\$ 5,215,533</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 16: Successor Agency – Private Purpose Trust Fund (continued)

Successor Agency long-term debt

The following is a summary of changes in the Successor Agency's long-term liabilities for the fiscal year ended June 30, 2013:

Successor Agency:	Beginning balance	Additions	Deletions	Ending balance	Due within one year
Revenue bonds	\$ 11,070,000	\$ -	\$ (360,000)	\$ 10,710,000	\$ 375,000
Bonds/notes	37,920,000	-	(1,445,000)	36,475,000	680,000
Total long-term liabilities	<u>\$ 48,990,000</u>	<u>\$ -</u>	<u>\$ (1,805,000)</u>	<u>\$ 47,185,000</u>	<u>\$ 1,055,000</u>

2005 Revenue Bonds Series A

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

2006 Series A Tax Allocation Bonds

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

2006 Tax Allocation Bond Anticipation Notes

As of February 1, 2012, the bonds were transferred to the Successor Agency to the Fillmore Redevelopment Agency due to AB X1 26, which dissolved redevelopment agencies in the State of California as of February 1, 2012. The Successor Agency, a separate legal entity, is responsible for the repayment of the principal and interest of the outstanding bonds. Additions to the Successor Agency, in the form of property taxes, have been pledged for the repayment of enforceable obligations (which include the bonds). Since the Redevelopment Agency no longer exists, the bonds have been removed from the City's government-wide financial statements. As of June 30, 2013, the obligation has been repaid in full.

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 16: Successor Agency – Private Purpose Trust Fund (continued)

Successor Agency long-term debt (continued)

The schedules of annual requirements to amortize the Successor Agency's long-term debt outstanding as of June 30, 2013, including interest are as follows:

Fiscal year ending June 30,	2005 Revenue Bonds Series A		
	Principal	Interest	Total
2014	\$ 375,000	\$ 572,288	\$ 947,288
2015	395,000	554,663	949,663
2016	410,000	535,703	945,703
2017	430,000	515,613	945,613
2018	455,000	494,113	949,113
2019-2023	2,645,000	2,085,115	4,730,115
2024-2028	3,445,000	1,291,125	4,736,125
2029-2031	2,555,000	280,275	2,835,275
Totals	<u>\$ 10,710,000</u>	<u>\$ 6,328,895</u>	<u>\$ 17,038,895</u>

Fiscal year ending June 30,	2006 Series A Tax Allocation Bonds		
	Principal	Interest	Total
2014	\$ 680,000	\$ 1,929,025	\$ 2,609,025
2015	800,000	1,895,025	2,695,025
2016	935,000	1,855,025	2,790,025
2017	1,080,000	1,808,275	2,888,275
2018	1,200,000	1,754,275	2,954,275
2019-2023	8,185,000	7,709,486	15,894,486
2024-2028	12,885,000	5,075,344	17,960,344
2029-2031	10,710,000	1,181,156	11,891,156
Totals	<u>\$ 36,475,000</u>	<u>\$ 23,207,611</u>	<u>\$ 59,682,611</u>

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 17: Risks and uncertainties

Grants

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

Successor Agency

Deductions (expenses) incurred by the Successor Agency for the year ended June 30, 2013 (and subsequent years in which the Successor Agency is in operation) are subject to review by various State agencies and the County in which the Successor Agency resides. If any expenses incurred by the Successor Agency are disallowed by the State agencies or County, the City, acting as the Successor Agency could be liable for the repayment of the disallowed costs from either its own funds or by the State withholding remittances normally paid to the City. The amount, if any, of expenses that may be disallowed by the State agencies or County cannot be determined at this time, although the Successor Agency expects such amounts, if any, to be immaterial.

Note 18: Deterioration of financial condition

Current trends

In regards to the financial stress experienced in the prior years, the City has began to see improvement in revenue streams, as reflected in the 29% increase in general fund revenues, as well as, the 74% improvement in general fund operating income. However, the City continues to maintain a deficit ending General fund balance, carried over from the prior year. Management anticipates a positive fund balance beginning in 2014. Even though, the City's Sewer fund continued to maintain a net loss in the current year, the proprietary funds have seen improvement in revenues of 55% and 72% for Water and Sewer funds respectively.

Other indicators

With respect to the downgrading of the Sewer Fund's bond rating in the prior year, a violation of the 2007 Sewer Revenue Bonds debt covenant, the City was able to satisfy its rate coverage percentage in the current year, in accordance with its bond covenants. Additionally, the City has also begun to see improving property values and the State is no longer withholding sales tax revenue from the City.

Management's response

In the prior years, Fillmore was affected by litigation regarding sales tax-sharing agreements which resulted in the Board of Equalization escrowing sales taxes payable to the City. On January 28, 2013, the parties in the largest sales tax case entered into a Stipulated Judgment which, upon finalizing a settlement agreement, resulted in the BOE releasing the escrowed sales taxes to the parties involved, including the City of Fillmore, which also allowed the payment of quarterly sales tax payments to Fillmore to resume. In the current year, management of the City has begun to see improvement in the financial condition of the City as a result of the settled case brought to the Board of Equalization for sales taxes owed to the City. The receipt of future sales taxes is expected to continue to improve the City's financial position.

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

CITY OF FILLMORE
Notes to the Basic Financial Statements
June 30, 2013

Note 18: Deterioration of financial condition (continued)

Management's response (continued)

The downgrading of the 2007 Sewer Bonds, in the prior year, did not affect the bond payments as the interest rates are fixed. Nevertheless, the City is looking at ways to cut operating costs at the wastewater treatment plant. The City implemented a 3% increase in rate effective January 1, 2014 which will increase the likelihood that bond coverage requirements will be met in the future. While the City's Sewer fund continues to maintain a deficit net position on accrual basis, in the current year the fund did experience positive cash flow.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF FILLMORE
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the fiscal year ended June 30, 2013

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
Revenues				
Taxes	\$ 3,205,773	\$ 3,016,751	\$ 3,982,592	\$ 965,841
Licenses and permits	122,000	114,000	98,181	(15,819)
Fines and forfeitures	56,545	60,445	38,104	(22,341)
Investment income	20,360	24,160	57,390	33,230
Intergovernmental	267,000	198,228	204,882	6,654
Charges for services	346,269	363,947	315,146	(48,801)
Other	574,770	322,272	358,459	36,187
Total revenues	<u>4,592,717</u>	<u>4,099,803</u>	<u>5,054,754</u>	<u>954,951</u>
Expenditures				
Current:				
General government:				
City council	15,262	15,262	9,877	5,385
City clerk	64,192	64,192	39,402	24,790
City attorney	280,000	420,875	471,177	(50,302)
City manager	136,426	157,826	116,863	40,963
Central support	550,850	308,721	296,143	12,578
Risk management	426,206	458,714	396,603	62,111
Facilities management	88,431	106,003	97,575	8,428
Total general government	<u>1,561,367</u>	<u>1,531,593</u>	<u>1,427,640</u>	<u>103,953</u>
Public safety:				
Sheriff	2,914,749	2,914,750	2,894,308	20,442
Fire	776,148	776,149	784,676	(8,527)
Animal regulation	64,000	64,000	57,374	6,626
Building and safety	80,450	80,450	75,961	4,489
Total public safety	<u>3,835,347</u>	<u>3,835,349</u>	<u>3,812,319</u>	<u>23,030</u>
Parks and recreation				
Total parks and recreation	<u>229,006</u>	<u>263,066</u>	<u>257,799</u>	<u>5,267</u>
Public works:				
Central garage	118,650	118,650	124,984	(6,334)
City engineering	17,500	17,500	38,688	(21,188)
Total public works	<u>136,150</u>	<u>136,150</u>	<u>163,672</u>	<u>(27,522)</u>
Community development:				
Community promotion	7,248	7,248	9,113	(1,865)
Planning	96,253	96,253	76,066	20,187
Total community development	<u>103,501</u>	<u>103,501</u>	<u>85,179</u>	<u>18,322</u>
Economic development:				
Total economic development	<u>30,750</u>	<u>44,750</u>	<u>46,045</u>	<u>(1,295)</u>
Total expenditures	<u>5,896,121</u>	<u>5,914,409</u>	<u>5,792,654</u>	<u>121,755</u>
Excess (deficiency) of revenues over (under) expenditures				
	<u>(1,303,404)</u>	<u>(1,814,606)</u>	<u>(737,900)</u>	<u>1,076,706</u>
Other financing sources (uses)				
Transfers in	1,400,270	1,400,270	887,350	(512,920)
Transfers out	(96,864)	(609,788)	(116,313)	493,475
Total other financing sources (uses)	<u>1,303,406</u>	<u>790,482</u>	<u>771,037</u>	<u>(19,445)</u>
Net change in fund balance	<u>2</u>	<u>(1,024,124)</u>	<u>33,137</u>	<u>1,057,261</u>
Fund balance (deficit), beginning of year	<u>(117,456)</u>	<u>(117,456)</u>	<u>(117,456)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (117,454)</u>	<u>\$ (1,141,580)</u>	<u>\$ (84,319)</u>	<u>\$ 1,057,261</u>

CITY OF FILLMORE
Required Supplementary Information
Budgetary Comparison Schedule - Major Fund
Successor Housing Special Revenue Fund
For the fiscal year ended June 30, 2013

	Budgeted amounts		Actual	Variance with final budget
	Original	Final		
Revenues				
Investment income	\$ 8,552	\$ 8,552	\$ 16,500	\$ 7,948
Other	6,000	6,000	1,028	(4,972)
Total revenues	<u>14,552</u>	<u>14,552</u>	<u>17,528</u>	<u>2,976</u>
Expenditures				
Current:				
Community development	12,208	12,208	5,303	6,905
Total expenditures	<u>12,208</u>	<u>12,208</u>	<u>5,303</u>	<u>6,905</u>
Net change in fund balance	2,344	2,344	12,225	9,881
Fund balance (deficit), beginning of year	<u>(28,703)</u>	<u>(28,703)</u>	<u>(28,703)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (26,359)</u>	<u>\$ (26,359)</u>	<u>\$ (16,478)</u>	<u>\$ 9,881</u>

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

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded ratio (a/b)	Covered payroll (c)	UAAL as a percentage of covered payroll [(b-a)/c]
07/01/2008	\$ -	\$ 1,699,465	\$ 1,699,465	0.00%	\$ 2,477,896	68.59%
07/01/2010	-	1,846,479	1,846,479	0.00%	2,881,979	64.07%
07/01/2012	-	474,893	474,893	0.00%	1,154,854	41.12%

CITY OF FILLMORE
Notes to Required Supplementary Information
For the fiscal year ended June 30, 2013

Note 1: Budgets and budgetary data

General Budget Policies

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

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

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

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COMBINING NONMAJOR FUNDS

CITY OF FILLMORE
Nonmajor Governmental Funds
Fund Descriptions

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

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

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

Public Education and Government Fund - to account for the PEG fee portion of the cable television taxes received from Time Warner Cable – based on TWC revenue. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund.

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

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

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

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

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

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

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

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

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

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

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

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

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

CITY OF FILLMORE
Nonmajor Governmental Funds
Fund Descriptions

Special Revenues Funds, Continued

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.

Levees Fund - to account for reserve funds for the storm drain district's levee. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund.

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

Sespe Creek Bike Path Fund - to account for grant funds used in the extension of the paved Sespe Creek Bikepath, as well as, landscaping and construction of a wood fence. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund.

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

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

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

Corporate Yard/Fire Station Project Fund - to account for the purchase of land and construction of the new City public yard and fire station. bond proceeds are funding the construction. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund

Well #9 Fund - to account for the development including drilling of domestic water well #9. The City does not present a Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual for this fund

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

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

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

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

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

Sidewalk Repair Fund - to account for repair of sidewalks.

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	DEBT SERVICE FUND		SPECIAL REVENUE FUNDS	
	Public Financing Authority	Public Education & Government	Gas Tax	
Assets				
Cash and investments	\$ -	\$ 19,449	\$ 191,280	
Receivables:				
Intergovernmental	-	-	33,706	
Accounts	-	3,454	1,052	
Interest	-	-	112	
	<u>-</u>	<u>-</u>	<u>112</u>	
Total assets	<u>\$ -</u>	<u>\$ 22,903</u>	<u>\$ 226,150</u>	
Liabilities and fund balance				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 38,611	
Accrued liabilities	-	-	5,470	
Due to other funds	-	-	-	
Due to other governments	-	-	-	
Unearned revenue	-	-	-	
Deposits payable	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	
Total liabilities	<u>-</u>	<u>-</u>	<u>44,081</u>	
Fund balance:				
Fund balance (deficit):				
Restricted for:				
Community development	-	-	-	
Public safety	-	-	-	
Public works	-	22,903	182,069	
Parks and recreation	-	-	-	
Assigned	-	-	-	
Unassigned	-	-	-	
	<u>-</u>	<u>-</u>	<u>-</u>	
Total fund balance (deficit)	<u>-</u>	<u>22,903</u>	<u>182,069</u>	
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 22,903</u>	<u>\$ 226,150</u>	

SPECIAL REVENUE FUNDS

Local Transportation	Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit
\$ 97,135	581,148	465,960	\$ 5,528	\$ -
-	-	-	-	-
-	2,784	890	-	-
54	271	329	-	-
<u>\$ 97,189</u>	<u>\$ 584,203</u>	<u>\$ 467,179</u>	<u>\$ 5,528</u>	<u>\$ -</u>
\$ -	\$ 34,748	\$ 1,357	1,833	\$ -
-	-	2,692	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	130,248	-	-
-	34,748	134,297	1,833	-
-	-	-	3,695	-
-	-	-	-	-
97,189	549,455	332,882	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>97,189</u>	<u>549,455</u>	<u>332,882</u>	<u>3,695</u>	<u>-</u>
<u>\$ 97,189</u>	<u>\$ 584,203</u>	<u>\$ 467,179</u>	<u>\$ 5,528</u>	<u>\$ -</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	SPECIAL REVENUE FUNDS		
	Bike Path Maintenance	Solid Waste Source Reduction	Swimming Pool Maintenance
Assets			
Cash and investments	\$ 14,687	\$ 78,467	\$ -
Receivables:			
Intergovernmental	-	-	1,225
Accounts	-	35,613	32,044
Interest	9	44	-
	<u>14,696</u>	<u>114,124</u>	<u>33,269</u>
Total assets	<u>\$ 14,696</u>	<u>\$ 114,124</u>	<u>\$ 33,269</u>
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ 205	\$ -	\$ 7,807
Accrued liabilities	-	2,360	7,251
Due to other funds	-	-	169,741
Due to other governments	-	-	-
Unearned revenue	-	-	32,044
Deposits payable	-	-	100
	<u>205</u>	<u>2,360</u>	<u>216,943</u>
Total liabilities	<u>205</u>	<u>2,360</u>	<u>216,943</u>
Fund balance:			
Fund balance (deficit):			
Restricted for:			
Community development	-	-	-
Public safety	14,491	111,764	-
Public works	-	-	-
Parks and recreation	-	-	-
Assigned	-	-	-
Unassigned	-	-	(183,674)
	<u>14,491</u>	<u>111,764</u>	<u>(183,674)</u>
Total fund balance (deficit)	<u>14,491</u>	<u>111,764</u>	<u>(183,674)</u>
Total liabilities and fund balance	<u>\$ 14,696</u>	<u>\$ 114,124</u>	<u>\$ 33,269</u>

SPECIAL REVENUE FUNDS

Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland	DIF Sewer Improvement
\$ -	\$ 148,180	\$ 145,199	\$ 150,256	\$ 992,846
-	-	-	-	-
43,154	-	766	-	-
-	28	28	34	189
<u>\$ 43,154</u>	<u>\$ 148,208</u>	<u>\$ 145,993</u>	<u>\$ 150,290</u>	<u>\$ 993,035</u>
\$ 9,251	\$ -	\$ -	\$ -	\$ -
3,927	-	-	-	-
90,275	-	-	-	-
-	-	-	-	-
-	-	-	-	796,972
3,900	-	47,300	-	-
<u>107,353</u>	<u>-</u>	<u>47,300</u>	<u>-</u>	<u>796,972</u>
-	148,208	-	-	-
-	-	-	-	-
-	-	-	150,290	196,063
-	-	98,693	-	-
-	-	-	-	-
(64,199)	-	-	-	-
<u>(64,199)</u>	<u>148,208</u>	<u>98,693</u>	<u>150,290</u>	<u>196,063</u>
<u>\$ 43,154</u>	<u>\$ 148,208</u>	<u>\$ 145,993</u>	<u>\$ 150,290</u>	<u>\$ 993,035</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	SPECIAL REVENUE FUNDS		
	DIF Water Improvement	DIF Storm Drain Improvement	Storm Water NPDES
Assets			
Cash and investments	\$ 212,374	\$ 257,884	\$ -
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	7,721
Interest	38	48	-
	<u>212,412</u>	<u>257,932</u>	<u>7,721</u>
Total assets	<u>\$ 212,412</u>	<u>\$ 257,932</u>	<u>\$ 7,721</u>
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 1,600
Accrued liabilities	-	-	1,293
Due to other funds	-	-	2,750
Due to other governments	750,000	-	-
Unearned revenue	-	-	-
Deposits payable	-	-	-
	<u>750,000</u>	<u>-</u>	<u>5,643</u>
Total liabilities	<u>750,000</u>	<u>-</u>	<u>5,643</u>
Fund balance:			
Fund balance (deficit):			
Restricted for:			
Community development	-	-	-
Public safety	-	-	-
Public works	-	257,932	2,078
Parks and recreation	-	-	-
Assigned	-	-	-
Unassigned	(537,588)	-	-
	<u>(537,588)</u>	<u>257,932</u>	<u>2,078</u>
Total fund balance (deficit)	<u>(537,588)</u>	<u>257,932</u>	<u>2,078</u>
Total liabilities and fund balance	<u>\$ 212,412</u>	<u>\$ 257,932</u>	<u>\$ 7,721</u>

SPECIAL REVENUE FUND	CAPITAL PROJECTS FUNDS			
Levee	Sespe Creek Bikepath	Signals	Miscellaneous Capital Projects	Street Projects
\$ 709,864	\$ 45,127	\$ 1,000	\$ 277,513	\$ 163,895
-	-	-	-	-
-	-	9,000	-	40,891
55	-	-	-	-
<u>\$ 709,919</u>	<u>\$ 45,127</u>	<u>\$ 10,000</u>	<u>\$ 277,513</u>	<u>\$ 204,786</u>
\$ -	\$ -	\$ -	\$ 12,304	\$ 7,738
-	-	-	8,729	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	21,033	7,738
-	-	-	-	-
-	-	-	-	-
709,919	45,127	10,000	256,480	197,048
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>709,919</u>	<u>45,127</u>	<u>10,000</u>	<u>256,480</u>	<u>197,048</u>
<u>\$ 709,919</u>	<u>\$ 45,127</u>	<u>\$ 10,000</u>	<u>\$ 277,513</u>	<u>\$ 204,786</u>

CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	CAPITAL PROJECTS FUNDS		
	Corporate Yard/ Fire Station Project	Well #9	Parking Lot
Assets			
Cash and investments	\$ 501,540	\$ 115,962	\$ 191,824
Receivables:			
Intergovernmental	-	-	-
Accounts	-	-	-
Interest	-	-	-
	\$ 501,540	\$ 115,962	\$ 191,824
Total assets	\$ 501,540	\$ 115,962	\$ 191,824
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 5,486
Accrued liabilities	-	-	-
Due to other funds	-	-	-
Due to other governments	-	-	-
Unearned revenue	-	-	4,449
Deposits payable	-	-	-
	-	-	9,935
Total liabilities	-	-	9,935
Fund balance:			
Fund balance (deficit):			
Restricted for:			
Community development	-	-	-
Public safety	-	-	-
Public works	-	-	-
Parks and recreation	-	-	-
Assigned	501,540	115,962	181,889
Unassigned	-	-	-
	501,540	115,962	181,889
Total fund balance (deficit)	501,540	115,962	181,889
Total liabilities and fund balance	\$ 501,540	\$ 115,962	\$ 191,824

CAPITAL PROJECTS FUNDS

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

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CITY OF FILLMORE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013

	CAPITAL PROJECTS FUNDS		
	Business Park Infrastructure	Sidewalk Repair	Total Nonmajor Governmental Funds
Assets			
Cash and investments	\$ 69,717	\$ 147,526	\$ 5,823,230
Receivables:			
Intergovernmental	-	-	34,931
Accounts	-	-	177,369
Interest	-	-	1,239
	\$ 69,717	\$ 147,526	\$ 6,036,769
Liabilities and fund balance			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 120,940
Accrued liabilities	-	-	31,722
Due to other funds	-	-	262,766
Due to other governments	-	-	750,000
Unearned revenue	-	-	833,465
Deposits payable	-	-	181,548
	-	-	2,180,441
Fund balance:			
Fund balance (deficit):			
Restricted for:			
Community development	-	-	151,903
Public safety	-	-	126,255
Public works	-	-	3,009,435
Parks and recreation	-	-	98,693
Assigned	69,717	147,526	1,255,503
Unassigned	-	-	(785,461)
	69,717	147,526	3,856,328
Total fund balance (deficit)	69,717	147,526	3,856,328
Total liabilities and fund balance	\$ 69,717	\$ 147,526	\$ 6,036,769

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2013

	DEBT SERVICE FUND	SPECIAL REVENUE FUNDS	
	Public Financing Authority	Public Education & Government	Gas Tax
Revenues			
Taxes	\$ -	\$ 3,454	\$ -
Intergovernmental	-	-	366,135
Charges for services	-	-	-
Investment income	-	-	498
Other	-	-	4,629
	<hr/>	<hr/>	<hr/>
Total revenues	-	3,454	371,262
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Public works	-	-	299,416
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	169,966	-	-
Interest and fiscal charges	16,146	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	186,112	-	299,416
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	(186,112)	3,454	71,846
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfers in	186,112	19,449	-
Transfers out	-	-	(26,244)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	186,112	19,449	(26,244)
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	22,903	45,602
Fund balance (deficit), beginning of year	-	-	136,467
	<hr/>	<hr/>	<hr/>
Fund balance (deficit), end of year	\$ -	\$ 22,903	\$ 182,069
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

SPECIAL REVENUE FUNDS

Local Transportation	Lighting/ Landscape Assessment District	Storm Drain Assessment District	Community Development Block Grant	Public Transit
\$ -	\$ 263,819	\$ 229,511	\$ -	\$ -
51,637	-	-	333,874	457,424
-	-	-	-	-
232	1,705	3,447	-	-
-	1,985	6,864	-	-
<u>51,869</u>	<u>267,509</u>	<u>239,822</u>	<u>333,874</u>	<u>457,424</u>
-	280,133	63,343	-	-
-	-	-	18,874	-
-	-	-	-	457,424
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>280,133</u>	<u>63,343</u>	<u>18,874</u>	<u>457,424</u>
<u>51,869</u>	<u>(12,624)</u>	<u>176,479</u>	<u>315,000</u>	<u>-</u>
-	-	11,551	-	-
-	(14,790)	(751,870)	(320,621)	-
-	(14,790)	(740,319)	(320,621)	-
51,869	(27,414)	(563,840)	(5,621)	-
45,320	576,869	896,722	9,316	-
<u>\$ 97,189</u>	<u>\$ 549,455</u>	<u>\$ 332,882</u>	<u>\$ 3,695</u>	<u>\$ -</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2013

	SPECIAL REVENUE FUNDS		
	Bike Path Maintenance	Solid Waste Source Reduction	Swimming Pool Maintenance
Revenues			
Taxes	\$ -	\$ -	\$ 72,210
Intergovernmental	4,580	30,696	-
Charges for services	-	63,302	37,941
Investment income	46	210	28
Other	138	2,904	17,852
	<u>4,764</u>	<u>97,112</u>	<u>128,031</u>
Expenditures			
Current:			
Public works	5,674	69,817	-
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	156,280
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<u>5,674</u>	<u>69,817</u>	<u>156,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(910)</u>	<u>27,295</u>	<u>(28,249)</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	(4,000)	-
	<u>-</u>	<u>(4,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balances	(910)	23,295	(28,249)
Fund balance (deficit), beginning of year	15,401	88,469	(155,425)
Fund balance (deficit), end of year	<u>\$ 14,491</u>	<u>\$ 111,764</u>	<u>\$ (183,674)</u>

SPECIAL REVENUE FUNDS

Recreation	DIF Public Facility	DIF Transportation Improvement	DIF Parkland	DIF Sewer Improvement
\$ -	\$ -	\$ -	\$ -	\$ -
27,516	-	-	-	-
142,965	117,584	61,340	10,400	667,513
-	251	2,076	512	6,713
5,041	-	-	-	-
<u>175,522</u>	<u>117,835</u>	<u>63,416</u>	<u>10,912</u>	<u>674,226</u>
-	1,149	1,151	-	-
-	-	-	-	-
-	-	-	-	-
194,993	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>194,993</u>	<u>1,149</u>	<u>1,151</u>	<u>-</u>	<u>-</u>
<u>(19,471)</u>	<u>116,686</u>	<u>62,265</u>	<u>10,912</u>	<u>674,226</u>
-	-	-	-	-
-	-	(300)	(32,088)	(484,776)
-	-	(300)	(32,088)	(484,776)
(19,471)	116,686	61,965	(21,176)	189,450
(44,728)	31,522	36,728	171,466	6,613
<u>\$ (64,199)</u>	<u>\$ 148,208</u>	<u>\$ 98,693</u>	<u>\$ 150,290</u>	<u>\$ 196,063</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2013

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>DIF Water Improvement</u>	<u>DIF Storm Drain Improvement</u>	<u>Storm Water NPDES</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	228,845	74,972	16,853
Investment income	1,258	1,745	38
Other	-	-	-
	<u>230,103</u>	<u>76,717</u>	<u>16,891</u>
Total revenues			
Expenditures			
Current:			
Public works	-	-	62,044
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures			
	<u>-</u>	<u>-</u>	<u>62,044</u>
Excess (deficiency) of revenues over (under) expenditures	<u>230,103</u>	<u>76,717</u>	<u>(45,153)</u>
Other financing sources (uses)			
Transfers in	-	-	15,000
Transfers out	(85,200)	(200)	-
	<u>(85,200)</u>	<u>(200)</u>	<u>15,000</u>
Total other financing sources (uses)			
	<u>(85,200)</u>	<u>(200)</u>	<u>15,000</u>
Net change in fund balances	144,903	76,517	(30,153)
Fund balance (deficit), beginning of year	(682,491)	181,415	32,231
Fund balance (deficit), end of year	<u>\$ (537,588)</u>	<u>\$ 257,932</u>	<u>\$ 2,078</u>

SPECIAL REVENUE FUND		CAPITAL PROJECTS FUNDS			
Levee	Sespe Creek Bike Path	Signals	Miscellaneous Capital Projects	Street Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	10,000	-	62,848	
-	-	-	250	-	
200	-	-	-	-	
-	-	-	-	-	
<u>200</u>	<u>-</u>	<u>10,000</u>	<u>250</u>	<u>62,848</u>	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	353,519	38,273	
-	-	-	-	-	
-	-	-	-	-	
<u>-</u>	<u>-</u>	<u>-</u>	<u>353,519</u>	<u>38,273</u>	
<u>200</u>	<u>-</u>	<u>10,000</u>	<u>(353,269)</u>	<u>24,575</u>	
721,270	-	-	352,709	-	
(11,551)	-	-	-	-	
<u>709,719</u>	<u>-</u>	<u>-</u>	<u>352,709</u>	<u>-</u>	
709,919	-	10,000	(560)	24,575	
-	45,127	-	257,040	172,473	
<u>\$ 709,919</u>	<u>\$ 45,127</u>	<u>\$ 10,000</u>	<u>\$ 256,480</u>	<u>\$ 197,048</u>	

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2013

	<u>CAPITAL PROJECTS FUNDS</u>		
	<u>Corporate Yard/ Fire Station Project</u>	<u>Well #9</u>	<u>Parking Lot</u>
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Investment income	-	-	-
Other	-	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-
	<hr/>	<hr/>	<hr/>
Expenditures			
Current:			
Public works	-	-	8,544
Community development	-	-	-
Transit	-	-	-
Parks and recreation	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	8,544
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,544)
	<hr/>	<hr/>	<hr/>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	-
	<hr/>	<hr/>	<hr/>
Net change in fund balances	-	-	(8,544)
	<hr/>	<hr/>	<hr/>
Fund balance (deficit), beginning of year	501,540	115,962	190,433
	<hr/>	<hr/>	<hr/>
Fund balance (deficit), end of year	<u>\$ 501,540</u>	<u>\$ 115,962</u>	<u>\$ 181,889</u>

CITY OF FILLMORE
Combining Statements of Revenues, Expenditures, and
Changes in Fund Balances
Nonmajor Governmental Funds
For the fiscal year ended June 30, 2013

	<u>CAPITAL PROJECTS FUNDS</u>		Total Nonmajor Governmental Funds
	<u>Business Park Infrastructure</u>	<u>Sidewalk Repair</u>	
Revenues			
Taxes	\$ -	\$ -	\$ 568,994
Intergovernmental	-	-	1,344,710
Charges for services	-	-	1,421,965
Investment income	-	-	18,959
Other	-	-	39,413
	<u>-</u>	<u>-</u>	<u>3,394,041</u>
Total revenues	<u>-</u>	<u>-</u>	<u>3,394,041</u>
Expenditures			
Current:			
Public works	-	-	791,271
Community development	5,986	-	24,860
Transit	-	-	457,424
Parks and recreation	-	-	351,273
Capital outlay	-	-	391,792
Debt service:			
Principal	-	-	169,966
Interest and fiscal charges	-	-	16,146
	<u>5,986</u>	<u>-</u>	<u>2,202,732</u>
Total expenditures	<u>5,986</u>	<u>-</u>	<u>2,202,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,986)</u>	<u>-</u>	<u>1,191,309</u>
Other financing sources (uses)			
Transfers in	-	-	1,306,091
Transfers out	-	-	(1,731,640)
	<u>-</u>	<u>-</u>	<u>(425,549)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(425,549)</u>
Net change in fund balances	(5,986)	-	765,760
Fund balance (deficit), beginning of year	<u>75,703</u>	<u>147,526</u>	<u>3,090,568</u>
Fund balance (deficit), end of year	<u>\$ 69,717</u>	<u>\$ 147,526</u>	<u>\$ 3,856,328</u>

CITY OF FILLMORE
Nonmajor Governmental Funds
For the year ended June 30, 2013

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
Fillmore Public Financing Authority Debt Service Fund
For the fiscal year ended June 30, 2013

	Final budget	Actual	Variance with final budget
Expenditures			
Debt Service:			
Principal	\$ 190,809	\$ 169,966	\$ 20,843
Interest and fiscal charges	-	16,146	(16,146)
	<u>190,809</u>	<u>186,112</u>	<u>4,697</u>
Other financing sources			
Transfers in	<u>190,809</u>	<u>186,112</u>	<u>(4,697)</u>
Total other financing sources	<u>190,809</u>	<u>186,112</u>	<u>(4,697)</u>
Net change in fund balance	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the fiscal year ended June 30, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 417,014	\$ 366,135	\$ (50,879)
Investment income	-	498	498
Other	-	4,629	4,629
	<u>417,014</u>	<u>371,262</u>	<u>(45,752)</u>
Total revenues			
Expenditures			
Current:			
Public works	411,131	299,416	111,715
	<u>411,131</u>	<u>299,416</u>	<u>111,715</u>
Total expenditures			
Excess of revenues over expenditures	<u>5,883</u>	<u>71,846</u>	<u>65,963</u>
Other financing uses			
Transfers out	<u>(26,244)</u>	<u>(26,244)</u>	<u>-</u>
Total other financing uses	<u>(26,244)</u>	<u>(26,244)</u>	<u>-</u>
Net change in fund balance	(20,361)	45,602	65,963
Fund balance, beginning of year	<u>136,467</u>	<u>136,467</u>	<u>-</u>
Fund balance, end of year	<u>\$ 116,106</u>	<u>\$ 182,069</u>	<u>\$ 65,963</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 51,637	\$ 51,637	\$ -
Investment income	150	232	82
	<u>51,787</u>	<u>51,869</u>	<u>82</u>
Total revenues			
	51,787	51,869	82
Net change in fund balance			
	51,787	51,869	82
Fund balance, beginning of year	<u>45,320</u>	<u>45,320</u>	<u>-</u>
Fund balance, end of year	<u>\$ 97,107</u>	<u>\$ 97,189</u>	<u>\$ 82</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 276,624	\$ 263,819	\$ (12,805)
Investment income	-	1,705	1,705
Other	-	1,985	1,985
	<u>276,624</u>	<u>267,509</u>	<u>(9,115)</u>
Total revenues	<u>276,624</u>	<u>267,509</u>	<u>(9,115)</u>
Expenditures			
Current:			
Public works	297,917	280,133	17,784
	<u>297,917</u>	<u>280,133</u>	<u>17,784</u>
Total expenditures	<u>297,917</u>	<u>280,133</u>	<u>17,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(21,293)</u>	<u>(12,624)</u>	<u>8,669</u>
Other financing sources (uses)			
Transfers out	(14,790)	(14,790)	-
	<u>(14,790)</u>	<u>(14,790)</u>	<u>-</u>
Total other financing sources (uses)	<u>(14,790)</u>	<u>(14,790)</u>	<u>-</u>
Net change in fund balance	(36,083)	(27,414)	8,669
Fund balance, beginning of year	576,869	576,869	-
Fund balance, end of year	<u>\$ 540,786</u>	<u>\$ 549,455</u>	<u>\$ 8,669</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 259,087	\$ 229,511	\$ (29,576)
Investment income	-	3,447	3,447
Other	-	6,864	6,864
Total revenues	<u>259,087</u>	<u>239,822</u>	<u>(19,265)</u>
Expenditures			
Current:			
Public works	<u>201,152</u>	<u>63,343</u>	<u>137,809</u>
Total expenditures	<u>201,152</u>	<u>63,343</u>	<u>137,809</u>
Excess of revenues over expenditures	<u>57,935</u>	<u>176,479</u>	<u>118,544</u>
Other financing uses			
Transfers in	-	11,551	11,551
Transfers out	<u>(30,600)</u>	<u>(751,870)</u>	<u>(721,270)</u>
Total other financing uses	<u>(30,600)</u>	<u>(740,319)</u>	<u>(709,719)</u>
Net change in fund balance	27,335	(563,840)	(591,175)
Fund balance, beginning of the year	<u>896,722</u>	<u>896,722</u>	<u>-</u>
Fund balance, end of year	<u>\$ 924,057</u>	<u>\$ 332,882</u>	<u>\$ (591,175)</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 355,621	\$ 333,874	\$ (21,747)
Total revenues	<u>355,621</u>	<u>333,874</u>	<u>(21,747)</u>
Expenditures			
Current:			
Community development	<u>35,000</u>	<u>18,874</u>	<u>16,126</u>
Total expenditures	<u>35,000</u>	<u>18,874</u>	<u>16,126</u>
Excess (deficiency) of revenues over (under) expenditures	<u>320,621</u>	<u>315,000</u>	<u>(5,621)</u>
Other financing sources (uses)			
Transfers out	<u>(320,621)</u>	<u>(320,621)</u>	<u>-</u>
Total other financing sources (uses)	<u>(320,621)</u>	<u>(320,621)</u>	<u>-</u>
Net change in fund balance	-	(5,621)	(5,621)
Fund balance, beginning of year	<u>9,316</u>	<u>9,316</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,316</u>	<u>\$ 3,695</u>	<u>\$ (5,621)</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ (457,425)	\$ 457,424	\$ 914,849
Total revenues	(457,425)	457,424	914,849
Expenditures			
Current:			
Transit	457,424	457,424	-
Total expenditures	457,424	457,424	-
Net change in fund balance	(914,849)	-	914,849
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ (914,849)	\$ -	\$ 914,849

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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 3,000	\$ 4,580	\$ 1,580
Investment income	25	46	21
Other	-	138	138
	<u>3,025</u>	<u>4,764</u>	<u>1,739</u>
Expenditures			
Current:			
Public works	<u>7,343</u>	<u>5,674</u>	<u>1,669</u>
	<u>7,343</u>	<u>5,674</u>	<u>1,669</u>
Net change in fund balance	<u>(4,318)</u>	<u>(910)</u>	<u>3,408</u>
Fund balance, beginning of year	<u>15,401</u>	<u>15,401</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 11,083</u></u>	<u><u>\$ 14,491</u></u>	<u><u>\$ 3,408</u></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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 29,564	\$ 30,696	\$ 1,132
Charges for services	75,000	63,302	(11,698)
Investment Income	200	210	10
Other	-	2,904	2,904
	<u>104,764</u>	<u>97,112</u>	<u>(7,652)</u>
Expenditures			
Current:			
Public works	<u>100,868</u>	<u>69,817</u>	<u>31,051</u>
	<u>100,868</u>	<u>69,817</u>	<u>31,051</u>
Excess of revenues over expenditures	<u>3,896</u>	<u>27,295</u>	<u>23,399</u>
Other financing uses			
Transfers out	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balance	(104)	23,295	23,399
Fund balance, beginning of year	<u>88,469</u>	<u>88,469</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 88,365</u></u>	<u><u>\$ 111,764</u></u>	<u><u>\$ 23,399</u></u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Swimming Pool Maintenance Special Revenue Fund
For the fiscal year ended June 30, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Taxes	\$ 67,330	\$ 72,210	\$ 4,880
Charges for services	36,720	37,941	1,221
Investment income	55	28	(27)
Other	33,800	17,852	(15,948)
	<u>137,905</u>	<u>128,031</u>	<u>(9,874)</u>
Total revenues			
Expenditures			
Current:			
Parks and recreation	172,835	156,280	16,555
	<u>172,835</u>	<u>156,280</u>	<u>16,555</u>
Total expenditures			
	(34,930)	(28,249)	6,681
Net change in fund balance			
Fund balance (deficit), beginning of year	(155,425)	(155,425)	-
Fund balance (deficit), end of year	<u>\$ (190,355)</u>	<u>\$ (183,674)</u>	<u>\$ 6,681</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 27,647	\$ 27,516	\$ (131)
Charges for services	138,935	142,965	4,030
Other	9,285	5,041	(4,244)
	<u>175,867</u>	<u>175,522</u>	<u>(345)</u>
Total revenues			
Expenditures			
Current:			
Parks and recreation	195,574	194,993	581
	<u>195,574</u>	<u>194,993</u>	<u>581</u>
Total expenditures			
Net change in fund balance	(19,707)	(19,471)	236
Fund balance (deficit), beginning of year	(44,728)	(44,728)	-
Fund balance (deficit), end of year	<u>\$ (64,435)</u>	<u>\$ (64,199)</u>	<u>\$ 236</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 67,927	\$ 117,584	\$ 49,657
Investment income	160	251	91
	<u>68,087</u>	<u>117,835</u>	<u>49,748</u>
Total revenues			
Expenditures			
Current:			
Public works	-	1,149	(1,149)
	<u>-</u>	<u>1,149</u>	<u>(1,149)</u>
Total expenditures			
Net change in fund balance	68,087	116,686	48,599
Fund balance, beginning of year	<u>31,522</u>	<u>31,522</u>	<u>-</u>
Fund balance, end of year	<u>\$ 99,609</u>	<u>\$ 148,208</u>	<u>\$ 48,599</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 47,119	\$ 61,340	\$ 14,221
Investment income	2,544	2,076	(468)
Total revenues	<u>49,663</u>	<u>63,416</u>	<u>13,753</u>
Expenditures			
Current:			
Public works	-	1,151	(1,151)
Total expenditures	<u>-</u>	<u>1,151</u>	<u>(1,151)</u>
Excess of revenues over expenditures	<u>49,663</u>	<u>62,265</u>	<u>12,602</u>
Other financing uses			
Transfers out	<u>(300)</u>	<u>(300)</u>	<u>-</u>
Total other financing uses	<u>(300)</u>	<u>(300)</u>	<u>-</u>
Net change in fund balance	49,363	61,965	12,602
Fund balance, beginning of year	<u>36,728</u>	<u>36,728</u>	<u>-</u>
Fund balance, end of year	<u>\$ 86,091</u>	<u>\$ 98,693</u>	<u>\$ 12,602</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 53,200	\$ 10,400	\$ (42,800)
Investment income	700	512	(188)
	<u>53,900</u>	<u>10,912</u>	<u>(42,988)</u>
Total revenues			
Expenditures			
Current:			
Parks and recreation	5,000	-	5,000
	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>48,900</u>	<u>10,912</u>	<u>(37,988)</u>
Other financing sources (uses)			
Transfers out	<u>(40,000)</u>	<u>(32,088)</u>	<u>7,912</u>
Total other financing sources (uses)	<u>(40,000)</u>	<u>(32,088)</u>	<u>7,912</u>
Net change in fund balance	8,900	(21,176)	(30,076)
Fund balance, beginning of year	<u>171,466</u>	<u>171,466</u>	<u>-</u>
Fund balance, end of year	<u>\$ 180,366</u>	<u>\$ 150,290</u>	<u>\$ (30,076)</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 485,988	\$ 667,513	\$ 181,525
Investment income	7,268	6,713	(555)
	<u>493,256</u>	<u>674,226</u>	<u>180,970</u>
Expenditures			
Current:			
Economic development	5,000	-	5,000
	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess of revenues over expenditures	<u>488,256</u>	<u>674,226</u>	<u>185,970</u>
Other financing uses			
Transfers out	(484,776)	(484,776)	-
	<u>(484,776)</u>	<u>(484,776)</u>	<u>-</u>
Net change in fund balance	3,480	189,450	185,970
Fund balance, beginning of year	<u>6,613</u>	<u>6,613</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,093</u>	<u>\$ 196,063</u>	<u>\$ 185,970</u>

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
DIF Water Improvement Special Revenue Fund
For the fiscal year ended June 30, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 134,880	\$ 228,845	\$ 93,965
Investment income	1,440	1,258	(182)
Total revenues	<u>136,320</u>	<u>230,103</u>	<u>93,783</u>
Expenditures			
Current:			
Public works	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess of revenues over expenditures	<u>131,320</u>	<u>230,103</u>	<u>98,783</u>
Other financing uses			
Transfers out	<u>(85,200)</u>	<u>(85,200)</u>	<u>-</u>
Total other financing uses	<u>(85,200)</u>	<u>(85,200)</u>	<u>-</u>
Net change in fund balance	46,120	144,903	98,783
Fund balance (deficit), beginning of year	<u>(682,491)</u>	<u>(682,491)</u>	<u>-</u>
Fund balance (deficit), end of year	<u><u>\$ (636,371)</u></u>	<u><u>\$ (537,588)</u></u>	<u><u>\$ 98,783</u></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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 96,195	\$ 74,972	\$ (21,223)
Investment income	1,999	1,745	(254)
	<u>98,194</u>	<u>76,717</u>	<u>(21,477)</u>
Expenditures			
Current:			
Public works	5,000	-	5,000
	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Excess of revenues over expenditures	<u>93,194</u>	<u>76,717</u>	<u>(16,477)</u>
Other financing uses			
Transfers out	(200)	(200)	-
	<u>(200)</u>	<u>(200)</u>	<u>-</u>
Net change in fund balance	92,994	76,517	(16,477)
Fund balance, beginning of year	<u>181,415</u>	<u>181,415</u>	<u>-</u>
Fund balance, end of year	<u>\$ 274,409</u>	<u>\$ 257,932</u>	<u>\$ (16,477)</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 17,139	\$ 16,853	\$ (286)
Investment income	100	38	(62)
Total revenues	<u>17,239</u>	<u>16,891</u>	<u>(348)</u>
Expenditures			
Current:			
Public works	<u>51,964</u>	<u>62,044</u>	<u>(10,080)</u>
Total expenditures	<u>51,964</u>	<u>62,044</u>	<u>(10,080)</u>
Deficiency of revenues under expenditures	<u>(34,725)</u>	<u>(45,153)</u>	<u>(10,428)</u>
Other financing sources			
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total other financing sources	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	(19,725)	(30,153)	(10,428)
Fund balance, beginning of year	<u>32,231</u>	<u>32,231</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,506</u>	<u>\$ 2,078</u>	<u>\$ (10,428)</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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 10,000	\$ 10,000	\$ -
Total revenues	10,000	10,000	-
Net change in fund balance	10,000	10,000	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	\$ 10,000	\$ 10,000	\$ -

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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Charges for services	\$ 250	\$ 250	\$ -
Total revenues	250	250	-
Expenditures			
Capital outlay	360,871	353,519	7,352
Total expenditures	360,871	353,519	7,352
Excess (deficiency) of revenues over (under) expenditures	(360,621)	(353,269)	7,352
Other financing sources (uses)			
Transfers in	360,621	352,709	(7,912)
Total other financing sources (uses)	360,621	352,709	(7,912)
Net change in fund balance	-	(560)	(560)
Fund balance, beginning of year	257,040	257,040	-
Fund balance, end of year	\$ 257,040	\$ 256,480	\$ (560)

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, 2013

	Final budget	Actual	Variance with final budget
Revenues			
Intergovernmental	\$ 21,957	\$ 62,848	\$ 40,891
Total revenues	21,957	62,848	40,891
Expenditures			
Capital outlay	76,500	38,273	38,227
Total expenditures	76,500	38,273	38,227
Net change in fund balance	(54,543)	24,575	79,118
Fund balance, beginning of year	172,473	172,473	-
Fund balance, end of year	\$ 117,930	\$ 197,048	\$ 79,118

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Parking Lot Capital Projects Fund
For the fiscal year ended June 30, 2013

	Final budget	Actual	Variance with final budget
Expenditures			
Current:			
Public works	\$ 190,433	\$ 8,544	\$ 181,889
Total expenditures	190,433	8,544	181,889
Net change in fund balance	(190,433)	(8,544)	181,889
Fund balance, beginning of year	190,433	190,433	-
Fund balance, end of year	\$ -	\$ 181,889	\$ 181,889

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Storm Drain – Weir River Capital Projects Fund
For the fiscal year ended June 30, 2013

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

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Pole Creek Capital Projects Fund
For the fiscal year ended June 30, 2013

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

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
BTA Bike Path Capital Projects Fund
For the fiscal year ended June 30, 2013

	Final budget	Actual	Variance with final budget
Expenditures			
Public works	\$ 340,369	\$ -	\$ 340,369
Total expenditures	340,369	-	340,369
Net change in fund balance	(340,369)	-	340,369
Fund balance, beginning of year	25,369	25,369	-
Fund balance, end of year	\$ (315,000)	\$ 25,369	\$ 340,369

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Business Park Infrastructure Capital Projects Fund
For the fiscal year ended June 30, 2013

	Final budget	Actual	Variance with final budget
Expenditures			
Community development	\$ 5,897	\$ 5,986	\$ (89)
Total expenditures	5,897	5,986	(89)
Net change in fund balance	(5,897)	(5,986)	(89)
Fund balance, beginning of year	75,703	75,703	-
Fund balance, end of year	\$ 69,806	\$ 69,717	\$ (89)

CITY OF FILLMORE
Schedule of Revenues, Expenditures,
and Changes in Fund Balance - Budget and Actual
Sidewalk Repair Capital Projects Fund
For the fiscal year ended June 30, 2013

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

CITY OF FILLMORE
Combining Statement of Net Position
Proprietary Funds – Sewer Funds
June 30, 2013

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Assets				
Current assets:				
Cash and investments	\$ 1,320,195	\$ 6,183	\$ 2,014,159	\$ 3,340,537
Cash and investments with fiscal agent	4,015,555	-	-	4,015,555
Receivables, net:				
Accounts	1,176,102	-	-	1,176,102
Interest	212	-	429	641
Other	80,205	-	-	80,205
Prepays	551	-	-	551
Total current assets	6,592,820	6,183	2,014,588	8,613,591
Noncurrent assets:				
Deferred issuance costs, net	2,830,224	-	-	2,830,224
Capital assets:				
Land and construction in progress	2,688,630	-	-	2,688,630
Buildings and improvements	3,280,504	-	-	3,280,504
Infrastructure	73,874,889	-	-	73,874,889
Less - accumulated depreciation	(8,308,890)	-	-	(8,308,890)
Total non-current assets	74,365,357	-	-	74,365,357
Total assets	80,958,177	6,183	2,014,588	82,978,948

CITY OF FILLMORE
Combining Statement of Net Position
Proprietary Funds – Sewer Funds
June 30, 2013

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Totals
Liabilities				
Current liabilities:				
Accounts payable	408,257	-	-	408,257
Accrued interest payable	461,293	-	-	461,293
Deposits payable	124,707	-	-	124,707
Unearned revenue	80,205	-	-	80,205
Current portion of long-term obligations	732,202	-	-	732,202
Total current liabilities	1,806,664	-	-	1,806,664
Noncurrent liabilities:				
Compensated absences	7,064	-	-	7,064
Bonds payable	54,975,000	-	-	54,975,000
Loan payable - State Water Board	4,662	-	-	4,662
Premium on bonds payable	1,742,219	-	-	1,742,219
Total non-current liabilities	56,728,945	-	-	56,728,945
Total liabilities	58,535,609	-	-	58,535,609
Net position				
Net investment in capital assets	14,813,252	-	-	14,813,252
Restricted for debt service	3,554,533	-	-	3,554,533
Unrestricted	4,054,783	6,183	2,014,588	6,075,554
Total net position	\$ 22,422,568	\$ 6,183	\$ 2,014,588	\$ 24,443,339

CITY OF FILLMORE
Combining Statement of Revenues, Expenses, and
Changes in Net Position
Proprietary Funds – Sewer Funds
For the fiscal year ended June 30, 2013

	Sewer Operating Fund	Sewer Replacement Fund	Rate Stabilization Fund	Inter-fund Eliminations	Totals
Operating revenues					
Sales and service charges	\$ 5,196,249	\$ -	\$ -	\$ -	\$ 5,196,249
Other	371,113	-	-	-	371,113
Total operating revenues	<u>5,567,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,567,362</u>
Operating expenses					
Administration costs	295,055	-	-	-	295,055
Bad debt (recovery)	(37,758)	-	-	-	(37,758)
Treatment and disposal plant	1,969,044	-	-	-	1,969,044
Depreciation	1,110,783	-	-	-	1,110,783
Total operating expenses	<u>3,337,124</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,337,124</u>
Operating income	<u>2,230,238</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,230,238</u>
Non-operating revenues (expenses)					
Investment income	3,072	-	7,362	-	10,434
Amortization	(83,242)	-	-	-	(83,242)
Interest expense	(2,741,628)	-	-	-	(2,741,628)
Bond trustee charges	(2,225)	-	-	-	(2,225)
Total non-operating revenues (expenses)	<u>(2,824,023)</u>	<u>-</u>	<u>7,362</u>	<u>-</u>	<u>(2,816,661)</u>
Income (loss) before transfers	(593,785)	-	7,362	-	(586,423)
Transfers in	1,395,028	-	-	(1,000,000)	395,028
Transfers out	(475,344)	-	(1,000,000)	1,000,000	(475,344)
Change in net position	325,899	-	(992,638)	-	(666,739)
Net position, beginning of year	22,096,669	6,183	3,007,226	-	25,110,078
Net position, end of year	<u>\$ 22,422,568</u>	<u>\$ 6,183</u>	<u>\$ 2,014,588</u>	<u>\$ -</u>	<u>\$ 24,443,339</u>

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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.

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

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

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

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

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

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

CITY OF FILLMORE
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

	Special Deposits	Health Reimbursement Account	Community Facilities District No. 1
Assets			
Cash and investments	\$ 810,467	\$ 3,399	\$ 155,095
Cash and investments with fiscal agent	-	-	192,058
Receivables:			
Interest	-	-	31
Taxes	-	-	692
	<u>\$ 810,467</u>	<u>3,399</u>	<u>\$ 347,876</u>
Total assets	<u>\$ 810,467</u>	<u>3,399</u>	<u>\$ 347,876</u>
Liabilities			
Accounts payable	\$ 36,415	\$ -	\$ 244
Deposits payable	774,052	3,399	-
Due to bondholders	-	-	347,632
	<u>-</u>	<u>-</u>	<u>347,632</u>
Total liabilities	<u>\$ 810,467</u>	<u>\$ 3,399</u>	<u>\$ 347,876</u>

Continued

Community Facilities District No. 2	Community Facilities District No. 3	Community Facilities District No. 5	Community Facilities District No. 6	Totals
\$ 64,924	\$ 290,396	\$ 238,390	\$ 68,854	\$ 1,631,525
40,500	315,210	-	-	547,768
13	57	47	14	162
-	7,273	3,429	-	11,394
<u>\$ 105,437</u>	<u>\$ 612,936</u>	<u>\$ 241,866</u>	<u>\$ 68,868</u>	<u>\$ 2,190,849</u>
\$ -	\$ 122	\$ -	\$ 45	\$ 36,826
-	-	-	-	777,451
105,437	612,814	241,866	68,823	1,376,572
<u>\$ 105,437</u>	<u>\$ 612,936</u>	<u>\$ 241,866</u>	<u>\$ 68,868</u>	<u>\$ 2,190,849</u>

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