

CITY OF SANGER
Annual Financial Statements
And
Independent Auditor's Report
For the Year Ended
June 30, 2019



CITY OF SANGER
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION:	
Elected Officials and Executive Staff	i
FINANCIAL SECTION:	
Independent Auditor's Report on Basic Financial Statements	1 - 2
Management's Discussion and Analysis	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements	
Balance Sheet - Governmental Funds	13 - 14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	15
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	16 - 17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	18
Statement of Net Position - Proprietary Funds	19
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	20
Statement of Cash Flows - Proprietary Funds	21 - 22
Statement of Fiduciary Net Position - Fiduciary Funds	23
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	24
Notes to Basic Financial Statements	25 - 54
Required Supplemental Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	55
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Measure S Sales Tax	56
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Developer Fees	57
Notes to Required Supplemental Information	58
Schedule of the City's Proportionate Share of the Net Pension Liability	59
Schedule of Pension Contributions	60

CITY OF SANGER
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	Page
Combining Financial Schedules and Other Supplemental Information	
Non-Major Governmental Funds:	
Description of Non-major Funds	61 - 63
Combining Balance Sheets	64 - 69
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances	70 - 75
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
State Gas Tax	76
Landscape and Lighting	77
Measure C EXT - Pedestrian	78
Measure C EXT - Bicycle	79
Measure C EXT - ADA	80
Measure C EXT - Street	81
Measure C EXT - Flexible	82
Measure C EXT - New Technology Reserve (NTR)	83
Transportation & Street Maintenance	84
Transportation Equity Act 21	85
Asset Forfeiture	86
Kings River Boat Launch	87
Local Public Safety	88
Air Quality Project Funds	89
Vehicle Impound Program Grant	90
Alcohol Beverage Control (ABC) Grant	91
Community Development Block Grant	92
State Grants	93
Area Agency on Aging Grant	94
Bicycle Lane Striping State Grant	95
Supplemental Law Enforcement Grant	96
Community Facilities District	97
Sanger Housing Authority	98
State Homeland Security Grant	99
SJVAPCD Grant	100
DUI Enforcement and Awareness Grant	101
Sanger Skate Park Grant	102

CITY OF SANGER
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Combining Financial Schedules and Other Supplemental Information (Continued)	
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)	
Edward Byrne Program (JAG)	103
SAFER Grant	104
Petsmart Charities Grant	105
CalHOME Grant	106
Bulletproof Vest Grant	107
WaterSMART Grant	108
Urban Greening Grant	109
Sanger Public Financing Authority	110
Internal Service Funds	
Description of Internal Service Funds	111
Combining Schedule of Net Position	112
Combining Schedule of Revenues, Expenses, and Changes in Net Position	113
Combining Schedule of Cash Flows	114
Agency Funds	
Description of Agency Funds	115
Combining Schedule of Fiduciary Net Position	116
Schedule of Changes in Fiduciary Net Position	117

INTRODUCTORY SECTION

**CITY OF SANGER
ELECTED OFFICIALS
AND
EXECUTIVE STAFF**

JUNE 30, 2019

ELECTED OFFICIALS

Mayor At-Large	Frank Gonzalez
Council Member	Esmeralda Hurtado
Council Member	Humberto Garza
Council Member	Daniel Martinez
Council Member	Eli Ontiveros

EXECUTIVE MANAGEMENT TEAM

City Manager	Tim Chapa
City Clerk/Deputy Personnel Officer	Becky Pardon
Interim Administrative Services Director	Rebecca Valenzuela
Public Works Director	John Mulligan
City Engineer	Josh Rogers
Police Chief	Silver Rodriguez
Fire Chief	Greg Tarascou
City Attorney	Hilda Montoy

This listing has been created for the purpose of this annual financial report and as a reference of the structure at the time of production.

FINANCIAL SECTION



MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

INDEPENDENT AUDITOR'S REPORT

To the City Council of
the City of Sanger
Sanger, California

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 Sanger as of and for the year ended June 30, 2019, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sanger, as of June 30, 2019, 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, the budgetary comparison information, and the pension related schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sanger's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and combining internal service and agency funds financial statements 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, the budgetary comparison schedules, and the combining internal service and agency funds 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, the budgetary comparison schedules, and the combining internal service and agency funds 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 January 31, 2020, on our consideration of the City of Sanger'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 City of Sanger's internal control over financial reporting and compliance.

Maura Urutia, Nelson CPA's

Sacramento, California
January 31, 2020

CITY OF SANGER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

This section of the City of Sanger's California's Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at June 30, 2019 by \$61,432,389. Of this amount, \$41,044,548 is invested in capital assets, net of related debt; \$11,954,311 is restricted for debt service, capital projects, insurance, grants, taxes, and fees; and \$8,433,530 is unrestricted.
- The City's total assets increased by \$1,635,205 representing a \$573,797 increase in governmental and a \$1,061,408 increase in business-type activities.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$17,442,132, a decrease of \$(2,257,712) from the prior year. Of the balances, \$722,253 is nonspendable. \$11,747,693 is subject to restrictions related to various funding sources, \$250,000 is committed, \$106,549 is assigned for various purposes, and \$4,615,637 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,617,282, compared to \$4,747,510 from fiscal year 2017-2018.
- The total bonded debt decreased by \$686,216 during the fiscal year due to normal bond repayments.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information (RSI) and other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide financial statements consist of a Statement of Net Position and a Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. They provide information about the activities of the City as a whole and present a long-term view of the City's finances.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is strengthening or weakening.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash receipts or disbursements. Thus, revenues and expenses are reported in this statement for some items that will only result in cash receipts or disbursements in future fiscal periods, such as property taxes assessed for the current year but received after June 30, or vacation leave earned in the current year but not utilized until a subsequent year.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, and community services. The business-type activities of the City include Water, Sewer, and Disposal, operations.

CITY OF SANGER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

The Government-wide financial statements include the Sanger Public Financing Authority and the Sanger Financing Authority. Financial information for these component units is blended with the financial statements of the primary government itself. The Sanger Public Financing Authority and Sanger Financing Authority, although separate legal entities, function for all practical purposes as departments of the City, and therefore are included as an integral part of the primary government.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Sanger, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds used by the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which focus on the long-term, governmental funds financial statements focus on short-term inflows and outflows of spendable resources and the balances of those spendable resources available for spending. This information is useful in evaluating a government's short-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Sanger maintains numerous individual funds, which for financial reporting, are grouped according to their type (general fund, special revenue, capital projects, and debt service). Funds who meet specific criteria for determining their importance to the financial statement user, are designated Major Funds, and are reported separately in the governmental funds statements. All other funds are grouped together for reporting purposes. Major funds for the City of Sanger are:

- General Fund
- Measure S Sales Tax
- Developer Fees

Individual fund data for each non-major governmental fund is provided in combining statements included in the Supplementary Information section of this report.

Proprietary funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Governmental-wide Financial Statements. The City uses enterprise funds to account for its Water, Sewer, and Disposal Services. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Sanger's various functions.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City utilizes two types of fiduciary funds:

- Agency funds are use to record assets of separate organizations for which the City serves as a custodian for the organization. All assets in agency funds are offset by a liability to the organization on whose behalf they are held.

CITY OF SANGER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

- Private purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements.

Required Supplementary Information

This report presents supplementary information concerning the City of Sanger's progress in its obligation to provide pension benefits to its employees, and budgetary comparison information for the City's general fund and major special revenue funds.

Combining and Individual Fund Statements and Schedules

This final section of the report includes combining information for the City's non-major funds, internal service funds, and agency funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as an indicator of a government's financial position. For the City, assets exceeded liabilities by \$61,432,389 at June 30, 2019, a 3.5% increase from the prior fiscal year. The government-wide financial statements provide long-term and short-term information about the City's overall financial condition.

Statement of Net Position
As of June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>		<u>Net Change</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
Assets							
Current and other assets	\$ 20,836,528	\$ 22,578,073	\$ 18,724,003	\$ 17,049,782	\$ 39,560,531	\$ 39,627,855	\$ (67,324)
Capital assets	<u>35,709,453</u>	<u>33,394,111</u>	<u>31,263,898</u>	<u>31,876,711</u>	<u>66,973,351</u>	<u>65,270,822</u>	<u>1,702,529</u>
Total Assets	<u>56,545,981</u>	<u>55,972,184</u>	<u>49,987,901</u>	<u>48,926,493</u>	<u>106,533,882</u>	<u>104,898,677</u>	<u>1,635,205</u>
Deferred Outflows of Resources	<u>3,843,851</u>	<u>4,326,367</u>	<u>2,647,066</u>	<u>2,464,362</u>	<u>6,490,917</u>	<u>6,790,729</u>	<u>(299,812)</u>
Liabilities							
Long-term liabilities	14,947,274	16,476,572	31,671,284	31,563,647	46,618,558	48,040,219	(1,421,661)
Other liabilities	<u>2,228,026</u>	<u>1,845,345</u>	<u>2,077,266</u>	<u>2,058,584</u>	<u>4,305,292</u>	<u>3,903,929</u>	<u>401,363</u>
Total Liabilities	<u>17,175,300</u>	<u>18,321,917</u>	<u>33,748,550</u>	<u>33,622,231</u>	<u>50,923,850</u>	<u>51,944,148</u>	<u>(1,020,298)</u>
Deferred Inflows of Resources	<u>421,929</u>	<u>251,696</u>	<u>246,631</u>	<u>118,716</u>	<u>668,560</u>	<u>370,412</u>	<u>298,148</u>
Net Position							
Net investment in capital assets	34,409,453	32,074,111	6,635,095	6,581,692	41,044,548	38,655,803	2,388,745
Restricted	11,747,693	13,681,631	206,618	202,267	11,954,311	13,883,898	(1,929,587)
Unrestricted	<u>(3,364,543)</u>	<u>(4,030,804)</u>	<u>11,798,073</u>	<u>10,865,949</u>	<u>8,433,530</u>	<u>6,835,145</u>	<u>1,598,385</u>
Total Net Position	<u>\$ 42,792,603</u>	<u>\$ 41,724,938</u>	<u>\$ 18,639,786</u>	<u>\$ 17,649,908</u>	<u>\$ 61,432,389</u>	<u>\$ 59,374,846</u>	<u>\$ 2,057,543</u>

CITY OF SANGER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

Net position represents the difference between the City's resources and its obligations. At June 30, 2019 the largest portion of the City's total net position, 67%, reflects the investment in capital assets, less related debt outstanding used to acquire the capital assets. These capital assets are used by the City to provide services to the citizens. Additional capital asset information can be found in the Capital Asset and Debt Administration section of this MD&A. Restricted net assets represent amounts that may be used in accordance with external restriction. The unrestricted balance of net position may be used at the City's discretion.

Governmental activities increased the City's net position by \$1,067,665 while the business-type showed an increase in net position of \$989,878. The charts that follow show the program revenues, general revenues, and expenses by function for all City activities.

Changes in Net Position
As of June 30, 2019 and 2018

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>		<u>Net Change</u>
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	
REVENUES:							
Charges for services	\$ 3,024,064	\$ 3,530,858	\$ 11,345,424	\$ 11,051,131	\$ 14,369,488	\$ 14,581,989	\$ (212,501)
Operating grants and contributions	872,068	989,595	-	-	872,068	989,595	(117,527)
Capital grants and contributions	3,713,999	2,231,651	-	-	3,713,999	2,231,651	1,482,348
Taxes	13,976,733	13,121,918	-	-	13,976,733	13,121,918	854,815
License and permits	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-
Investment earnings	273,375	134,397	337,191	167,267	610,566	301,664	308,902
Fees and other revenues	<u>1,078,575</u>	<u>709,226</u>	<u>344,173</u>	<u>898,158</u>	<u>1,422,748</u>	<u>1,607,384</u>	<u>(184,636)</u>
Total Revenues	<u>22,938,814</u>	<u>20,717,645</u>	<u>12,026,788</u>	<u>12,116,556</u>	<u>34,965,602</u>	<u>32,834,201</u>	<u>2,131,401</u>
EXPENSES:							
City Council	227,008	333,140	-	-	227,008	333,140	(106,132)
Administrative services	-	167,754	-	-	-	167,754	(167,754)
Community services	1,047,695	1,555,332	-	-	1,047,695	1,555,332	(507,637)
Police department	7,388,894	5,900,539	-	-	7,388,894	5,900,539	1,488,355
Fire and emergency services	4,733,539	4,226,231	-	-	4,733,539	4,226,231	507,308
Development services	331,264	426,139	-	-	331,264	426,139	(94,875)
Public works	3,199,712	1,873,903	-	-	3,199,712	1,873,903	1,325,809
Non departmental	165,875	480,274	-	-	165,875	480,274	(314,399)
Interest on long-term liabilities	60,255	62,376	-	-	60,255	62,376	(2,121)
Depreciation expense	3,247,090	2,993,626	-	-	3,247,090	2,993,626	253,464
Water	-	-	3,902,279	4,092,547	3,902,279	4,092,547	(190,268)
Sewer	-	-	5,334,940	5,408,726	5,334,940	5,408,726	(73,786)
Disposal	-	-	<u>3,269,508</u>	<u>3,260,421</u>	<u>3,269,508</u>	<u>3,260,421</u>	<u>9,087</u>
Total Expenses	<u>20,401,332</u>	<u>18,019,314</u>	<u>12,506,727</u>	<u>12,761,694</u>	<u>32,908,059</u>	<u>30,781,008</u>	<u>2,127,051</u>
Transfers	<u>(1,469,817)</u>	<u>92,754</u>	<u>1,469,817</u>	<u>(92,754)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>1,067,665</u>	<u>2,791,085</u>	<u>989,878</u>	<u>(737,892)</u>	<u>2,057,543</u>	<u>2,053,193</u>	<u>4,350</u>
Net position - beginning	41,724,938	38,828,731	17,649,908	18,387,800	59,374,846	57,216,531	2,158,315
Restatement	-	<u>105,122</u>	-	-	-	<u>105,122</u>	<u>(105,122)</u>
Net position - beginning restated	<u>41,724,938</u>	<u>38,933,853</u>	<u>17,649,908</u>	<u>18,387,800</u>	<u>59,374,846</u>	<u>57,321,653</u>	<u>2,053,193</u>
Net position - end of year	<u>\$ 42,792,603</u>	<u>\$ 41,724,938</u>	<u>\$ 18,639,786</u>	<u>\$ 17,649,908</u>	<u>\$ 61,432,389</u>	<u>\$ 59,374,846</u>	<u>\$ 2,057,543</u>
<u>Revenue</u>							

CITY OF SANGER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

The City's total revenues were \$34,965,602 for the fiscal year ended June 30, 2019 compared to 32,834,201 for fiscal year ended June 30, 2018. Revenues increased \$2,131,401 in large part because of capital grants and contributions and increases in tax revenues. Revenues from governmental activities totaled \$22,938,814 and revenues from business-type activities totaled \$12,026,788. Taxes provided 40% of the total revenues for the City. Charges for services, operating and capital grants and contributions provided 54% of the total revenues received during the year ended June 30, 2019 with interest earnings and miscellaneous revenues making up the remainder of 6%.

Expenses

Expenses of the City for the year totaled \$32,908,059 compared to \$30,781,008 in fiscal year 2018. The increase in expenses is in part attributable to increases in street projects and vehicle purchases in public safety. Governmental activity expenses total \$20,401,332 or 62% of total expenses. Business-type expenses total \$12,506,727 or 38% of total expenses.

Governmental Activities

The following table shows the cost of each of the City's major programs and the net cost of the program. The net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City's taxpayers by each of these programs.

Net Cost of Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
City Council	\$ 227,008	\$ 333,140	\$ 227,008	\$ 333,140
Administrative services	-	167,754	-	167,754
Community services	1,047,695	1,555,332	722,584	1,222,763
Police department	7,388,894	5,900,539	7,096,772	5,657,890
Fire and emergency services	4,733,539	4,226,231	2,639,677	1,567,009
Development services	331,264	426,139	(133,326)	(250,426)
Public works	3,199,712	1,873,903	(758,534)	(490,996)
Non departmental	165,875	480,274	(310,325)	4,074
Interest on long-term liabilities	60,255	62,376	60,255	62,376
Depreciation	<u>3,247,090</u>	<u>2,993,626</u>	<u>3,247,090</u>	<u>2,993,626</u>
Total	<u>\$ 20,401,332</u>	<u>\$ 18,019,314</u>	<u>\$ 12,791,201</u>	<u>\$ 11,267,210</u>

The total cost of all governmental activities for fiscal year June 30, 2019 was \$20,401,332. The City's taxpayers paid for approximately 62.7% of these costs, or \$12,791,201. Fees, grants, and contributions funded the balance of the costs of governmental activities. The cost of capital assets is not presented as a cost in determining the net cost of governmental activities, but is reflected as an asset in the statement of net position.

Business-Type Activities

Program revenue of the City's business-type activities totaled \$11,345,424. Expenses of business-type activities were \$12,506,727. The cost of improvements are reported as capital assets in the statement of net position, rather than as expenses in the statement of activities.

CITY OF SANGER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds

The focus of the City of Sanger governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. It should, however, be noted that most of the unassigned amounts have been designated by the City Council for specific uses. As of the end of the current fiscal year, the City of Sanger's governmental funds reported combined ending fund balances of \$17,442,132 a decrease of \$(2,257,712) in comparison with the balance prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year unassigned fund balance of the general fund was \$4,617,282 compared to \$4,747,510 in fiscal year 2018. During the current fiscal year, the City of Sanger's general fund balance decreased by \$(164,132). The key factor in this decrease is a reduction in the amount due from other funds.

The Measure S District Sales Tax fund is a special revenue fund that is for a ¾ cent District Sales tax imposed by the City to fund police, fire, 9-1-1 emergency and gang/drug prevention services. As of the end of the current fiscal year, the Measure S fund balance was \$2,523,223 compared to \$2,894,823 in the prior year. The decrease of \$(371,600) in the fund balance is due to capital purchases for vehicles.

The Developer Fees fund is a special revenue fund that accounts for fees placed on the development of land. Fees are an offset to the future impact that the development will have on infrastructure. At the end of the current fiscal year, fund balance was \$3,734,986 as compared to \$5,237,664 in the prior year. The decrease in fund balance of \$1,502,678 is attributable to the reclassification of developer fees for water, sewer, and refuse to those enterprise funds.

Proprietary Funds

The City of Sanger's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position in the water fund at the end of the year amounted to \$5,019,317. The amount held in the water fund for DBCP monitoring and maintenance is \$3,658,876.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues of the general fund were \$649,659 or (5%) over budget. The variance can be attributed sales tax, property tax, and ambulance revenue.

On the expenditure side, the general fund was under budget by \$850,276 or 6%. There were several departments that under-spent their budgets notably: public works by \$721,753, fire department by \$28,802, community services by \$159,798, development services by \$59,870, and capital outlay by \$23,160.

The City made a discretionary advance payment of \$1,040,000 against its police unfunded pension liability in December 2018. The City plans to make discretionary advance payments as often as fiscally possible to eliminate its unfunded liability and to reduce its interest costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Sanger's investment in capital assets for its governmental and business-type activities as of June 30, 2019 amounts to \$66,973,351 (net of accumulated depreciation). Detailed information regarding composition and activity in capital assets is provided in Note 5 to the financial statements.

CITY OF SANGER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Land	\$ 434,923	\$ 434,923	\$ 1,407,042	\$ 1,407,042	\$ 1,841,965	\$ 1,841,965
Construction in progress	3,890,170	3,341,833	362,218	24,652	4,252,388	3,366,485
Buildings & improvements	13,149,602	9,733,451	22,149,396	23,688,482	35,298,998	33,421,933
Machinery & equipment	1,585,372	1,717,524	7,345,242	6,756,535	8,930,614	8,474,059
Infrastructure	<u>16,649,386</u>	<u>18,166,380</u>	<u>-</u>	<u>-</u>	<u>16,649,386</u>	<u>18,166,380</u>
Total	<u>\$ 35,709,453</u>	<u>\$ 33,394,111</u>	<u>\$ 31,263,898</u>	<u>\$ 31,876,711</u>	<u>\$ 66,973,351</u>	<u>\$ 65,270,822</u>

Long-term Debt

At June 30, 2019, the City's governmental and business-type activities had total long-term debts and obligations as scheduled below.

<u>Type of Indebtedness</u>	<u>Maturity</u>	<u>Outstanding June 30, 2019</u>
<u>Governmental Activities</u>		
Lease revenue bonds:		
Series 2013	2043	\$ 1,300,000
Compensated absences		668,186
Claims and judgments		<u>294,428</u>
Total governmental activities		<u>\$ 2,262,614</u>
<u>Business-Type Activities</u>		
Lease revenue bonds:		
Series 2013 subordinate wastewater	2043	6,370,000
Series 2013 water	2043	3,750,000
Series 2014 refunding	2036	<u>13,650,000</u>
Bond issuance premiums (discounts)		
Series 2013 subordinate wastewater		(40,622)
Series 2014 refunding		899,425
Compensated absences		<u>59,748</u>
Total business-type activities		<u>\$ 24,688,551</u>

Additional information about the City's long-term debt can be found in Note 6 to the financial statements.

CITY OF SANGER
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2019

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Sales tax experienced an increase of 2.5% comparing FY 17-18 to FY 18-19. The expected growth rate was less than the 15.7% growth in the prior year. The stabilization of the growth rate was expected.

Economically the City saw increases in the restaurants and car sales. Other sectors were flat or experienced slight declines.

Property tax revenue increased 11% from fiscal 2018/2019. The City anticipates a moderate increase in property tax in fiscal year 2019/2020.

Trade tariffs have impacted the local economy. Unemployment in Fresno County has improved to 6.9% as to the 7.4% reported last year. Sanger's unemployment rate is currently at 7.9% down from the 8.5% reported last year. Statistics compiled by the California Employment Development Department.

The City has also continued other major economic development programs designed to stimulate job creation by providing incentives to promote the development of industrial and office construction. Economic recovery offers a good opportunity to plan for better times and to adjust programs to prepare for the changes that occur in the business environment.

Under residential developments, DR Horton Homes has nearly completed Phase 2 and has started construction in Phase 3 of Tract 5460, known as the Oliveta Subdivision. The site is located on the NWC of Annadale and Newmark. The project is expected to be complete in 2020.

Initiative Foods opened a new 38,500 square foot facility in 2019 on Industrial Way. The new facility will add to its already existing 40,000 plus square feet of production facilities. The restaurant sector continues to expand as Casa Oinari and Burger King opened their doors this year.

Downtown Sanger continues to show promise in economic development. A new office facility opened early FY 2019. Residents and visitors have more medical options as well with Sanger Physical Therapy's new facility located on Jensen Avenue.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in our finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Sanger Finance Department, 1700 7th Street, Sanger, California, 93657; (559) 876-6300.

CITY OF SANGER
STATEMENT OF NET POSITION
JUNE 30, 2019

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 15,821,069	\$ 16,690,888	\$ 32,511,957
Accounts receivables, net of allowance	2,661,325	1,826,497	4,487,822
Interest receivable	55,234	-	55,234
Land held for development	712,000	-	712,000
Inventory	13,682	-	13,682
Notes receivable (Note 3)	1,562,462	-	1,562,462
Prepaid expenses	10,253	-	10,253
Restricted assets:			
Cash and investments with fiscal agents	503	206,618	207,121
Capital assets (Note 5)			
Land and construction in progress	4,325,093	1,769,260	6,094,353
Other capital assets, net of depreciation	<u>31,384,360</u>	<u>29,494,638</u>	<u>60,878,998</u>
Total capital assets	<u>35,709,453</u>	<u>31,263,898</u>	<u>66,973,351</u>
Total Assets	<u>56,545,981</u>	<u>49,987,901</u>	<u>106,533,882</u>
<u>Deferred Outflows of Resources</u>			
Deferred loss on refunding (Note 6)	-	400,200	400,200
Changes in the net pension liability (Note 9)	<u>3,843,851</u>	<u>2,246,866</u>	<u>6,090,717</u>
Total Deferred Outflows of Resources	<u>3,843,851</u>	<u>2,647,066</u>	<u>6,490,917</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 1,225,105	\$ 989,961	\$ 2,215,066
Accrued payroll and benefits	259,352	30,671	290,023
Retention payable	77,040	-	77,040
Accrued interest payable	20,892	45,255	66,147
Unearned revenue	102,635	17,786	120,421
Deposits payable	266	244,451	244,717
Net pension liability (Note 9):			
Due in more than one year	13,227,396	7,731,875	20,959,271
Accrued compensated absences (Note 6):			
Due within one year	409,920	59,142	469,062
Due in more than one year	258,266	606	258,872
Claims Payable (Note 7):			
Due within one year	112,816	-	112,816
Due in more than one year	181,612	-	181,612
Long-term liabilities (Note 6):			
Due within one year	20,000	690,000	710,000
Due in more than one year	<u>1,280,000</u>	<u>23,938,803</u>	<u>25,218,803</u>
Total Liabilities	<u>17,175,300</u>	<u>33,748,550</u>	<u>50,923,850</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability (Note 9)	<u>421,929</u>	<u>246,631</u>	<u>668,560</u>
<u>NET POSITION</u>			
Net investment in capital assets	34,409,453	6,635,095	41,044,548
Restricted for:			
Debt service	-	206,618	206,618
Capital projects	7,259,606	-	7,259,606
Public safety	2,995,085	-	2,995,085
Community services	733,178	-	733,178
Affordable housing	759,824	-	759,824
Unrestricted	<u>(3,364,543)</u>	<u>11,798,073</u>	<u>8,433,530</u>
Total Net Position	<u>\$ 42,792,603</u>	<u>\$ 18,639,786</u>	<u>\$ 61,432,389</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total Primary Government
PRIMARY GOVERNMENT							
Governmental activities:							
City Council	\$ 227,008	\$ -	\$ -	\$ -	\$ (227,008)	\$ -	\$ (227,008)
Community services	1,047,695	292,860	32,251	-	(722,584)	-	(722,584)
Police department	7,388,894	109,990	181,223	909	(7,096,772)	-	(7,096,772)
Fire and emergency services	4,733,539	1,911,468	182,394	-	(2,639,677)	-	(2,639,677)
Development services	331,264	464,590	-	-	133,326	-	133,326
Public works	3,199,712	245,156	-	3,713,090	758,534	-	758,534
Nondepartmental	165,875	-	476,200	-	310,325	-	310,325
Interest and fiscal charges	60,255	-	-	-	(60,255)	-	(60,255)
Unallocated depreciation expense	3,247,090	-	-	-	(3,247,090)	-	(3,247,090)
Total governmental activities	<u>20,401,332</u>	<u>3,024,064</u>	<u>872,068</u>	<u>3,713,999</u>	<u>(12,791,201)</u>	<u>-</u>	<u>(12,791,201)</u>
Business-type activities:							
Water	3,902,279	3,071,297	-	-	-	(830,982)	(830,982)
Sewer	5,334,940	5,207,225	-	-	-	(127,715)	(127,715)
Disposal	3,269,508	3,066,902	-	-	-	(202,606)	(202,606)
Total business-type activities	<u>12,506,727</u>	<u>11,345,424</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,161,303)</u>	<u>(1,161,303)</u>
Total primary government	<u>\$ 32,908,059</u>	<u>\$ 14,369,488</u>	<u>\$ 872,068</u>	<u>\$ 3,713,999</u>	<u>\$ (12,791,201)</u>	<u>\$ (1,161,303)</u>	<u>\$ (13,952,504)</u>
General revenues:							
Property taxes					\$ 6,018,724	\$ -	\$ 6,018,724
Sales and use taxes					5,766,500	-	5,766,500
Franchise taxes					475,516	-	475,516
Transient occupancy taxes					5,848	-	5,848
Utility users taxes					1,579,498	-	1,579,498
Business license tax					130,647	-	130,647
Investment income					273,375	337,191	610,566
Fees and other revenue					1,078,575	344,173	1,422,748
Transfers					(1,469,817)	1,469,817	-
Total general revenues					<u>13,858,866</u>	<u>2,151,181</u>	<u>16,010,047</u>
Change in net position					1,067,665	989,878	2,057,543
Net position - July 1, 2018					<u>41,724,938</u>	<u>17,649,908</u>	<u>59,374,846</u>
Net position - June 30, 2019					<u>\$ 42,792,603</u>	<u>\$ 18,639,786</u>	<u>\$ 61,432,389</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Measure S District Sales Tax	Developer Fees
<u>ASSETS</u>			
Cash and investments	\$ 3,829,128	\$ 2,362,049	\$ 4,079,681
Cash with fiscal agent	-	-	-
Accounts receivable	1,315,908	413,964	47,825
Interest receivable	12,704	8,575	14,891
Loans receivable, net	-	-	-
Due from other funds	366,127	-	-
Prepaid items	10,253	-	-
Land held for development	-	-	-
	<u>5,534,120</u>	<u>2,784,588</u>	<u>4,142,397</u>
Total Assets	<u>\$ 5,534,120</u>	<u>\$ 2,784,588</u>	<u>\$ 4,142,397</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u>			
LIABILITIES			
Accounts payable	\$ 324,108	\$ 233,292	\$ 342,351
Accrued payroll and benefits	189,038	28,073	-
Retention payable	-	-	17,235
Due to other funds	-	-	-
Unearned revenues	36,890	-	47,825
	<u>550,036</u>	<u>261,365</u>	<u>407,411</u>
Total Liabilities	<u>550,036</u>	<u>261,365</u>	<u>407,411</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues - housing loans	-	-	-
FUND BALANCES (DEFICITS)			
Nonspendable	10,253	-	-
Restricted	-	2,523,223	3,734,986
Committed	250,000	-	-
Assigned	106,549	-	-
Unassigned	4,617,282	-	-
	<u>4,984,084</u>	<u>2,523,223</u>	<u>3,734,986</u>
Total Fund Balances (Deficits)	<u>4,984,084</u>	<u>2,523,223</u>	<u>3,734,986</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 5,534,120</u>	<u>\$ 2,784,588</u>	<u>\$ 4,142,397</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>		
Cash and investments	\$ 5,260,291	\$ 15,531,149
Cash with fiscal agent	503	503
Accounts receivable	880,291	2,657,988
Interest receivable	19,064	55,234
Loans receivable, net	1,562,462	1,562,462
Due from other funds	-	366,127
Prepaid items	-	10,253
Land held for development	712,000	712,000
 Total Assets	 \$ 8,434,611	 \$ 20,895,716
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u>		
LIABILITIES		
Accounts payable	\$ 207,445	\$ 1,107,196
Accrued payroll and benefits	21,013	238,124
Retention payable	59,805	77,040
Due to other funds	366,127	366,127
Unearned revenues	17,920	102,635
 Total Liabilities	 672,310	 1,891,122
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenues - housing loans	1,562,462	1,562,462
FUND BALANCES (DEFICITS)		
Nonspendable	712,000	722,253
Restricted	5,489,484	11,747,693
Committed	-	250,000
Assigned	-	106,549
Unassigned	(1,645)	4,615,637
 Total Fund Balances (Deficits)	 6,199,839	 17,442,132
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	 \$ 8,434,611	 \$ 20,895,716

See accompanying notes to the basic financial statements.

CITY OF SANGER
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

Total fund balances of governmental funds	\$ 17,442,132
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$61,796,378.	35,709,453
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	3,843,851
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Long-term liabilities net of premiums and discounts	(1,300,000)
Compensated absences	(668,186)
Net pension liability	(13,227,396)
Deferred inflows related to changes in the net pension liability	(421,929)
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflows of resources in the governmental funds	1,562,462
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(20,892)
Internal service funds are used by management to charge costs of certain activities such as equipment replacement, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities of the Statement of Net Position.	<u>(126,892)</u>
Net position of governmental activities	<u>\$ 42,792,603</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
JUNE 30, 2019

	<u>General Fund</u>	<u>Measure S District Sales Tax</u>	<u>Developer Fees</u>
<u>REVENUES</u>			
Taxes	\$ 8,920,783	\$ 2,294,420	\$ -
License and permits	349,280	-	-
Intergovernmental	907,161	-	-
Fines and forfeitures	219,990	-	-
Investment income	58,019	42,436	70,430
Charges for services	2,076,852	-	377,942
Other revenues	<u>711,408</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>13,243,493</u>	<u>2,336,856</u>	<u>448,372</u>
<u>EXPENDITURES</u>			
Current:			
City Council	228,766	-	-
Community services	1,028,195	-	-
Police department	5,888,648	1,335,497	-
Fire and emergency services	3,750,973	887,904	-
Development services	328,124	-	-
Public works	979,087	-	-
Nondepartmental	558,953	-	-
Capital outlay	439,760	485,055	481,233
Debt service:			
Principal	20,000	-	-
Interest and fiscal charges	<u>60,255</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>13,282,761</u>	<u>2,708,456</u>	<u>481,233</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(39,268)</u>	<u>(371,600)</u>	<u>(32,861)</u>
<u>OTHER FINANCING SOURCES</u>			
Transfers in	30,902	-	-
Transfers out	<u>(155,766)</u>	<u>-</u>	<u>(1,469,817)</u>
Total Other Financing Sources	<u>(124,864)</u>	<u>-</u>	<u>(1,469,817)</u>
Net Change in Fund Balances	(164,132)	(371,600)	(1,502,678)
Fund Balances (Deficits) - July 1, 2018	<u>5,148,216</u>	<u>2,894,823</u>	<u>5,237,664</u>
Fund Balances (Deficits) - June 30, 2019	<u>\$ 4,984,084</u>	<u>\$ 2,523,223</u>	<u>\$ 3,734,986</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2019

	Other Governmental Funds	Total Governmental Funds
<u>REVENUES</u>		
Taxes	\$ 2,761,530	\$ 13,976,733
License and permits	-	349,280
Intergovernmental	3,678,906	4,586,067
Fines and forfeitures	-	219,990
Investment income	88,118	259,003
Charges for services	-	2,454,794
Other revenues	482,234	1,193,642
Total Revenues	7,010,788	23,039,509
<u>EXPENDITURES</u>		
Current:		
City Council	-	228,766
Community services	19,500	1,047,695
Police department	608,970	7,833,115
Fire and emergency services	325,964	4,964,841
Development services	-	328,124
Public works	1,789,566	2,768,653
Nondepartmental	-	558,953
Capital outlay	4,560,954	5,967,002
Debt service:		
Principal	-	20,000
Interest and fiscal charges	-	60,255
Total Expenditures	7,304,954	23,777,404
Excess (Deficiency) of Revenues over Expenditures	(294,166)	(737,895)
<u>OTHER FINANCING SOURCES</u>		
Transfers in	105,766	136,668
Transfers out	(30,902)	(1,656,485)
Total Other Financing Sources	74,864	(1,519,817)
Net Change in Fund Balances	(219,302)	(2,257,712)
Fund Balances (Deficits) - July 1, 2018	6,419,141	19,699,844
Fund Balances (Deficits) - June 30, 2019	\$ 6,199,839	\$ 17,442,132

See accompanying notes to the basic financial statements.

CITY OF SANGER
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ (2,257,712)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital asset purchases	5,562,433
Depreciation expense	(3,247,091)
<p>Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.</p>	
Debt principal payments	20,000
<p>Compensated absences expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.</p>	
	(58,287)
<p>Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenue and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position.</p>	
Loan program receipts	14,372
Loans made during the year	(138,768)
<p>Some 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.</p>	
Pension expense related to deferred outflows and inflows of resources	705,249
<p>Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental funds.</p>	
	<u>467,469</u>
Change in net position of governmental activities	<u>\$ 1,067,665</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sewer	Disposal	Total Enterprise Funds	Internal Service Funds
ASSETS					
Current Assets					
Cash and investments	\$ 7,220,925	\$ 6,588,539	\$ 2,881,424	\$ 16,690,888	\$ 289,920
Restricted cash and investments	206,170	448	-	206,618	-
Accounts receivable, net	579,670	793,249	453,578	1,826,497	3,337
Inventory	-	-	-	-	13,682
Total Current Assets	8,006,765	7,382,236	3,335,002	18,724,003	306,939
Non Current Assets					
Capital assets, net	13,182,040	17,677,044	404,814	31,263,898	-
Total Non-Current Assets	13,182,040	17,677,044	404,814	31,263,898	-
Total Assets	21,188,805	25,059,280	3,739,816	49,987,901	306,939
DEFERRED OUTFLOWS OF RESOURCES					
Changes in the net pension liability	787,530	1,177,945	281,391	2,246,866	-
Deferred loss on refunding	-	400,200	-	400,200	-
Total Deferred Outflows of Resources	787,530	1,578,145	281,391	2,647,066	-
LIABILITIES					
Current Liabilities					
Accounts payable	494,137	142,478	353,346	989,961	117,909
Accrued payroll and benefits	10,778	16,309	3,584	30,671	21,228
Interest payable	-	45,255	-	45,255	-
Deposits	244,451	-	-	244,451	266
Unearned revenue	5,916	8,524	3,346	17,786	-
Compensated absences - current	16,875	34,188	8,079	59,142	-
Bonds payable - current	50,000	640,000	-	690,000	-
Claims payable - current	-	-	-	-	112,816
Total Current Liabilities	822,157	886,754	368,355	2,077,266	252,219
Non-Current Liabilities					
Compensated absences - noncurrent	173	350	83	606	-
Bonds payable - noncurrent	3,700,000	20,238,803	-	23,938,803	-
Net pension liability	2,710,034	4,053,523	968,318	7,731,875	-
Claims payable - noncurrent	-	-	-	-	181,612
Total Non-Current Liabilities	6,410,207	24,292,676	968,401	31,671,284	181,612
Total Liabilities	7,232,364	25,179,430	1,336,756	33,748,550	433,831
DEFERRED INFLOWS OF RESOURCES					
Changes in the net pension liability	86,444	129,300	30,887	246,631	-
NET POSITION					
Net investment in capital assets	9,432,040	(3,201,759)	404,814	6,635,095	-
Restricted	206,170	448	-	206,618	-
Unrestricted	5,019,317	4,530,006	2,248,750	11,798,073	(126,892)
Total Net Position	\$ 14,657,527	\$ 1,328,695	\$ 2,653,564	\$ 18,639,786	\$ (126,892)

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities			Total Enterprise Funds	Governmental
	Enterprise Funds				Activities
	Water	Sewer	Disposal		Internal Service Funds
<u>OPERATING REVENUES</u>					
Charges for services	\$ 3,071,297	\$ 5,207,225	\$ 3,066,902	\$ 11,345,424	\$ 5,577,637
Other revenue	<u>75,595</u>	<u>230,077</u>	<u>38,501</u>	<u>344,173</u>	<u>23,701</u>
Total Operating Revenue	<u>3,146,892</u>	<u>5,437,302</u>	<u>3,105,403</u>	<u>11,689,597</u>	<u>5,601,338</u>
<u>OPERATING EXPENSES</u>					
Salaries and benefits	953,431	1,343,943	280,030	2,577,404	3,268,879
Vehicle operations	10,011	30,422	-	40,433	-
Supplies and services	1,208,306	1,335,067	2,044,059	4,587,432	1,702,801
General and administrative	788,313	823,448	918,816	2,530,577	212,189
Depreciation and amortization	<u>765,666</u>	<u>918,611</u>	<u>26,603</u>	<u>1,710,880</u>	<u>-</u>
Total Operating Expenses	<u>3,725,727</u>	<u>4,451,491</u>	<u>3,269,508</u>	<u>11,446,726</u>	<u>5,183,869</u>
Operating Income (Loss)	<u>(578,835)</u>	<u>985,811</u>	<u>(164,105)</u>	<u>242,871</u>	<u>417,469</u>
<u>NON-OPERATING REVENUES</u>					
<u>(EXPENSES)</u>					
Interest income	166,832	116,078	54,281	337,191	-
Interest expense	<u>(176,552)</u>	<u>(883,449)</u>	<u>-</u>	<u>(1,060,001)</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>(9,720)</u>	<u>(767,371)</u>	<u>54,281</u>	<u>(722,810)</u>	<u>-</u>
Income (Loss) Before Transfers	<u>(588,555)</u>	<u>218,440</u>	<u>(109,824)</u>	<u>(479,939)</u>	<u>417,469</u>
<u>TRANSFERS</u>					
Transfers in	<u>581,822</u>	<u>562,404</u>	<u>325,591</u>	<u>1,469,817</u>	<u>50,000</u>
Total Transfers	<u>581,822</u>	<u>562,404</u>	<u>325,591</u>	<u>1,469,817</u>	<u>50,000</u>
Change in net position	(6,733)	780,844	215,767	989,878	467,469
Net Position - July 1, 2018	<u>14,664,260</u>	<u>547,851</u>	<u>2,437,797</u>	<u>17,649,908</u>	<u>(594,361)</u>
Net Position - June 30, 2019	<u>\$ 14,657,527</u>	<u>\$ 1,328,695</u>	<u>\$ 2,653,564</u>	<u>\$ 18,639,786</u>	<u>\$ (126,892)</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Business-Type Activities Enterprise Funds			Governmental Activities	
	Water	Sewer	Disposal	Total Enterprise Funds	Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers	\$ 3,154,048	\$ 5,343,515	\$ 3,081,773	\$11,579,336	\$ 5,651,008
Cash paid to suppliers	(1,979,652)	(2,310,843)	(2,949,136)	(7,239,631)	(2,244,883)
Cash paid to employees	(651,949)	(906,759)	(215,169)	(1,773,877)	(3,261,491)
Net Cash Provided by (Used for) Operating Activities	<u>522,447</u>	<u>2,125,913</u>	<u>(82,532)</u>	<u>2,565,828</u>	<u>144,634</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Interfund payments	496,267	-	-	496,267	-
Transfers to other funds	<u>581,822</u>	<u>562,404</u>	<u>325,591</u>	<u>1,469,817</u>	<u>-</u>
Net Cash Provided by Non-Capital Financing Activities	<u>1,078,089</u>	<u>562,404</u>	<u>325,591</u>	<u>1,966,084</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Acquisition of capital assets	(478,774)	(187,876)	(431,417)	(1,098,067)	-
Principal paid on long-term debt	(45,000)	(622,908)	-	(667,908)	-
Interest paid on long-term debt	<u>(176,552)</u>	<u>(881,757)</u>	<u>-</u>	<u>(1,058,309)</u>	<u>-</u>
Net Cash Used for Capital and Related Financing Activities	<u>(700,326)</u>	<u>(1,692,541)</u>	<u>(431,417)</u>	<u>(2,824,284)</u>	<u>-</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest and dividends	<u>166,832</u>	<u>116,078</u>	<u>54,281</u>	<u>337,191</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>166,832</u>	<u>116,078</u>	<u>54,281</u>	<u>337,191</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,067,042	1,111,854	(134,077)	2,044,819	144,634
Cash and Cash Equivalents - July 1, 2018	<u>6,360,053</u>	<u>5,477,133</u>	<u>3,015,501</u>	<u>14,852,687</u>	<u>145,286</u>
Cash and Cash Equivalents - June 30, 2019	<u>\$ 7,427,095</u>	<u>\$ 6,588,987</u>	<u>\$ 2,881,424</u>	<u>\$16,897,506</u>	<u>\$ 289,920</u>
<u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u>					
Cash and investments	\$ 7,220,925	\$ 6,588,539	\$ 2,881,424	\$16,690,888	\$ 289,920
Restricted cash and investments	<u>206,170</u>	<u>448</u>	<u>-</u>	<u>206,618</u>	<u>-</u>
Cash and Cash Equivalents - June 30, 2019	<u>\$ 7,427,095</u>	<u>\$ 6,588,987</u>	<u>\$ 2,881,424</u>	<u>\$16,897,506</u>	<u>\$ 289,920</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Water</u>	<u>Sewer</u>	<u>Disposal</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>					
Operating Income (Loss)	\$ (578,835)	\$ 985,811	\$ (164,105)	\$ 242,871	\$ 417,469
Adjustments:					
Depreciation expense	765,666	918,611	26,603	1,710,880	-
Pension expense	302,793	438,266	65,053	806,112	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(4,906)	(93,787)	(26,976)	(125,669)	461
Increase in inventory	-	-	-	-	(311)
Increase (decrease) in accounts payable	26,978	(121,906)	13,739	(81,189)	(73,684)
Increase (decrease) in deposits	6,146	-	-	6,146	(791)
Decrease in claims payable	-	-	-	-	(255,898)
Increase in accrued payroll and benefits	2,854	4,342	1,047	8,243	7,388
Increase in deferred revenue	5,916	-	3,346	9,262	-
Decrease in compensated absences	<u>(4,165)</u>	<u>(5,424)</u>	<u>(1,239)</u>	<u>(10,828)</u>	<u>-</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 522,447</u>	<u>\$ 2,125,913</u>	<u>\$ (82,532)</u>	<u>\$ 2,565,828</u>	<u>\$ 94,634</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Successor Agency Private- Purpose Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and investments (Note 2)	\$ 1,247,838	\$ 193,918
Accounts receivable	-	56,434
Notes receivable (Note 12)	660,795	-
Land held for resale	1,172,598	-
Capital assets, net of accumulated depreciation (Note 12)	<u>1,843</u>	<u>-</u>
Total Assets	<u>\$ 3,083,074</u>	<u>\$ 250,352</u>
<u>LIABILITIES</u>		
Accounts payable	\$ -	\$ 109,742
Accrued wages	1,022	-
Deposits held in trust	<u>-</u>	<u>140,610</u>
Total Liabilities	<u>\$ 1,022</u>	<u>\$ 250,352</u>
<u>NET POSITION</u>		
Held in trust for private purposes	<u>\$ 3,082,052</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF SANGER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Successor Agency Private-Purpose Trust Fund
<u>ADDITIONS</u>	
Property taxes	\$ 718,871
Interest income	14,684
Fees and other revenues	<u>200,000</u>
Total Additions	<u>933,555</u>
<u>DEDUCTIONS</u>	
Program expenses	62,222
Depreciation	676
Interest expense	<u>7,935</u>
Total Deductions	<u>70,833</u>
Change in Fiduciary Net Position	862,722
Fiduciary Net Position - July 1, 2018	<u>2,219,330</u>
Fiduciary Net Position - June 30, 2019	<u><u>\$ 3,082,052</u></u>

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

The City of Sanger (the City) was incorporated in 1911 under the General Laws of the State of California. The City operates under a Council-Manager form of government governed by a five-member council and provides the following services: public safety (police, fire, and paramedic), community services, street construction and maintenance, planning and zoning, street cleaning, transit, sanitation, and general administration.

The accompanying basic financial statements present the financial activities of the City along with the financial activities of its blended component units, which are entities for which the City is financially accountable. Together these entities comprise the primary government for reporting purposes. Although they are separate legal entities, *blended* component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. The City's component units, which are described below, are all blended.

Sanger Public Financing Authority

The Sanger Public Financing Authority (the Financing Authority) was established in 1995 pursuant to California Government Code, Section 6500. The Financing Authority was established to provide a financing mechanism for the City and former Redevelopment Agency's various public projects. As all debt issued by the Sanger Public Financing Authority has been paid off or refunded, there was minimal activity in the fund in the current year. There are no separate financial statements prepared for the Sanger Public Financing Authority.

Sanger Housing Authority

The Sanger Housing Authority (the Housing Authority) was reactivated on February 3, 2011 in accordance with California Housing Authority Law (Health and Safety Code Section 34200). Certain assets of the former Redevelopment Agency's Low and Moderate Income Housing Funds were transferred to the Housing Authority on February 1, 2012. The activity of the Housing Authority is reported in the Special Revenue Funds. There are no separate financial statements prepared for the Housing Authority.

Sanger Financing Authority

The Sanger Financing Authority (the Sanger Financing Authority) is a public agency duly organized and existing pursuant to a Joint Exercise of Powers Agreement (the JPA Agreement) between the City and California Municipal Finance Authority (CMFA), dated September 20, 2013. The Sanger Financing Authority is governed by a board of directors comprised of the five members of City Council. The Sanger Financing Authority is statutorily authorized by Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code and is empowered under the JPA Agreement to issue its bonds for, among other things, the purposes of the plan of financing described herein. The transactions are reported in the General Fund and Enterprise Funds. There are no separate financial statements prepared for the Sanger Financing Authority.

The accounting policies of the City of Sanger conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. These standards require that the financial statements described below be presented.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal service activities. Interfund services provided and used are not eliminated in the process of consolidation. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflow of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Funds

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Internal Service Funds - Internal service funds are used to account for, and finance, services and commodities furnished by a designated department of a governmental unit to other departments of the same governmental unit. The City's internal service funds account for the financing of special activities that provide services within the City. These activities include administration, equipment maintenance, and self-insurance programs.

Fiduciary Funds (not included in government-wide statements)

Agency Funds - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds - Private-Purpose Trust Funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. These include activities of the Successor Agency to the Redevelopment Agency of the City of Sanger.

Major Funds

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in a separate fund.

Measure S District Sales Tax - A 3/4 cent District sales tax imposed in the City to fund police, fire, paramedic, 9-1-1 emergency, and gang/drug prevention services.

Developer Fees - Accounts for fees placed on the development of land. Fees are an offset to the future impact that the development will have on infrastructure.

The City reports the following major proprietary funds in the accompanying financial statements:

Water Fund - This fund accounts for the operations related to the City's water delivery system.

Sewer Fund - This fund accounts for the financial activity related to the construction, maintenance and repair of the sanitary sewer system.

Disposal Fund - This fund accounts for activities related to refuse collection, street sweeping and City recycling services.

The City also reports the following fund types:

Successor Agency Private-Purpose Trust Fund - This fund is a private-purpose trust fund and was created as a result of the State order to dissolve California Redevelopment Agencies. As the Successor Agency, this fund is used to track the activity of the Oversight Board and the Department of Finance to dissolve the Agency.

Agency Funds - These funds account for assets held by the City as an agent for other governmental units or individuals.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and proprietary activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and all liabilities (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The "economic resources" measurement focus and the accrual basis of accounting is used for trust funds.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and proprietary activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and compensated absences, which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes and intergovernmental revenues. All other revenue items are considered to be measurable and available only when cash is received by the government. Impact fees are received and recognized as revenue upon project completion and inspection. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. 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 funds's principal operations. The principal operating revenues of the enterprise and internal service funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City's fiduciary funds consist of a private-purpose trust fund, which is reported using the economic resources measurement focus, and agency funds, which have no measurement focus, but utilizes the accrual basis for reporting assets and liabilities.

D. Property Taxes

The County of Fresno levies, bills, and collects property taxes for the City. Property taxes levied are recorded as revenue when received, except at year-end when available taxes, or those collected within 60 days of fiscal year end, are accrued pursuant to the modified accrual basis of accounting.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County of Fresno for the secured and unsecured property tax rolls. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. 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 levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

E. Cash and Investments

Under the City's cash management program, cash in excess of operating requirements from all funds is pooled with the purpose of maximizing interest through investment activities, and is deposited in savings accounts or invested in bank certificates of deposit, bank money market accounts and the State of California Local Agency Investment Fund (LAIF). Interest income earned on pooled cash and investments is allocated monthly to the various funds based on month-end balances and is adjusted at fiscal year-end.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds and highly liquid investments with a maturity of three months or less when purchased. All cash and investments of the enterprise funds are pooled with the City's pooled cash and investments.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Accounts and Interest Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, fines, interest, and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as outflows of resources in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are recorded as deferred inflows of resources to indicate they do not represent current financial resources. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

G. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital outlay with a cost of \$5,000 or more and a useful life of one year or longer are capitalized. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets which are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Machinery and equipment	5 - 20 years
Buildings and improvements	15 - 40 years
Infrastructure	35 - 50 years

The City defines infrastructure as capital assets that are stationary and have expected useful lives significantly in excess of most capital assets. The assets include the street system, sewer collection and treatment system, park and recreation improvements, storm water conveyance system, and permanent monuments and signage.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Compensated Absences

A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2019. Accumulated unpaid vacation is accrued when earned and generally does not exceed the amount earned for one year; however, an employee may accumulate up to a maximum of 240 hours of earned vacation time after which no further vacation accrues to the employee.

Upon termination, the City is not liable to pay for accrued sick leave; therefore, sick leave is recorded as an expenditure in the year used. The amounts accrued for financial statement purposes represent 100% of the administrative leave, professional leave, compensatory time off and vacation pay liabilities at June 30, 2019.

I. Long-Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, 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 price of 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, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding is included in interest expense.

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

J. Deferred Outflows/Inflow of Resources

In addition to assets, the statement of net position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.
- Deferred outflows related to employer contributions made after the measurement date of the net pension liability.
- Deferred outflows related to the changes in the net pension liability

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Unavailable revenue is reported only in the governmental funds. The governmental funds report unavailable revenues from notes receivable and grants. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related to the changes in the net pension liability.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

L. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). 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 applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

M. Equity Classifications

Government-wide Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the Government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, constructions, or improvements of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "net investment in capital assets," or "restricted."

Fund Financial Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted or committed.
- e. Unassigned - Amounts representing the residual classification for the general fund.

Further detail about the City's fund balance classification is described in Note 8.

N. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

O. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2018, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 83

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. As the City does not have any AROs, there was no impact to the financial statements as a result of this statement.

Government Accounting Standards Board Statement No. 88

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. There was no impact to the financial statements as a result of this statement.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2019 or later.

Government Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

Government Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests an amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 1: REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2019 were classified in the accompanying financial statements as follows:

	Cash and Investments	Restricted Cash with Fiscal Agent	Total
Governmental activities	\$ 15,821,069	\$ 503	\$ 15,821,572
Business-type activities	<u>16,690,888</u>	<u>206,618</u>	<u>16,897,506</u>
Total government-wide cash and investments	<u>32,511,957</u>	<u>207,121</u>	<u>32,719,078</u>
Fiduciary activities	<u>1,441,756</u>	<u>-</u>	<u>1,441,756</u>
Total cash and investments	<u>\$ 33,953,713</u>	<u>\$ 207,121</u>	<u>\$ 34,160,834</u>

Cash and investments were carried at fair value as of June 30, 2019 and consisted of the following:

Cash on hand	\$ 5,215
Cash in banks	<u>11,292,364</u>
Total cash	<u>11,297,579</u>
Negotiable certificates of deposit	2,523,210
Local Agency Investment Fund (LAIF)	20,132,924
Money market mutual funds	<u>207,121</u>
Total investments	<u>22,863,255</u>
Total cash and investments	<u>\$ 34,160,834</u>

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS (continued)

Authorized Investments of the City

The table below identifies the investment types that are authorized by the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in one Issuer
U.S. Treasury obligations	5 years	None	None
U.S. Government Sponsored Agency securities	5 years	None	None
Certificates of deposit or time deposits	5 years	30%	None
Negotiable certificates of deposit	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million
Medium-term corporate notes	5 years	30%	None

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

The City complies with the provisions of California Government Code (or the City's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investment Valuation

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2019:

Investments	Fair Value Measurements Using			Fair Value
	Level 1 Inputs	Level 2 inputs	Level 3 inputs	
Negotiable certificates of deposit Held by fiscal agent:	\$ -	\$ 2,523,210	\$ -	\$ 2,523,210
Money market mutual funds	<u>207,121</u>	<u>-</u>	<u>-</u>	<u>207,121</u>
Total Investments	<u>\$ 207,121</u>	<u>\$ 2,523,210</u>	<u>\$ -</u>	<u>\$ 2,730,331</u>

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 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 is recorded on an amortized cost basis. The investment balance of \$20,132,924 is not subject to valuation on a recurring basis.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS (continued)

Disclosure 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's interest rate risk is mitigated 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 (including investments held by bond trustee) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2019:

	Remaining Maturity (in years)			Fair Value
	12 months or less	1-5 years	More than 5 years	
Negotiable certificates of deposit	\$ -	\$ 2,523,210	\$ -	\$ 2,523,210
Local Agency Investment Fund (LAIF)	20,132,924	-	-	20,132,924
Held by fiscal agent:				
Money market mutual funds	<u>207,121</u>	<u>-</u>	<u>-</u>	<u>207,121</u>
	<u>\$ 20,340,045</u>	<u>\$ 2,523,210</u>	<u>\$ -</u>	<u>\$ 22,863,255</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2019.

Disclosures Relating to 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 investment policy, or debt agreements, and the actual rating as of the fiscal year for each investment type.

	Total	Rating as of Fiscal Year End		
		S&P	Moody's	N/A
Negotiable certificates of deposit	\$ 2,523,210			Not rated
Local Agency Investment Fund (LAIF)	20,132,924			Not rated
Held by fiscal agent:				
Money market mutual funds	<u>207,121</u>	AAAm	Aaa-mf	
	<u>\$ 22,863,255</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. There were no investments in any one issuer (other than mutual funds and external investment pools) that represented 5% or more of total City investments.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 2: CASH AND INVESTMENTS (continued)

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 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 government unit). The market 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 City's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2019, the carrying amount of the City's deposits was \$11,292,364 and bank balances were \$11,509,814. The City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

NOTE 3: NOTES RECEIVABLE

Notes receivable of at June 30, 2019 were comprised of the following:

	<u>Balance July 1, 2018</u>	<u>Additions / Interest</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
Low-income housing loans	\$ 271,837	\$ 3,878	\$ (10,301)	\$ 265,414
Down payment assistance loan program	927,643	6,042	(128,467)	805,218
BEGIN program loans	<u>487,378</u>	<u>4,452</u>	<u>-</u>	<u>491,830</u>
Total Loans	<u>\$ 1,686,858</u>	<u>\$ 14,372</u>	<u>\$ (138,768)</u>	<u>\$ 1,562,462</u>

Low Income Housing Loans

At June 30, 2019, the City was owed \$265,414 from various non-interest and low-interest bearing low income housing loans, secured by deeds of trust. Maturities vary according to terms and disposition of property.

Down Payment Assistance Loan Program

At June 30, 2019, the City was owed \$805,218 under the provisions of the Down Payment Assistance Loan Program, which provides non-interest and low-interest loans to low and moderate income first-time home buyers for down payments required to purchase a new or existing home in the City. The loans are secured by deeds of trust and are recorded against the subjected property.

BEGIN Program Loans

At June 30, 2019, the City was owed \$491,830 under the provisions of the Building Equity and Growth in Neighborhoods loan program, which provides non-interest and low-interest bearing loans to low and moderate income first-time home buyers to purchase a new homeowner unit in a BEGIN Program project within the City. The loans are secured by deeds of trust and liens are recorded against the subjected property at no lower than second position.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 4: INTERFUND TRANSACTIONS

Due To/From Other Funds

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year.

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
General Fund	Transportation Equity Act 21	Deficit cash balance	\$ 98,473
	Transportation and Street Maintenance	Deficit cash balance	61,690
	Kings River Boat Launch	Deficit cash balance	5,931
	Urban Greening Grant	Deficit cash balance	62,468
	State Grants	Deficit cash balance	23,023
	ABG Grant	Deficit cash balance	1,731
	Community Development Block Grant	Deficit cash balance	89,551
	Area Agency on Aging	Deficit cash balance	3,668
	State Homeland Security Grant	Deficit cash balance	899
	Bulletproof Vest Grant	Deficit cash balance	483
	Sanger Public Financing Authority	Deficit cash balance	2,065
	Local Public Safety	Deficit cash balance	7,145
	SJVCPCD	Deficit cash balance	9,000
Total Interfund Receivable/Payable			\$ <u>366,127</u>

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2019 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Major Governmental Funds</u>			
General Fund	Self-Insurance	Fund balance deficit	\$ 50,000
	Sanger Public Financing Authority	Fund balance deficit	63,875
	Asset Forfeiture Fund	New Fund creation	41,891
Developer Fees Fund	Water	Re-allocate developer fees	581,822
	Sewer	Re-allocate developer fees	562,404
	Disposal	Re-allocate developer fees	325,591
<u>Non-Major Governmental Funds</u>			
Petsmart Charities Grant	General Fund	Transfer of unrelated grant funds	1,225
SAFER Grant	General Fund	Close-out Fund	363
Sanger Skate Park	General Fund	Close-out Fund	347
ABC Grant	General Fund	Close-out Fund	7,514
Area Agency Aging Grant	General Fund	Close-out Fund	12,232
Bicycle Lane Striping Grant	General Fund	Close-out Fund	1,425
Edward Bryne Memorial (JAG)	General Fund	Close-out Fund	7,715
Vehicle Impound Program	General Fund	Close-out Fund	81
Total Interfund Transfers			\$ <u>1,656,485</u>

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5: CAPITAL ASSETS

Governmental Activities:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2019</u>
Capital assets not being depreciated					
Land	\$ 434,923	\$ -	\$ -	\$ -	\$ 434,923
Construction-in-progress	<u>3,341,833</u>	<u>4,768,164</u>	<u>-</u>	<u>(4,219,827)</u>	<u>3,890,170</u>
Total capital assets not being depreciated	<u>3,776,756</u>	<u>4,768,164</u>	<u>-</u>	<u>(4,219,827)</u>	<u>4,325,093</u>
Capital assets being depreciated					
Buildings and improvements	19,166,460	179,749	-	4,219,827	23,566,036
Machinery and equipment	7,994,527	598,502	-	-	8,593,029
Infrastructure	<u>61,005,655</u>	<u>16,018</u>	<u>-</u>	<u>-</u>	<u>61,021,673</u>
Total capital assets being depreciated	<u>88,166,642</u>	<u>794,269</u>	<u>-</u>	<u>4,219,827</u>	<u>93,180,738</u>
Less accumulated depreciation					
Buildings and improvements	(9,433,009)	(983,425)	-	-	(10,416,434)
Machinery and equipment	(6,277,003)	(730,654)	-	-	(7,007,657)
Infrastructure	<u>(42,839,275)</u>	<u>(1,533,012)</u>	<u>-</u>	<u>-</u>	<u>(44,372,287)</u>
Total accumulated depreciation	<u>(58,549,287)</u>	<u>(3,247,091)</u>	<u>-</u>	<u>-</u>	<u>(61,796,378)</u>
Total Capital Assets, net	<u>33,394,111</u>	<u>2,315,342</u>	<u>-</u>	<u>-</u>	<u>35,709,453</u>
Internal Service Funds:					
Capital assets being depreciated					
Machinery and equipment	<u>280,450</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>280,450</u>
Less accumulated depreciation					
Machinery and equipment	<u>(280,450)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(280,450)</u>
Total Capital Assets, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Capital Assets	<u>\$ 33,394,111</u>	<u>\$ 2,315,342</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,709,453</u>

Depreciation expense in governmental activities for capital assets for the year ended June 30, 2019 was \$3,247,091. The City did not allocate the depreciation expense to departments or functions.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 5: CAPITAL ASSETS (continued)

Business-type Activities:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2019</u>
Capital assets not being depreciated					
Land	\$ 1,407,042	\$ -	\$ -	\$ -	\$ 1,407,042
Construction-in-progress	<u>24,652</u>	<u>379,362</u>	<u>-</u>	<u>(41,796)</u>	<u>362,218</u>
Total capital assets not being depreciated	<u>1,431,694</u>	<u>379,362</u>	<u>-</u>	<u>(41,796)</u>	<u>1,769,260</u>
Capital assets being depreciated					
Buildings and improvements	52,356,867	103,395	-	41,796	52,502,058
Machinery and equipment	<u>7,534,012</u>	<u>615,310</u>	<u>-</u>	<u>-</u>	<u>8,149,322</u>
Total capital assets being depreciated	<u>59,890,879</u>	<u>718,705</u>	<u>-</u>	<u>41,796</u>	<u>60,651,380</u>
Less accumulated depreciation					
Buildings and improvements	(28,668,385)	(1,684,277)	-	-	(30,352,662)
Machinery and equipment	<u>(777,477)</u>	<u>(26,603)</u>	<u>-</u>	<u>-</u>	<u>(804,080)</u>
Total accumulated depreciation	<u>(29,445,862)</u>	<u>(1,710,880)</u>	<u>-</u>	<u>-</u>	<u>(31,156,742)</u>
Total Capital Assets, net	<u>\$ 31,876,711</u>	<u>\$ (612,813)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,263,898</u>

For the year ended June 30, 2019, business-type activity depreciation expense on capital assets was charged as follows:

Water	\$ 765,666
Sewer	918,611
Disposal	<u>26,603</u>
Total depreciation expense	<u>\$ 1,710,880</u>

NOTE 6: LONG-TERM LIABILITIES

A. Governmental Activities

The following is a summary of changes in the governmental activity's long-term liabilities for the fiscal year ended June 30, 2019:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Current Portion</u>
Governmental Activities:					
2013 Lease Revenue Bonds	\$ 1,320,000	\$ -	\$ (20,000)	\$ 1,300,000	\$ 20,000
Total Bonds Payable	<u>1,320,000</u>	<u>-</u>	<u>(20,000)</u>	<u>1,300,000</u>	<u>20,000</u>
Other liabilities:					
Compensated Absences	609,899	539,441	(481,154)	668,186	409,920
Claims and Judgments (Note 7)	<u>550,326</u>	<u>2,781,849</u>	<u>(3,037,747)</u>	<u>294,428</u>	<u>112,816</u>
Total Governmental Activities	<u>\$ 2,480,225</u>	<u>\$ 3,321,290</u>	<u>\$ (3,538,901)</u>	<u>\$ 2,262,614</u>	<u>\$ 542,736</u>

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM LIABILITIES (continued)

A description of the long-term liabilities related to governmental activities at June 30, 2019 follows:

Series 2013 Lease Revenue Bonds

On November 9, 2013, the Sanger Financing Authority issued Series 2013 Lease Revenue Bonds with a face value of \$1,320,000. The bonds were issued to finance the acquisition, construction, and installation of capital improvements throughout the City, purchase reserve fund surety bond in lieu of cash funding a reserve fund for the bonds, and pay costs of issuance of the bonds. The bonds bear interest ranging from 2.10% - 5.00% are payable semi-annually commencing June 15, 2019. The annual debt service requirements to amortize the bonds are as follows:

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 20,000	\$ 59,591	\$ 79,591
2021	25,000	59,002	84,002
2022	25,000	58,283	83,283
2023	25,000	57,508	82,508
2024	40,000	56,428	96,428
2025 - 2029	210,000	259,126	469,126
2030 - 2034	265,000	206,040	471,040
2035 - 2039	345,000	108,575	453,575
2040 - 2043	<u>345,000</u>	<u>35,375</u>	<u>380,375</u>
Total	\$ <u>1,300,000</u>	\$ <u>899,928</u>	\$ <u>2,199,928</u>

Compensated Absences

The City's policy relating to compensated absences is described in Note 1. This obligation is expected to be paid in future years from then available resources derived from their respective funds to which the employee services are rendered.

B. Business-type Activities

The following is a summary of changes in the business-type activity's long-term liabilities for the fiscal year ended June 30, 2019:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Current Portion</u>
Business-type Activities:					
2013 Subordinate Wastewater					
Lease Revenue Bonds	\$ 6,370,000	\$ -	\$ -	\$ 6,370,000	\$ 60,000
Less Issuance Discount	(42,314)	-	1,692	(40,622)	-
2013 Water Lease Revenue					
Bonds	3,795,000	-	(45,000)	3,750,000	50,000
2014 Lease Revenue Refunding	14,220,000	-	(570,000)	13,650,000	580,000
Add Issuance Premium	<u>952,333</u>	<u>-</u>	<u>(52,908)</u>	<u>899,425</u>	<u>-</u>
Total Bonds Payable	<u>25,295,019</u>	<u>-</u>	<u>(666,216)</u>	<u>24,628,803</u>	<u>690,000</u>
Other liabilities:					
Compensated Absences	<u>70,576</u>	<u>60,638</u>	<u>(71,466)</u>	<u>59,748</u>	<u>59,141</u>
Total Business-Type Activities	\$ <u>25,365,595</u>	\$ <u>60,638</u>	\$ <u>(737,682)</u>	\$ <u>24,688,551</u>	\$ <u>749,141</u>

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM LIABILITIES (continued)

A description of the long-term liabilities related to business-type activities at June 30, 2019 follows:

2013 Subordinate Wastewater Lease Revenue Bonds

On November 19, 2013 the Sanger Financing Authority issued Series 2013 Subordinate Wastewater Lease Revenue Bonds with a face value of \$6,370,000. The bonds were issued to finance the acquisition, construction and installation of capital improvements and facilities which constitute part of the Wastewater System, purchase a reserve fund surety bond in lieu of cash funding a reserve fund for the bonds and pay costs of issuance of the bonds. The bonds bear interest ranging from 2.55% to 5.00% and are payable semi-annually commencing June 15, 2014. The bonds are secured by a pledge of and lien on the net revenues of the City's municipal wastewater enterprise. The annual debt service requirements to amortize the bonds are as follows:

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 60,000	\$ 306,442	\$ 366,442
2021	60,000	304,912	364,912
2022	60,000	304,912	364,912
2023	135,000	301,282	436,282
2024	135,000	301,282	436,282
2025 - 2029	990,000	1,385,392	2,375,392
2030 - 2034	1,385,000	1,101,000	2,486,000
2035 - 2039	1,775,000	717,250	2,492,250
2040 - 2043	<u>1,770,000</u>	<u>226,750</u>	<u>1,996,750</u>
Total	\$ <u>6,370,000</u>	\$ <u>4,949,222</u>	\$ <u>11,319,222</u>

2013 Water Lease Revenue Bonds

On November 19, 2013 the Sanger Financing Authority issued Series 2013 Water Lease Revenue Bonds with a face value of \$4,090,000. The bonds were issued to finance the acquisition, construction and installation of capital improvements and facilities which constitute part of the Water System, purchase a reserve fund surety bond in lieu of cash funding a reserve fund for the bonds and pay costs of issuance of the bonds. The bonds bear interest ranging from 0.40% to 5.00% and are payable semi-annually commencing June 15, 2014. The bonds are secured by a pledge of an lien on the net revenues of the City's municipal water revenues. The annual debt service requirements to amortize the bonds are as follows:

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 50,000	\$ 175,552	\$ 225,552
2021	50,000	174,478	224,478
2022	50,000	173,152	223,152
2023	50,000	171,702	221,702
2024	95,000	170,152	265,152
2025 - 2029	525,000	797,988	1,322,988
2030 - 2034	700,000	671,000	1,371,000
2035 - 2039	1,115,000	451,750	1,566,750
2040 - 2043	<u>1,115,000</u>	<u>142,750</u>	<u>1,257,750</u>
Total	\$ <u>3,750,000</u>	\$ <u>2,928,524</u>	\$ <u>6,678,524</u>

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 6: LONG-TERM LIABILITIES (continued)

2014 Lease Revenue Refunding Bonds

On September 1, 2014, the Sanger Financing Authority issued Series 2014 Lease Revenue Refunding Bonds with a face value of \$16,605,000. The issuance was to refund the outstanding principal balance of the 2006 Series A and B Lease Revenue Refunding Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$517,905 which is being amortized over the life of the bond and recorded as a deferred outflow of resources at June 30, 2019 totaling \$400,200. The City refunded the 2006 bonds to reduce its total debt service payments over 22 years by \$1,352,124 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$999,340. The bonds bear interest ranging from 2.0% to 5.0% and are payable semi-annually commencing June 2015 through June 2036. The payments are secured by a pledge of and lien of net revenues of the City's municipal wastewater enterprise. The annual debt service requirements to amortize the bonds are as follows:

For the Year Ending June 30	Principal	Interest	Total
2020	\$ 580,000	\$ 594,480	\$ 1,174,480
2021	590,000	582,476	1,172,476
2022	605,000	569,200	1,174,200
2023	625,000	545,000	1,170,000
2024	650,000	520,000	1,170,000
2025 - 2029	3,700,000	2,164,600	5,864,600
2030 - 2034	4,685,000	1,168,250	5,853,250
2035 - 2036	<u>2,215,000</u>	<u>133,800</u>	<u>2,348,800</u>
Total	\$ <u>13,650,000</u>	\$ <u>6,277,806</u>	\$ <u>19,927,806</u>

Total Business-Type Activities Future Debt Service

For the Year Ending June 30	Principal	Interest	Total
2020	\$ 690,000	\$ 1,076,474	\$ 1,766,474
2021	700,000	1,061,866	1,761,866
2022	715,000	1,047,264	1,762,264
2023	810,000	1,017,984	1,827,984
2024	880,000	1,076,474	1,956,474
2025- 2029	5,215,000	4,347,980	9,562,980
2030- 2034	6,770,000	2,940,250	9,710,250
2035- 2039	5,105,000	1,302,800	6,407,800
2040- 2043	<u>2,885,000</u>	<u>369,500</u>	<u>3,254,500</u>
Total	\$ <u>23,770,000</u>	\$ <u>14,240,592</u>	\$ <u>38,010,592</u>

Compensated Absences

The City's policy relating to compensated absences is described in Note 1. This obligation is expected to be paid in future years from then available resources derived from their respective funds to which the employee services are rendered.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 7: RISK MANAGEMENT

The City is exposed to various risks and losses related to torts; theft or, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disaster. Risk of loss is primarily handled through the Central San Joaquin Valley Risk Management Authority (CSJVRMA). CSJVRMA is a consortium of fifty-four (54) cities in the San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et seq. Central San Joaquin Valley Risk Management Authority is governed by a Board of Directors, which meets 3-4 times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by CSJVRMA. It is not a component unit of the City.

A. General Liability Insurance

Annual deposits are paid by member cities and are adjusted retroactively to cover costs. Each member city has a specific retention level. The City has a retention level of \$50,000 and pays 100% of all losses incurred under \$50,000. The City does not share or pay for losses of other cities under \$50,000. Losses of \$50,000 to \$500,000 are prorated among all participating cities on a payroll basis. Losses in excess of \$500,000 are covered by excess insurance purchased by the participating cities, as a part of the pool, to a limit of \$5 million. This cost is also prorated on a payroll basis.

B. Workers Compensation

Annual deposits are paid by member cities and are adjusted retroactively to cover costs. Each member city has a specific retention level. The City has a retention level of \$50,000 and pays 100% of all losses incurred under \$50,000. The City does not share or pay for losses of other cities under \$50,000. Losses of \$50,000 to \$500,000 are prorated among all participating cities on a payroll basis. Losses in excess of \$500,000 are covered by excess insurance purchased by the participating cities, as a part of the pool, to a limit of \$5 million. This cost is also prorated on a payroll basis.

Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating. The following provides a reconciliation of claims and judgments.

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Claims Payable - Workers' Compensation		
Beginning Balance	\$ 550,326	\$ 461,877
Incurred	2,781,849	2,400,954
Paid	<u>(3,037,747)</u>	<u>(2,312,505)</u>
Ending Balance	<u>\$ 294,428</u>	<u>\$ 550,326</u>
Claims liability - current	\$ 112,816	\$ 197,274
Claims liability - non-current	<u>181,612</u>	<u>353,052</u>
Total Claims Liability	<u>\$ 294,428</u>	<u>\$ 550,326</u>

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8: FUND BALANCE

The following classifications describe the relative strength of the spending constraints of fund balance:

Nonspendable: Amounts that cannot be spent because they are either (a) not in spendable form (not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted: Amounts subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provision, or enabling legislation. This fund balance type is essentially the same definition as restricted net position under GASB Statement No. 34.

Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by the formal action of the government's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action (legislation, resolution, ordinance) it employed to previously commit those amounts. Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent period. The City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance.

Assigned: Amounts that are not restricted by the funding agency but are for specific purposes and assigned by City Council for that purpose. City Council's action in creating the fund is to ensure that the funds are used for their intended purpose. That purpose is not always planned for the current fiscal year as it may take several years to build up a sufficient fund balance to be able to implement the stated purpose. This classification also represents all remaining amounts (except negative balances) reported in governmental funds, other than the general fund, that are not classified as non spendable, restricted, or committed.

Unassigned: Residual amounts in the general fund, not classified as non spendable, restricted, committed, or assigned. For other governmental fund types, unassigned is only used when a deficit or negative fund balance occurs.

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 8: FUND BALANCE (continued)

As of June 30, 2019, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Measure S District Sales Tax</u>	<u>Developer Fees</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable					
Prepaid items	\$ 10,253	\$ -	\$ -	\$ -	\$ 10,253
Land held for resale	-	-	-	712,000	712,000
Total Nonspendable	<u>10,253</u>	<u>-</u>	<u>-</u>	<u>712,000</u>	<u>722,253</u>
Restricted					
Street repairs	-	-	-	3,414,313	3,414,313
Capital projects	-	-	3,734,986	110,307	3,845,293
Police services	-	1,261,612	-	345,552	1,607,164
Fire services	-	1,261,611	-	126,310	1,387,921
Affordable housing	-	-	-	759,824	759,824
Community service	-	-	-	733,178	733,178
Total Restricted	<u>-</u>	<u>2,523,223</u>	<u>3,734,986</u>	<u>5,489,484</u>	<u>11,747,693</u>
Committed					
Emergency contingencies	250,000	-	-	-	250,000
Total Committed	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Assigned					
Deposits	106,549	-	-	-	106,549
Total Assigned	<u>106,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,549</u>
Unassigned	4,615,013	-	-	(1,645)	4,613,368
Total Fund Balance	<u>\$ 4,981,815</u>	<u>\$ 2,523,223</u>	<u>\$ 3,734,986</u>	<u>\$ 6,199,839</u>	<u>\$ 17,439,863</u>

Fund Balance Deficits

As of June 30, 2019, the following funds had a fund deficit:

<u>Fund</u>	<u>Deficit</u>
Kings River Boat Launch	\$ 76
Community Development Block Grant	7
Sanger Public Financing Authority	1,562

These deficits were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN

A. General Information about the Pensions Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors seven plans (two miscellaneous and five safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee's Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date	Tier I	PEPRA
Benefit Formula	2.5% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 63	52 - 67
Monthly Benefits, as a % of Eligible Compensation	1.426% to 2.418%	1.0% - 2.5%
Required Employee Contribution Rates	8.00%	6.25%
Required Employer Contribution Rates*	43.463%	6.927%

	Safety - Police	
	Prior to January 1, 2013	On or After January 1, 2013
Hire Date	Tier I	PEPRA
Benefit Formula	2.0% @ 55	2.7% @ 55
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	2.4% - 3.0%	2.0 % to 2.7%
Required Employee Contribution Rates	9.0%	11.50%
Required Employer Contribution Rates*	32.583%	12.202%

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (continued)

Hire Date	Safety - Fire		
	On or After September 1, 2008	On or After October 1, 1985	On or After January 1, 2013
	Tier I	Tier II	PEPRA
Benefit Formula	3.0% @ 55	3.0% @ 55	2.7% @ 55
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 55	50 - 57
Monthly Benefits, as a % of Eligible Compensation	2.4% - 3.0%	2.4% - 3.0%	2.0 % to 2.7%
Required Employee Contribution Rates	N/A	9.0%	11.50%
Required Employer Contribution Rates*	N/A	30.883%	12.213%

*The employer contribution rate is the sum of the Plan's employer normal cost rate plus the employer unfunded accrued liability.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ended June 30, 2019 were \$3,421,080.

B. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$20,959,271. \$13,227,396 of the liability is reported in governmental activities, while \$7,731,875 of the liability is reported in business-type activities.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of the measurement periods June 30, 2017 and 2018 was as follows:

Proportion - June 30, 2017	0.21644 %
Proportion - June 30, 2018	0.21750 %
Change - Increase (Decrease)	0.00106 %

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (continued)

For the year ended June 30, 2019, the City recognized pension expense of \$3,491,035. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 3,421,080	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	194,462	109,006
Differences between actual and expected experience	487,124	-
Changes in assumptions	1,790,674	-
Adjustment due to differences in proportions	73,470	559,554
Net differences between projected and actual earnings on plan investments	123,907	-
Total	\$ 6,090,717	\$ 668,560

\$3,421,080 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2020	\$ 1,860,088
2021	1,031,583
2022	(725,047)
2023	(165,547)

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous & Safety Plans
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS Experience Study Report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (continued)

Other significant actuarial assumptions used in the June 30, 2017 valuation were based on the results of the actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates.

Changes in Assumptions

In December 2017, the CalPERS Board adopted new mortality assumptions for plan participants participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90 percent of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75 percent to 2.50 percent. The assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)

- (a) An expected inflation of 2.0% used for this period
(b) An expected inflation of 2.92% used for this period

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 9: DEFINED BENEFIT PENSION PLAN (continued)

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

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Net Pension Liability (Asset)	\$ 31,247,434	\$ 20,959,271	\$ 12,502,499

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 10: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following funds incurred expenditures and transfers in excess of appropriations in the following amounts for the year ended June 30, 2019:

Fund	Excess Expenditures
Measure C EXT - ADA	\$ 3,002
Asset Forfeiture	6,751
Local Public Safety	27,535
Community Facilities District	3,257

The excess expenditures were covered by available fund balance in the funds.

In addition, the following funds incurred expenditures and (transfers) in excess of appropriations as transfers were made to close out funds:

Fund	Excess Expenditures
Vehicle Impound Grant	\$ 81
ABC Grant	1,796
Area Agency on Aging	12,232
Bicycle Lane Striping	1,425
Sanger Skate Park	347
Edward Byrne (JAG)	7,715
SAFER Grant	363

NOTE 11: CONTINGENCIES AND COMMITMENTS

Grant Awards

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 the result of these audits is not believed to be material.

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Litigation

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions, with the exception of litigation described below. 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.

NOTE 12: SUCCESSOR AGENCY DISCLOSURES

The City is acting in a fiduciary capacity for the assets and liabilities of the Successor Agency of the former Redevelopment Agency of the City of Sanger. Disclosures related to these transactions are as follows:

A. Notes Receivable

	<u>Balance July 1, 2018</u>	<u>Additions /Interest</u>	<u>Deletions</u>	<u>Balance June 30, 2019</u>
California Trusframe	\$ 650,922	\$ 9,873	\$ -	\$ 660,795
Total Notes Receivable	<u>\$ 650,922</u>	<u>\$ 9,873</u>	<u>\$ -</u>	<u>\$ 660,795</u>

In July 2016, the Successor Agency entered into a promissory note with California Trusframe, LLC for the purchase of real property. The note accrues interest at 1.446% until paid. Principal and interest were due and payable on a quarterly basis through December 2018. However, the principal balance was not paid off until July 2019 and additional interest was accrued as of June 30, 2019. The outstanding balance at June 30, 2019 totaled \$660,795.

B. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2019</u>
Capital assets being depreciated Improvements	\$ 13,519	\$ -	\$ -	\$ 13,519
Less accumulated depreciation Improvements	(11,000)	(676)	-	(11,676)
Total Capital Assets, net	<u>\$ 2,519</u>	<u>\$ (676)</u>	<u>\$ -</u>	<u>\$ 1,843</u>

C. Long-term Liabilities

Long-term liability activity for the year ended June 30, 2019 was as follows:

	<u>Balance at July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2019</u>	<u>Current Portion</u>
2006 Tax Allocation Bond	\$ 345,000	\$ -	\$ (345,000)	\$ -	\$ -
Total Bonds Payable	<u>\$ 345,000</u>	<u>\$ -</u>	<u>\$ (345,000)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SANGER
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

NOTE 12: SUCCESSOR AGENCY DISCLOSURES (continued)

2006 Tax Allocation Bonds

On December 1, 2006, the Agency issued Tax Allocation Bonds with a face value of \$3,950,000, at a combined original issue discount and underwriter's discount of \$53,813. Issuance costs of \$161,701 were incurred. The bond discount and issuance costs will be amortized ratably over the average 12 year life of the bond issue on a straight-line basis. The bonds bear interest ranging from 3.70% to 4.75% and are payable semi-annually through August, 2018. There is no outstanding balance as of June 30, 2019.

NOTE 13: SUBSEQUENT EVENTS

Events occurring after June 30, 2019 have been evaluated for possible adjustments the financial statements or disclosure as of January 31, 2020, which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SANGER
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
REVENUES				
Taxes	\$ 8,611,896	\$ 8,657,334	\$ 8,920,783	\$ 263,449
Licenses and permits	405,600	405,600	349,280	(56,320)
Intergovernmental	610,000	877,500	907,161	29,661
Fines and forfeitures	214,100	214,100	219,990	5,890
Investment income	7,000	7,000	58,019	51,019
Charges for services	1,846,300	1,846,300	2,076,852	230,552
Other revenues	<u>586,000</u>	<u>586,000</u>	<u>711,408</u>	<u>125,408</u>
Total Revenues	<u>12,280,896</u>	<u>12,593,834</u>	<u>13,243,493</u>	<u>649,659</u>
EXPENDITURES				
Current:				
City council	256,327	272,627	228,766	43,861
Community services	1,176,139	1,187,993	1,028,195	159,798
Police department	4,814,378	5,882,788	5,888,648	(5,860)
Fire and emergency services	3,718,392	3,779,775	3,750,973	28,802
Development services	338,646	387,994	328,124	59,870
Public works	1,631,437	1,700,840	979,087	721,753
Nondepartmental	463,189	377,800	558,953	(181,153)
Capital outlay	25,500	462,920	439,760	23,160
Debt service				
Principal	-	-	20,000	(20,000)
Interest and fiscal charges	<u>80,300</u>	<u>80,300</u>	<u>60,255</u>	<u>20,045</u>
Total Expenditures	<u>12,504,308</u>	<u>14,133,037</u>	<u>13,282,761</u>	<u>850,276</u>
Excess (deficiency) of revenues over expenditures	<u>(223,412)</u>	<u>(1,539,203)</u>	<u>(39,268)</u>	<u>1,499,935</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	154,000	154,000	30,902	(123,098)
Transfers out	<u>-</u>	<u>-</u>	<u>(155,766)</u>	<u>(155,766)</u>
Total Other Financing Sources (Uses)	<u>154,000</u>	<u>154,000</u>	<u>(124,864)</u>	<u>(278,864)</u>
Net change in fund balance	<u>\$ (69,412)</u>	<u>\$ (1,385,203)</u>	<u>(164,132)</u>	<u>\$ 1,221,071</u>
Fund balance - July 1, 2018			5,148,216	
Fund balance - June 30, 2019			<u>\$ 4,984,084</u>	

CITY OF SANGER
MEASURE S DISTRICT SALES TAX - MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Taxes and assessments	\$ 2,160,000	\$ 2,160,000	\$ 2,294,420	\$ 134,420
Investment income	-	-	42,436	42,436
Total Revenues	<u>2,160,000</u>	<u>2,160,000</u>	<u>2,336,856</u>	<u>176,856</u>
<u>EXPENDITURES</u>				
Current:				
Police department	1,436,851	1,446,921	1,335,497	111,424
Fire and emergency services	923,020	960,017	887,904	72,113
Capital outlay	<u>1,048,000</u>	<u>1,529,950</u>	<u>485,055</u>	<u>1,044,895</u>
Total Expenditures	<u>3,407,871</u>	<u>3,936,888</u>	<u>2,708,456</u>	<u>1,228,432</u>
Net change in fund balance	<u>\$ (1,247,871)</u>	<u>\$ (1,776,888)</u>	<u>(371,600)</u>	<u>\$ 1,405,288</u>
Fund balance - July 1, 2018			<u>2,894,823</u>	
Fund balance - June 30, 2019			<u>\$ 2,523,223</u>	

CITY OF SANGER
DEVELOPER FEES - MAJOR SPECIAL REVENUE FUN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 70,430	\$ 70,430
Charges for services	<u>80,000</u>	<u>80,000</u>	<u>377,942</u>	<u>297,942</u>
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>448,372</u>	<u>368,372</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>-</u>	<u>559,284</u>	<u>481,233</u>	<u>78,051</u>
Total Expenditures	<u>-</u>	<u>559,284</u>	<u>481,233</u>	<u>78,051</u>
Excess (deficiency) of revenues over expenditures	<u>80,000</u>	<u>(479,284)</u>	<u>(32,861)</u>	<u>446,423</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,469,817)</u>	<u>(1,469,817)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,469,817)</u>	<u>(1,469,817)</u>
Net change in fund balance	<u>\$ 80,000</u>	<u>\$ (479,284)</u>	<u>(1,502,678)</u>	<u>\$ (1,023,394)</u>
Fund balance - July 1, 2018			<u>5,237,664</u>	
Fund balance - June 30, 2019			<u>\$ 3,734,986</u>	

**CITY OF SANGER
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY ACCOUNTING AND CONTROL
FOR THE YEAR ENDED JUNE 30, 2019**

The City uses the following procedures annually to establish the budget data reflected in the budgetary comparison schedules:

- 1) The City Manager submits to the City Council a proposed budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing them.
- 2) The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interest persons.
- 3) Prior to July 1, the budget is legally adopted through passage of an ordinance. This budget is reported as Original Budget in the budgetary comparison schedules.
- 4) During the fiscal year, changes to the adopted budget may be authorized as follows:
 - a. Items requiring City Council action - appropriation of fund balance reserves; transfers of appropriations between funds; appropriation of any nondepartmental revenue; new interfund loans or advances; and creation of new capital projects or increases to existing capital projects.
 - b. Items delegated to the City Manager - transfers between departments within funds; appropriation of unbudgeted departmental revenues; and approval of transfers which increase salary and benefit appropriations.
 - c. Items delegated to department heads - allocation of departmental appropriations to line item levels.
- 5) Formal budgetary integration is employed as a management tool for all funds. Annual budgets are legally adopted and amended as required for the General Fund, certain Special Revenue Funds, and Enterprise Funds. Project length budgets are adopted for the capital project funds. All budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP), and budgetary comparison information. A debt service payment schedule for the debt service funds is also approved as part of the budget process.
- 6) Budget amounts are reflected after all authorized amendments and revisions. This budget is reported as the Final Budget in the budgetary comparison schedules.
- 7) For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the activity level. The legal appropriation basis is at the level called "department." A "department" for legal appropriation purposes may be a single organization, or an entire department having multiple organizations within the same fund, or an entire fund.

**CITY OF SANGER
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years ***

	Measurement Period				
	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.217500 %	0.216440 %	0.224160 %	0.236935 %	0.225898 %
Proportionate share of the net pension liability	\$20,959,271	\$21,464,892	\$19,396,522	\$16,263,015	\$14,056,482
Covered payroll	\$ 7,029,487	\$ 6,525,459	\$ 5,713,477	\$ 5,552,266	\$ 5,645,111
Proportionate share of the net pension liability as a percentage of covered payroll	298.16 %	328.94 %	339.49 %	292.91 %	249.00 %
Plan fiduciary net position as a percentage of the total pension liability	75.30 %	73.30 %	74.06 %	78.40 %	79.82 %

Notes to Schedule:

Changes in assumptions. In 2018, assumptions for individual salary increases and overall payroll growth are reduced from 3.00 percent to 2.75 percent. In 2017, the discount rate was lowered from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

**CITY OF SANGER
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF THE PENSION CONTRIBUTIONS

**Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2019
Last 10 Years ***

	Fiscal Year-End				
	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 3,421,080	\$ 2,087,768	\$ 2,037,970	\$ 2,021,209	\$ 1,710,588
Contributions in relation to the actuarially determined contributions	<u>3,421,080</u>	<u>2,087,768</u>	<u>2,037,970</u>	<u>2,021,209</u>	<u>1,710,588</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,194,486	\$ 7,029,487	\$ 6,525,459	\$ 5,713,477	\$ 5,552,266
Contributions as a percentage of covered payroll	47.55 %	29.70 %	31.23 %	35.38 %	30.81 %

* Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

State Gas Tax - The funds are used to account for receipts and expenditures of monies apportioned to the City under the Streets and Highways Case Section 2105, 2106, 2107, 2107.5 of the State of California.

Landscape and Lighting - Accounts for maintenance expenditures made with assessment money received from district property owners.

Measure C EXT - Pedestrian - These funds are used for pedestrian facilities including sidewalks, paths, walkways, or equivalent facilities. Funding is provided by the countywide 1/2 cent transportation sales tax imposed in Fresno County for twenty years.

Measure C EXT - Bicycle - These funds are used for bicycle facilities including accommodations for bicycle travel either by a shared roadway or by bike lane. Funding is provided by the countywide 1/2 cent transportation sales tax imposed in Fresno County for twenty years.

Measure C EXT - American Disability Act (ADA) - These funds are used for the American Disability Act compliance for street construction and maintenance including curb cuts and ramps to remove barriers, as well as other special transportation services. Funding is provided by the countywide 1/2 cent transportation sales tax imposed in Fresno County for twenty years.

Measure C EXT - Street - These funds are used for the street maintenance for street improvements that address the aging street and road systems. Funding is provided by the countywide 1/2 cent transportation sales tax imposed in Fresno County for twenty years.

Measure C EXT - Flexible - These funds are used for any transportation project they feel is warranted (example: transit, pothole, repair and maintenance of existing alleys). Funding is provided by the countywide 1/2 cent transportation sales tax imposed in Fresno County for twenty years.

Measure C EXT - New Technology Reserve (NTR) - These funds are used to finance research or to provide funding for implementation projects intended to reduce traffic congestion, energy consumption and air emissions resulting in less vehicular traffic and less surface street congestion; and improve mobility in more densely developed areas by providing convenient and direct transit service.

Transportation and Street Maintenance - Accounts for the construction and maintenance of the street network system of the City. Financing is provided by allocations from the County Local Transportation Funds created by the Transportation Development Act.

Transportation Equity Act 21 - Accounts for improving the safety due to increasing traffic levels. It protects and enhances the community and the natural environment.

Asset Forfeiture - Accounts for receipt and expenditure seized assets (property and/or cash) of persons suspected of engaging in criminal enterprise pursuant to California Health & Safety Codes sections 11366 through 11491.

Kings River Boat Launch - Accounts for a state grant to build a new boat launch ramp on the Kings River.

Local Public Safety - These funds are used to account for the revenues from Proposition 172, a 1993 measure which collects a 1/2 cent sales tax for local public safety.

Air Quality Projects - This fund is used to account for clean air fees collected by the State and distributed by the California Air Quality Management District for clean air projects.

Vehicle Impound Program Grant - State Office of Traffic Safety (OTS) Vehicle Impound Program Grant provides funding for overtime hours and purchases of radar trailer to reduce traffic collisions involving drivers with suspended or revoked licenses. Operations will include DUI/Driver's license.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (continued)

Alcohol Beverage Control (ABC) Grant - Alcohol Beverage Control Grant provides funding for the prevention of under-age drinking and to enforce compliance with ABC laws and regulations of licenses businesses.

Community Development Block Grant (CDBG) - Accounts for expenditures for approved projects that have been funded by federal Community Development Block Grant funds received through county funding.

State Grants - State funding for various local projects and programs including Prop 56 tobacco grant funding provided by the California Department of Justice to reduce illegal sales and marketing of cigarettes and tobacco products to minors.

Area Agency on Aging Grant - Federal funding for providing outreach and site management services to older Americans in Sanger and Del Rey. Services include meals and information support.

Bicycle Lane Striping State Grant - State Bicycle Transportation Account (BTA) grant funding for 5.5 miles of Class II bicycle lanes.

Supplemental Law Enforcement Grant - State Supplements Law Enforcement Services Fund (SLESF) provided for front line municipal police services including anti-gang and community crime prevention programs.

Community Facilities District - Community Facilities District 2005-1 levies a special tax in the District comprised of developing areas. The tax provides for the financing of additional demands for public safety and park maintenance services as a result of development.

Sanger Housing Authority - Authorized by Housing Authority Law commencing with Section 34200 of the health and Safety Code for the development and construction of low and moderate income housing.

State Homeland Security Grant - State Homeland Security Grant provides the first responders with the tools they need should a WMD incident occur in the Urban Area.

SJVAPCD Grant - District funding to purchase and install electric vehicle chargers for public use.

DUI Enforcement and Awareness Grant - State Office of Traffic Safety (ORS) Grant provides funding for operations that will focus on DUI offenders to reduce deaths and injuries related to alcohol involved crashes.

Sanger Skate Park Grant - State Parks and Recreation Grant to construct a skate park including a small parking lot, walkways, lighting, landscaping and placement of benches and tables.

Edward Byrne Program (JAG) - Federal Justice Assistance Recovery Act Grant for the purchase of police tazers and office equipment.

SAFER Grant - Accounts for Federal Emergency Management Agency (FEMA) grant allocated to six regional fire departments to recruit and train reserve and volunteer firefighters.

Petsmart Charities Grant - Accounts for Petsmart grant for low cost spay and neuter of dogs.

CalHome Grant - Accounts for California Department of Housing and Community Development grant to provide first time low income homebuyers down payment assistance and low income homeowners rehabilitation assistance.

Bulletproof Vest Grant - Accounts for U.S. Department of Justice grants to provide bullet-resistant body armor for sworn law enforcement officers. The program is administered by the Office of Justice Programs' Bureau of Justice Assistance (BJA).

WaterSMART Grant - Federal funding to improve accuracy, efficiency, and reliability of the SCADA water system and to install programmable logic controllers, modern magnetic flow meters, and associated digital communications equipment in enclosed facilities at nine well sites throughout the City.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (continued)

Urban Greening Grant - State funding from the California Natural Resources Agency for placement of native and drought tolerant trees and irrigation throughout out the City's veteran's park.

DEBT SERVICE FUNDS

Sanger Financing Authority - Accounts for the Series 2013 lease revenue bonds, 2013 subordinate wastewater lease revenue bonds, 2014 water lease revenue bonds, and the 2014 lease revenue refunding bonds.

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2019

	Special Revenue Funds					
	State Gas Tax	Landscape and Lighting	Measure C EXT - Pedestrian	Measure C EXT - Bicycle	Measure C EXT - ADA	Measure C EXT - Street
ASSETS						
Cash and investments	\$ 67,342	\$ 659,738	\$ 307,665	\$ 86,271	\$ 6,229	\$ 565,477
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable, net of allowance	90,859	8,981	5,325	1,391	773	23,647
Interest Receivable	1,586	2,489	1,085	305	-	1,958
Loans receivable	-	-	-	-	-	-
Land held for development	-	-	-	-	-	-
Total Assets	<u>\$ 159,787</u>	<u>\$ 671,208</u>	<u>\$ 314,075</u>	<u>\$ 87,967</u>	<u>\$ 7,002</u>	<u>\$ 591,082</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ 82,716	\$ 10,206	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Retention payable	4,097	-	-	-	2,000	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	<u>86,813</u>	<u>10,206</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - housing loans	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	-
Restricted	72,974	661,002	314,075	87,967	5,002	591,082
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>72,974</u>	<u>661,002</u>	<u>314,075</u>	<u>87,967</u>	<u>5,002</u>	<u>591,082</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 159,787</u>	<u>\$ 671,208</u>	<u>\$ 314,075</u>	<u>\$ 87,967</u>	<u>\$ 7,002</u>	<u>\$ 591,082</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2019

	Special Revenue Funds					
	<u>Measure C EXT - Flexible</u>	<u>Measure C EXT - NTR</u>	<u>Transportation and Street Maintenance</u>	<u>Transportation Equity Act 21</u>	<u>Asset Forfeiture</u>	<u>Kings River Boat Launch</u>
ASSETS						
Cash and investments	\$ 292,385	\$ -	\$ 1,900,681	\$ -	\$ 35,171	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable, net of allowance	22,874	-	204,307	259,830	-	5,855
Interest Receivable	975	-	6,474	-	42	-
Loans receivable	-	-	-	-	-	-
Land held for development	-	-	-	-	-	-
Total Assets	<u>\$ 316,234</u>	<u>\$ -</u>	<u>\$ 2,111,462</u>	<u>\$ 259,830</u>	<u>\$ 35,213</u>	<u>\$ 5,855</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ 12,980	\$ 59,081	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Retention payable	-	-	9,812	26,192	-	-
Due to other funds	-	-	61,690	98,473	-	5,931
Unearned revenue	-	-	-	7,890	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>84,482</u>	<u>191,636</u>	<u>-</u>	<u>5,931</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - housing loans	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	-
Restricted	316,234	-	2,026,980	68,194	35,213	-
Unassigned	-	-	-	-	-	(76)
Total Fund Balances (Deficits)	<u>316,234</u>	<u>-</u>	<u>2,026,980</u>	<u>68,194</u>	<u>35,213</u>	<u>(76)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 316,234</u>	<u>\$ -</u>	<u>\$ 2,111,462</u>	<u>\$ 259,830</u>	<u>\$ 35,213</u>	<u>\$ 5,855</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2019

	Special Revenue Funds					
	<u>Local Public Safety</u>	<u>Air Quality Projects</u>	<u>Vehicle Impound Program Grant</u>	<u>ABC Grant</u>	<u>Community Development Block Grant</u>	<u>State Grants</u>
ASSETS						
Cash and investments	\$ -	\$ 21,773	\$ -	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable, net of allowance	22,655	-	-	1,882	97,083	23,023
Interest Receivable	-	287	-	-	-	-
Loans receivable	-	-	-	-	-	-
Land held for development	-	-	-	-	-	-
Total Assets	<u>\$ 22,655</u>	<u>\$ 22,060</u>	<u>\$ -</u>	<u>\$ 1,882</u>	<u>\$ 97,083</u>	<u>\$ 23,023</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ 7,999	\$ -	\$ 151	\$ 365	\$ -
Accrued payroll and benefits	4,225	-	-	-	-	-
Retention payable	-	7,161	-	-	7,174	-
Due to other funds	7,145	-	-	1,731	89,551	23,023
Unearned revenue	-	-	-	-	-	-
Total Liabilities	<u>11,370</u>	<u>15,160</u>	<u>-</u>	<u>1,882</u>	<u>97,090</u>	<u>23,023</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - housing loans	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	-
Restricted	11,285	6,900	-	-	-	-
Unassigned	-	-	-	-	(7)	-
Total Fund Balances (Deficits)	<u>11,285</u>	<u>6,900</u>	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 22,655</u>	<u>\$ 22,060</u>	<u>\$ -</u>	<u>\$ 1,882</u>	<u>\$ 97,083</u>	<u>\$ 23,023</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2019

	Special Revenue Funds				
	Area Agency on Aging Grant	Bicycle Lane Striping State Grant	Supplemental Law Enforcement Grant	Community Facilities District	Sanger Housing Authority
ASSETS					
Cash and investments	\$ -	\$ -	\$ 48,946	\$ 460,364	\$ 632,275
Cash with fiscal agent	-	-	-	-	-
Accounts receivable, net of allowance	3,668	-	-	2,481	-
Interest Receivable	-	-	-	1,618	1,740
Loans receivable	-	-	-	-	494,713
Land held for development	-	-	-	-	712,000
Total Assets	<u>\$ 3,668</u>	<u>\$ -</u>	<u>\$ 48,946</u>	<u>\$ 464,463</u>	<u>\$ 1,840,728</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 1,269
Accrued payroll and benefits	-	-	2,256	13,356	1,176
Retention payable	-	-	-	-	-
Due to other funds	3,668	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>3,668</u>	<u>-</u>	<u>2,256</u>	<u>13,356</u>	<u>2,445</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues - housing loans	-	-	-	-	494,713
FUND BALANCES (DEFICITS):					
Nonspendable	-	-	-	-	712,000
Restricted	-	-	46,690	451,107	631,570
Unassigned	-	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>46,690</u>	<u>451,107</u>	<u>1,343,570</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 3,668</u>	<u>\$ -</u>	<u>\$ 48,946</u>	<u>\$ 464,463</u>	<u>\$ 1,840,728</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2019

	Special Revenue Funds					
	<u>State Homeland Security Grant</u>	<u>SJVAPCD Grant</u>	<u>DUI Enforcement and Awareness Grant</u>	<u>Sanger Skate Park Grant</u>	<u>Edward Byrne Program (JAG)</u>	<u>SAFER Grant</u>
ASSETS						
Cash and investments	\$ -	\$ -	\$ 34,840	\$ -	\$ -	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable, net of allowance	899	9,000	-	-	-	-
Interest Receivable	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Land held for development	-	-	-	-	-	-
Total Assets	<u>\$ 899</u>	<u>\$ 9,000</u>	<u>\$ 34,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-
Due to other funds	899	9,000	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	<u>899</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues - housing loans	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	34,840	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>-</u>	<u>-</u>	<u>34,840</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 899</u>	<u>\$ 9,000</u>	<u>\$ 34,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS (continued)
JUNE 30, 2019

	Special Revenue Funds					Debt Service	Total Non-major Governmental Funds
	Petsmart Charities Grant	CalHome Grant	Bulletproof Vest Grant	WaterSMART Grant	Urban Greening Grant	Sanger Financing Authority	
ASSETS							
Cash and investments	\$ 13,339	\$ 127,795	\$ -	\$ -	\$ -	\$ -	\$ 5,260,291
Cash with fiscal agent	-	-	-	-	-	503	503
Accounts receivable, net of allowance	-	-	483	-	95,275	-	880,291
Interest Receivable	47	458	-	-	-	-	19,064
Loans receivable	-	1,067,749	-	-	-	-	1,562,462
Land held for development	-	-	-	-	-	-	712,000
Total Assets	<u>\$ 13,386</u>	<u>\$ 1,196,002</u>	<u>\$ 483</u>	<u>\$ -</u>	<u>\$ 95,275</u>	<u>\$ 503</u>	<u>\$ 8,434,611</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
LIABILITIES:							
Accounts payable	\$ 3,240	\$ -	\$ -	\$ -	\$ 29,438	\$ -	\$ 207,445
Accrued payroll and benefits	-	-	-	-	-	-	21,013
Retention payable	-	-	-	-	3,369	-	59,805
Due to other funds	-	-	483	-	62,468	2,065	366,127
Unearned revenue	10,030	-	-	-	-	-	17,920
Total Liabilities	<u>13,270</u>	<u>-</u>	<u>483</u>	<u>-</u>	<u>95,275</u>	<u>2,065</u>	<u>672,310</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues - housing loans	-	1,067,749	-	-	-	-	1,562,462
FUND BALANCES (DEFICITS):							
Nonspendable	-	-	-	-	-	-	712,000
Restricted	116	128,253	-	-	-	-	5,489,484
Unassigned	-	-	-	-	-	(1,562)	(1,645)
Total Fund Balances (Deficits)	<u>116</u>	<u>128,253</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,562)</u>	<u>6,199,839</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 13,386</u>	<u>\$ 1,196,002</u>	<u>\$ 483</u>	<u>\$ -</u>	<u>\$ 95,275</u>	<u>\$ 503</u>	<u>\$ 8,434,611</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	State Gas Tax	Landscape and Lighting	Measure C EXT - Pedestrian	Measure C EXT - Bicycle	Measure C EXT - ADA	Measure C EXT - Street
REVENUES						
Taxes	\$ 1,015,192	\$ -	\$ 63,538	\$ 16,597	\$ 9,864	\$ 297,774
Intergovernmental	-	-	-	-	-	-
Investment income	7,924	9,629	4,717	1,341	125	10,406
Other revenue	-	338,887	-	-	-	-
Total Revenues	<u>1,023,116</u>	<u>348,516</u>	<u>68,255</u>	<u>17,938</u>	<u>9,989</u>	<u>308,180</u>
EXPENDITURES						
Current:						
Community services	-	-	-	-	-	-
Police department	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-
Public works	690,954	252,832	-	-	-	-
Capital outlay	<u>503,516</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,002</u>	<u>452,441</u>
Total Expenditures	<u>1,194,470</u>	<u>252,832</u>	<u>-</u>	<u>-</u>	<u>43,002</u>	<u>452,441</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(171,354)</u>	<u>95,684</u>	<u>68,255</u>	<u>17,938</u>	<u>(33,013)</u>	<u>(144,261)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(171,354)</u>	<u>95,684</u>	<u>68,255</u>	<u>17,938</u>	<u>(33,013)</u>	<u>(144,261)</u>
Fund balances (deficits) - July 1, 2018	<u>244,328</u>	<u>565,318</u>	<u>245,820</u>	<u>70,029</u>	<u>38,015</u>	<u>735,343</u>
Fund balances (deficits) - June 30, 2019	<u>\$ 72,974</u>	<u>\$ 661,002</u>	<u>\$ 314,075</u>	<u>\$ 87,967</u>	<u>\$ 5,002</u>	<u>\$ 591,082</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	<u>Measure C EXT - Flexible</u>	<u>Measure C EXT - NTR</u>	<u>Transportation and Street Maintenance</u>	<u>Transportation Equity Act 21</u>	<u>Asset Forfeiture</u>	<u>Kings River Boat Launch</u>
<u>REVENUES</u>						
Taxes	\$ 287,912	\$ -	\$ 267,700	\$ -	\$ -	\$ -
Intergovernmental	-	648,036	990,107	1,482,909	-	-
Investment income	7,568	-	27,076	-	73	-
Other revenue	-	-	-	-	-	-
Total Revenues	<u>295,480</u>	<u>648,036</u>	<u>1,284,883</u>	<u>1,482,909</u>	<u>73</u>	<u>-</u>
<u>EXPENDITURES</u>						
Current:						
Community services	-	-	-	-	-	-
Police department	-	-	-	-	6,751	-
Fire and emergency services	-	-	-	-	-	-
Public works	-	648,036	-	-	-	-
Capital outlay	<u>905,240</u>	<u>-</u>	<u>595,809</u>	<u>1,482,910</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>905,240</u>	<u>648,036</u>	<u>595,809</u>	<u>1,482,910</u>	<u>6,751</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(609,760)</u>	<u>-</u>	<u>689,074</u>	<u>(1)</u>	<u>(6,678)</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	-	-	-	41,891	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,891</u>	<u>-</u>
Net change in fund balances	<u>(609,760)</u>	<u>-</u>	<u>689,074</u>	<u>(1)</u>	<u>35,213</u>	<u>-</u>
Fund balances (deficits) - July 1, 2018	<u>925,994</u>	<u>-</u>	<u>1,337,906</u>	<u>68,195</u>	<u>-</u>	<u>(76)</u>
Fund balances (deficits) - June 30, 2019	<u>\$ 316,234</u>	<u>\$ -</u>	<u>\$ 2,026,980</u>	<u>\$ 68,194</u>	<u>\$ 35,213</u>	<u>\$ (76)</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	<u>Local Public Safety</u>	<u>Air Quality Projects</u>	<u>Vehicle Impound Program Grant</u>	<u>ABC Grant</u>	<u>Community Development Block Grant</u>	<u>State Grants</u>
<u>REVENUES</u>						
Taxes	\$ 134,683	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	4,283	177,501	23,023
Investment income	25	2,519	-	-	-	-
Other revenue	-	4,381	-	-	-	-
Total Revenues	<u>134,708</u>	<u>6,900</u>	<u>-</u>	<u>4,283</u>	<u>177,501</u>	<u>23,023</u>
<u>EXPENDITURES</u>						
Current:						
Community services	-	-	-	-	-	-
Police department	157,107	-	-	4,282	-	23,023
Fire and emergency services	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	-	174,931	-	-	177,501	-
Total Expenditures	<u>157,107</u>	<u>174,931</u>	<u>-</u>	<u>4,282</u>	<u>177,501</u>	<u>23,023</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(22,399)</u>	<u>(168,031)</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(81)	(7,514)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(81)</u>	<u>(7,514)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(22,399)</u>	<u>(168,031)</u>	<u>(81)</u>	<u>(7,513)</u>	<u>-</u>	<u>-</u>
Fund balances (deficits) - July 1, 2018	<u>33,684</u>	<u>174,931</u>	<u>81</u>	<u>7,513</u>	<u>(7)</u>	<u>-</u>
Fund balances (deficits) - June 30, 2019	<u>\$ 11,285</u>	<u>\$ 6,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7)</u>	<u>\$ -</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds				
	Area Agency on Aging Grant	Bicycle Lane Striping State Grant	Supplemental Law Enforcement Grant	Community Facilities District	Sanger Housing Authority
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 668,270	\$ -
Intergovernmental	19,500	-	148,747	-	-
Investment income	-	-	51	7,292	7,958
Other revenue	-	-	-	-	17,166
Total Revenues	<u>19,500</u>	<u>-</u>	<u>148,798</u>	<u>675,562</u>	<u>25,124</u>
EXPENDITURES					
Current:					
Community services	19,500	-	-	-	-
Police department	-	-	98,363	313,365	-
Fire and emergency services	-	-	-	325,964	-
Public works	-	-	-	103,577	85,167
Capital outlay	-	-	-	55,883	-
Total Expenditures	<u>19,500</u>	<u>-</u>	<u>98,363</u>	<u>798,789</u>	<u>85,167</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>50,435</u>	<u>(123,227)</u>	<u>(60,043)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	(12,232)	(1,425)	-	-	-
Total Other Financing Sources (Uses)	<u>(12,232)</u>	<u>(1,425)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(12,232)</u>	<u>(1,425)</u>	<u>50,435</u>	<u>(123,227)</u>	<u>(60,043)</u>
Fund balances (deficits) - July 1, 2018	<u>12,232</u>	<u>1,425</u>	<u>(3,745)</u>	<u>574,334</u>	<u>1,403,613</u>
Fund balances (deficits) - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,690</u>	<u>\$ 451,107</u>	<u>\$ 1,343,570</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					
	State Homeland Security Grant	SJVAPCD Grant	DUI Enforcement and Awareness Grant	Sanger State Park Grant	Edward Byrne Program (JAG)	SAFER Grant
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	9,000	-	-	-	-
Investment income	-	-	-	-	-	-
Other revenue	198	-	-	-	-	-
Total Revenues	<u>198</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Current:						
Community services	-	-	-	-	-	-
Police department	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-
Public works	-	9,000	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(347)	(7,715)	(363)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(347)</u>	<u>(7,715)</u>	<u>(363)</u>
Net change in fund balances	<u>198</u>	<u>-</u>	<u>-</u>	<u>(347)</u>	<u>(7,715)</u>	<u>(363)</u>
Fund balances (deficits) - July 1, 2018	<u>(198)</u>	<u>-</u>	<u>34,840</u>	<u>347</u>	<u>7,715</u>	<u>363</u>
Fund balances (deficits) - June 30, 2019	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,840</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SANGER
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds					Debt Service	Total Non-major Governmental Funds
	Petsmart Charities Grant	CalHome Grant	Bulletproof Vest Grant	WaterSMART Grant	Urban Greening Grant	Sanger Financing Authority	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,761,530
Intergovernmental	5,170	-	909	68,121	101,600	-	3,678,906
Investment income	116	1,244	-	-	-	54	88,118
Other revenue	-	121,601	1	-	-	-	482,234
Total Revenues	<u>5,286</u>	<u>122,845</u>	<u>910</u>	<u>68,121</u>	<u>101,600</u>	<u>54</u>	<u>7,010,788</u>
EXPENDITURES							
Current:							
Community services	-	-	-	-	-	-	19,500
Police department	5,170	-	909	-	-	-	608,970
Fire and emergency services	-	-	-	-	-	-	325,964
Public works	-	-	-	-	-	-	1,789,566
Capital outlay	-	-	-	68,121	101,600	-	4,560,954
Total Expenditures	<u>5,170</u>	<u>-</u>	<u>909</u>	<u>68,121</u>	<u>101,600</u>	<u>-</u>	<u>7,304,954</u>
Excess (Deficiency) of Revenues over Expenditures	<u>116</u>	<u>122,845</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>54</u>	<u>(294,166)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	63,875	105,766
Transfers out	(1,225)	-	-	-	-	-	(30,902)
Total Other Financing Sources (Uses)	<u>(1,225)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,875</u>	<u>74,864</u>
Net change in fund balances	<u>(1,109)</u>	<u>122,845</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>63,929</u>	<u>(219,302)</u>
Fund balances (deficits) - July 1, 2018	<u>1,225</u>	<u>5,408</u>	<u>(1)</u>	<u>-</u>	<u>-</u>	<u>(65,491)</u>	<u>6,419,141</u>
Fund balances (deficits) - June 30, 2019	<u>\$ 116</u>	<u>\$ 128,253</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,562)</u>	<u>\$ 6,199,839</u>

CITY OF SANGER
STATE GAS TAX - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
<u>REVENUES</u>				
Taxes	\$ 1,129,553	\$ 1,129,553	\$ 1,015,192	\$ (114,361)
Investment income	<u>-</u>	<u>-</u>	<u>7,924</u>	<u>7,924</u>
Total Revenues	<u>1,129,553</u>	<u>1,129,553</u>	<u>1,023,116</u>	<u>(106,437)</u>
<u>EXPENDITURES</u>				
Current:				
Public works	-	690,954	690,954	-
Capital outlay	<u>540,000</u>	<u>540,000</u>	<u>503,516</u>	<u>36,484</u>
Total Expenditures	<u>540,000</u>	<u>1,230,954</u>	<u>1,194,470</u>	<u>36,484</u>
Net change in fund balance	<u>\$ 589,553</u>	<u>\$ (101,401)</u>	<u>(171,354)</u>	<u>\$ (69,953)</u>
Fund balance - July 1, 2018			<u>244,328</u>	
Fund balance - June 30, 2019			<u>\$ 72,974</u>	

CITY OF SANGER
LANDSCAPE AND LIGHTING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 9,629	\$ 9,629
Other revenues	<u>322,000</u>	<u>322,000</u>	<u>338,887</u>	<u>16,887</u>
Total Revenues	<u>322,000</u>	<u>322,000</u>	<u>348,516</u>	<u>26,516</u>
<u>EXPENDITURES</u>				
Current:				
Public works	<u>175,000</u>	<u>342,000</u>	<u>252,832</u>	<u>89,168</u>
Total Expenditures	<u>175,000</u>	<u>342,000</u>	<u>252,832</u>	<u>89,168</u>
Excess (deficiency) of revenues over expenditures	<u>147,000</u>	<u>(20,000)</u>	<u>95,684</u>	<u>115,684</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(142,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(142,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 5,000</u>	<u>\$ (20,000)</u>	<u>95,684</u>	<u>\$ 115,684</u>
Fund balance - July 1, 2018			<u>565,318</u>	
Fund balance - June 30, 2019			<u>\$ 661,002</u>	

CITY OF SANGER
MEASURE C EXT - PEDESTRIAN - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 57,541	\$ 57,541	\$ 63,538	\$ 5,997
Investment income	<u>-</u>	<u>-</u>	<u>4,717</u>	<u>4,717</u>
Total Revenues	<u>57,541</u>	<u>57,541</u>	<u>68,255</u>	<u>10,714</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 57,541</u>	<u>\$ 57,541</u>	<u>68,255</u>	<u>\$ 10,714</u>
Fund balance - July 1, 2018			<u>245,820</u>	
Fund balance - June 30, 2019			<u>\$ 314,075</u>	

CITY OF SANGER
MEASURE C EXT - BICYCLE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 14,694	\$ 14,694	\$ 16,597	\$ 1,903
Investment income	<u>-</u>	<u>-</u>	<u>1,341</u>	<u>1,341</u>
Total Revenues	<u>14,694</u>	<u>14,694</u>	<u>17,938</u>	<u>3,244</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 14,694</u>	<u>\$ 14,694</u>	<u>17,938</u>	<u>\$ 3,244</u>
Fund balance - July 1, 2018			<u>70,029</u>	
Fund balance - June 30, 2019			<u>\$ 87,967</u>	

CITY OF SANGER
MEASURE C EXT - ADA - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 9,858	\$ 9,858	\$ 9,864	\$ 6
Investment income	<u>-</u>	<u>-</u>	<u>125</u>	<u>125</u>
Total Revenues	<u>9,858</u>	<u>9,858</u>	<u>9,989</u>	<u>131</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>43,002</u>	<u>(3,002)</u>
Total Expenditures	<u>40,000</u>	<u>40,000</u>	<u>43,002</u>	<u>(3,002)</u>
Net change in fund balance	<u>\$ (30,142)</u>	<u>\$ (30,142)</u>	<u>(33,013)</u>	<u>\$ (2,871)</u>
Fund balance - July 1, 2018			<u>38,015</u>	
Fund balance - June 30, 2019			<u>\$ 5,002</u>	

CITY OF SANGER
MEASURE C EXT - STREET - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 281,670	\$ 281,670	\$ 297,774	\$ 16,104
Investment income	<u>-</u>	<u>-</u>	<u>10,406</u>	<u>10,406</u>
Total Revenues	<u>281,670</u>	<u>281,670</u>	<u>308,180</u>	<u>26,510</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>563,395</u>	<u>563,395</u>	<u>452,441</u>	<u>110,954</u>
Total Expenditures	<u>563,395</u>	<u>563,395</u>	<u>452,441</u>	<u>110,954</u>
Net change in fund balance	<u>\$ (281,725)</u>	<u>\$ (281,725)</u>	<u>(144,261)</u>	<u>\$ 137,464</u>
Fund balance - July 1, 2018			735,343	
Fund balance - June 30, 2019			<u>\$ 591,082</u>	

CITY OF SANGER
MEASURE C EXT - FLEXIBLE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 271,812	\$ 271,812	\$ 287,912	\$ 16,100
Investment income	<u>-</u>	<u>-</u>	<u>7,568</u>	<u>7,568</u>
Total Revenues	<u>271,812</u>	<u>271,812</u>	<u>295,480</u>	<u>23,668</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>933,700</u>	<u>933,700</u>	<u>905,240</u>	<u>28,460</u>
Total Expenditures	<u>933,700</u>	<u>933,700</u>	<u>905,240</u>	<u>28,460</u>
Net change in fund balance	<u>\$ (661,888)</u>	<u>\$ (661,888)</u>	<u>(609,760)</u>	<u>\$ 52,128</u>
Fund balance - July 1, 2018			<u>925,994</u>	
Fund balance - June 30, 2019			<u>\$ 316,234</u>	

CITY OF SANGER
MEASURE C EXT - NEW TECHNOLOGY RESERVE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
			Amounts	(Negative)
REVENUES				
Intergovernmental	\$ -	\$ 1,111,470	\$ 648,036	\$ (463,434)
Total Revenues	<u>-</u>	<u>1,111,470</u>	<u>648,036</u>	<u>(463,434)</u>
EXPENDITURES				
Current:				
Public works	<u>-</u>	<u>1,111,470</u>	<u>648,036</u>	<u>463,434</u>
Total Expenditures	<u>-</u>	<u>1,111,470</u>	<u>648,036</u>	<u>463,434</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - July 1, 2018			<u>-</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

CITY OF SANGER
TRANSPORTATION & STREET MAINTENANCE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Taxes	\$ 555,000	\$ 555,000	\$ 267,700	\$ (287,300)
Intergovernmental	769,228	769,228	990,107	220,879
Investment income	<u>-</u>	<u>-</u>	<u>27,076</u>	<u>27,076</u>
Total Revenues	<u>1,324,228</u>	<u>1,324,228</u>	<u>1,284,883</u>	<u>(39,345)</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>1,409,270</u>	<u>1,460,445</u>	<u>595,809</u>	<u>864,636</u>
Total Expenditures	<u>1,409,270</u>	<u>1,460,445</u>	<u>595,809</u>	<u>864,636</u>
Net change in fund balance	\$ <u>(85,042)</u>	\$ <u>(136,217)</u>	<u>689,074</u>	\$ <u>825,291</u>
Fund balance - July 1, 2018			<u>1,337,906</u>	
Fund balance - June 30, 2019			<u>\$ 2,026,980</u>	

CITY OF SANGER
TRANSPORTATION EQUITY ACT 21 - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019			Variance with Final Budget Positive (Negative)
	Budgeted Amounts			
	Original	Final	Actual Amounts	
<u>REVENUES</u>				
Intergovernmental	\$ <u>2,427,895</u>	\$ <u>2,477,404</u>	\$ <u>1,482,909</u>	\$ <u>(994,495)</u>
Total Revenues	<u>2,427,895</u>	<u>2,477,404</u>	<u>1,482,909</u>	<u>(994,495)</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>1,481,195</u>	<u>1,926,404</u>	<u>1,482,910</u>	<u>443,494</u>
Total Expenditures	<u>1,481,195</u>	<u>1,926,404</u>	<u>1,482,910</u>	<u>443,494</u>
Net change in fund balance	\$ <u>946,700</u>	\$ <u>551,000</u>	(1)	\$ <u>(551,001)</u>
Fund balance - July 1, 2018			<u>68,195</u>	
Fund balance - June 30, 2019			<u>\$ 68,194</u>	

CITY OF SANGER
ASSET FORFEITURE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original*	Final*	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 73	\$ 73
Total Revenues	-	-	73	73
<u>EXPENDITURES</u>				
Police department	-	-	6,751	(6,751)
Total Expenditures	-	-	6,751	(6,751)
Excess (deficiency) of revenues over expenditures	-	-	(6,678)	(6,678)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	41,891	41,891
Total Other Financing Sources (Uses)	-	-	41,891	41,891
Net change in fund balance	\$ -	\$ -	35,213	\$ 35,213
Fund balance - July 1, 2018			-	
Fund balance - June 30, 2019			\$ 35,213	

* There was no budget adopted for the Asset Forfeiture fund for the year ended June 30, 2019.

CITY OF SANGER
KINGS RIVER BOAT LAUNCH - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Capital outlay	<u>356,540</u>	<u>356,540</u>	-	<u>356,540</u>
Total Expenditures	<u>356,540</u>	<u>356,540</u>	-	<u>356,540</u>
Net change in fund balance	<u>\$ (356,540)</u>	<u>\$ (356,540)</u>	-	<u>\$ 356,540</u>
Fund balance (deficit) - July 1, 2018			(76)	
Fund balance (deficit) - June 30, 2019			<u>\$ (76)</u>	

CITY OF SANGER
LOCAL PUBLIC SAFETY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 133,700	\$ 133,700	\$ 134,683	\$ 983
Investment income	<u>-</u>	<u>-</u>	<u>25</u>	<u>25</u>
Total Revenues	<u>133,700</u>	<u>133,700</u>	<u>134,708</u>	<u>1,008</u>
<u>EXPENDITURES</u>				
Current:				
Police department	<u>129,572</u>	<u>129,572</u>	<u>157,107</u>	<u>(27,535)</u>
Total Expenditures	<u>129,572</u>	<u>129,572</u>	<u>157,107</u>	<u>(27,535)</u>
Net change in fund balance	<u>\$ 4,128</u>	<u>\$ 4,128</u>	<u>(22,399)</u>	<u>\$ (26,527)</u>
Fund balance - July 1, 2018			<u>33,684</u>	
Fund balance - June 30, 2019			<u>\$ 11,285</u>	

CITY OF SANGER
AIR QUALITY PROJECTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 2,519	\$ 2,519
Other revenues	<u>6,500</u>	<u>6,500</u>	<u>4,381</u>	<u>(2,119)</u>
Total Revenues	<u>6,500</u>	<u>6,500</u>	<u>6,900</u>	<u>400</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>-</u>	<u>174,931</u>	<u>174,931</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>174,931</u>	<u>174,931</u>	<u>-</u>
Net change in fund balance	<u>\$ 6,500</u>	<u>\$ (168,431)</u>	<u>(168,031)</u>	<u>\$ 400</u>
Fund balance - July 1, 2018			<u>174,931</u>	
Fund balance - June 30, 2019			<u>\$ 6,900</u>	

CITY OF SANGER
VEHICLE IMPOUND PROGRAM GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>2018 - 2019</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(81)	(81)
Total Other Financing Sources (Uses)	-	-	(81)	(81)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(81)	<u>\$ (81)</u>
Fund balance - July 1, 2018			<u>81</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

* The City did not adopt a budget for the Vehicle Impound Grant fund for the year ended June 30, 2019

CITY OF SANGER
ABC GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ -	\$ 10,000	\$ 4,283	\$ (5,717)
Total Revenues	<u>-</u>	<u>10,000</u>	<u>4,283</u>	<u>(5,717)</u>
EXPENDITURES				
Current:				
Police department	<u>-</u>	<u>10,000</u>	<u>4,282</u>	<u>5,718</u>
Total Expenditures	<u>-</u>	<u>10,000</u>	<u>4,282</u>	<u>5,718</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(7,514)</u>	<u>(7,514)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(7,514)</u>	<u>(7,514)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(7,513)</u>	<u>\$ (7,513)</u>
Fund balance - July 1, 2018			<u>7,513</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

CITY OF SANGER
COMMUNITY DEVELOPMENT BLOCK GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
			Amounts	(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ 171,649	\$ 179,392	\$ 177,501	\$ (1,891)
Total Revenues	<u>171,649</u>	<u>179,392</u>	<u>177,501</u>	<u>(1,891)</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>171,649</u>	<u>179,392</u>	<u>177,501</u>	<u>1,891</u>
Total Expenditures	<u>171,649</u>	<u>179,392</u>	<u>177,501</u>	<u>1,891</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance (deficit) - July 1, 2018			<u>(7)</u>	
Fund balance (deficit) - June 30, 2019			<u>\$ (7)</u>	

CITY OF SANGER
STATE GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ -	\$ 101,969	\$ 23,023	\$ (78,946)
Total Revenues	-	101,969	23,023	(78,946)
EXPENDITURES				
Current:				
Police department	-	100,271	23,023	77,248
Total Expenditures	-	100,271	23,023	77,248
Net change in fund balance	\$ -	\$ 1,698	-	\$ (1,698)
Fund balance - July 1, 2018			-	
Fund balance - June 30, 2019			\$ -	

CITY OF SANGER
AREA AGENCY ON AGING GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 12,000	\$ 19,500	\$ 19,500	\$ -
Total Revenues	<u>12,000</u>	<u>19,500</u>	<u>19,500</u>	<u>-</u>
EXPENDITURES				
Current:				
Community services	-	19,500	19,500	-
Total Expenditures	<u>-</u>	<u>19,500</u>	<u>19,500</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(12,000)</u>	<u>-</u>	<u>(12,232)</u>	<u>(12,232)</u>
Total Other Financing Sources (Uses)	<u>(12,000)</u>	<u>-</u>	<u>(12,232)</u>	<u>(12,232)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(12,232)</u>	<u>\$ (12,232)</u>
Fund balance - July 1, 2018			<u>12,232</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

CITY OF SANGER
BICYCLE LANE STRIPING - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>2018 - 2019</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(1,425)	(1,425)
Total Other Financing Sources (Uses)	-	-	(1,425)	(1,425)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,425)</u>	<u>\$ (1,425)</u>
Fund balance - July 1, 2018			<u>1,425</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

* There was no budget adopted for the Bicycle Lane Striping fund for the year ended June 30, 2019.

CITY OF SANGER
SUPPLEMENTAL LAW ENFORCEMENT GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 148,747	\$ 38,747
Investment income	-	-	51	51
Total Revenues	<u>110,000</u>	<u>110,000</u>	<u>148,798</u>	<u>38,798</u>
EXPENDITURES				
Current:				
Police department	<u>121,959</u>	<u>121,959</u>	<u>98,363</u>	<u>23,596</u>
Total Expenditures	<u>121,959</u>	<u>121,959</u>	<u>98,363</u>	<u>23,596</u>
Net change in fund balance	<u>\$ (11,959)</u>	<u>\$ (11,959)</u>	<u>50,435</u>	<u>\$ 62,394</u>
Fund balance (deficit) - July 1, 2018			<u>(3,745)</u>	
Fund balance - June 30, 2019			<u>\$ 46,690</u>	

CITY OF SANGER
COMMUNITY FACILITIES DISTRICT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019			Variance with Final Budget Positive (Negative)
	<u>Budgeted Amounts</u>			
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes	\$ 540,000	\$ 540,000	\$ 668,270	\$ 128,270
Investment income	<u>-</u>	<u>-</u>	<u>7,292</u>	<u>7,292</u>
Total Revenues	<u>540,000</u>	<u>540,000</u>	<u>675,562</u>	<u>135,562</u>
<u>EXPENDITURES</u>				
Current:				
Police department	288,428	325,336	313,365	11,971
Fire and emergency services	318,313	312,313	325,964	(13,651)
Public works	108,000	102,000	103,577	(1,577)
Capital outlay	<u>-</u>	<u>55,883</u>	<u>55,883</u>	<u>-</u>
Total Expenditures	<u>714,741</u>	<u>795,532</u>	<u>798,789</u>	<u>(3,257)</u>
Net change in fund balance	<u>\$ (174,741)</u>	<u>\$ (255,532)</u>	<u>(123,227)</u>	<u>\$ 132,305</u>
Fund balance - July 1, 2018			<u>574,334</u>	
Fund balance - June 30, 2019			<u>\$ 451,107</u>	

CITY OF SANGER
SANGER HOUSING AUTHORITY - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
REVENUES				
Investment income	\$ -	\$ -	\$ 7,958	\$ 7,958
Other revenues	<u>27,000</u>	<u>27,000</u>	<u>17,166</u>	<u>(9,834)</u>
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>25,124</u>	<u>(1,876)</u>
EXPENDITURES				
Current:				
Public works	<u>102,681</u>	<u>91,631</u>	<u>85,167</u>	<u>6,464</u>
Total Expenditures	<u>102,681</u>	<u>91,631</u>	<u>85,167</u>	<u>6,464</u>
Net change in fund balance	<u>\$ (75,681)</u>	<u>\$ (64,631)</u>	<u>(60,043)</u>	<u>\$ 4,588</u>
Fund balance - July 1, 2018			<u>1,403,613</u>	
Fund balance - June 30, 2019			<u>\$ 1,343,570</u>	

CITY OF SANGER
STATE HOMELAND SECURITY GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>2018 - 2019</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Other revenues	\$ -	\$ -	\$ 198	\$ 198
Total Revenues	<u>-</u>	<u>-</u>	<u>198</u>	<u>198</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>198</u>	<u>\$ 198</u>
Fund balance (deficit) - July 1, 2018			<u>(198)</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

* There was no budget adopted for the State Homeland Security Grant fund for the year ended June 30, 2019.

CITY OF SANGER
SJVAPCD GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
REVENUES				
Intergovernmental	\$ -	\$ 9,000	\$ 9,000	\$ -
Total Revenues	-	9,000	9,000	-
EXPENDITURES				
Current:				
Public works	-	9,000	9,000	-
Total Expenditures	-	9,000	9,000	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund balance - July 1, 2018			-	
Fund balance - June 30, 2019			\$ -	

CITY OF SANGER
DUI ENFORCEMENT AND AWARENESS GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>2018 - 2019</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance - July 1, 2018			<u>34,840</u>	
Fund balance - June 30, 2019			<u>\$ 34,840</u>	

* There was no budget adopted for the DUI Enforcement and Awareness Grant fund for the year ended June 30, 2019.

CITY OF SANGER
SANGER SKATE PARK GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>2018 - 2019</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(347)	(347)
Total Other Financing Sources (Uses)	-	-	(347)	(347)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(347)</u>	<u>\$ (347)</u>
Fund balance - July 1, 2018			<u>347</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

* The City did not adopt a budget for the Sanger Skate Park fund for the year ended June 30, 2019.

CITY OF SANGER
EDWARD BYRNE PROGRAM (JAG) - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>2018 - 2019</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(7,715)	(7,715)
Total Other Financing Sources (Uses)	-	-	(7,715)	(7,715)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(7,715)	<u>\$ (7,715)</u>
Fund balance - July 1, 2018			<u>7,715</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

* The City did not adopt a budget for the Edward Byrne Program (JAG) fund for the year ended June 30, 2019.

CITY OF SANGER
SAFER GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>2018 - 2019</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Total Revenues	\$ -	\$ -	\$ -	\$ -
<u>EXPENDITURES</u>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	-	-	(363)	(363)
Net change in fund balance	\$ -	\$ -	(363)	\$ (363)
Fund balance - July 1, 2018			363	
Fund balance - June 30, 2019			\$ -	

* The City did not adopt a budget for the Safer Grant Fund for the year ended June 30, 2019.

CITY OF SANGER
PETSMART CHARITIES GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 15,200	\$ 5,170	\$ (10,030)
Investment income	<u>-</u>	<u>-</u>	<u>116</u>	<u>116</u>
Total Revenues	<u>-</u>	<u>15,200</u>	<u>5,286</u>	<u>(9,914)</u>
<u>EXPENDITURES</u>				
Current:				
Police department	<u>-</u>	<u>15,200</u>	<u>5,170</u>	<u>10,030</u>
Total Expenditures	<u>-</u>	<u>15,200</u>	<u>5,170</u>	<u>10,030</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>116</u>	<u>116</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>-</u>	<u>-</u>	<u>(1,225)</u>	<u>(1,225)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(1,109)</u>	<u>\$ (1,109)</u>
Fund balance - July 1, 2018			<u>1,225</u>	
Fund balance - June 30, 2019			<u>\$ 116</u>	

CITY OF SANGER
CAL HOME GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Investment income	\$ 300	\$ 100	\$ 1,244	\$ 1,144
Other revenues	<u>-</u>	<u>-</u>	<u>121,601</u>	<u>121,601</u>
Total Revenues	<u>300</u>	<u>100</u>	<u>122,845</u>	<u>122,745</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 300</u>	<u>\$ 100</u>	<u>122,845</u>	<u>\$ 122,745</u>
Fund balance - July 1, 2018			<u>5,408</u>	
Fund balance - June 30, 2019			<u>\$ 128,253</u>	

CITY OF SANGER
BULLETPROOF VEST GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 2,000	\$ 2,000	\$ 909	\$ (1,091)
Other revenues	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>910</u>	<u>(1,090)</u>
EXPENDITURES				
Current:				
Police department	<u>3,200</u>	<u>3,200</u>	<u>909</u>	<u>2,291</u>
Total Expenditures	<u>3,200</u>	<u>3,200</u>	<u>909</u>	<u>2,291</u>
Net change in fund balance	<u>\$ (1,200)</u>	<u>\$ (1,200)</u>	<u>1</u>	<u>\$ 1,201</u>
Fund balance (deficit) - July 1, 2018			<u>(1)</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

CITY OF SANGER
WATERSMART GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ 75,000	\$ 68,121	\$ (6,879)
Total Revenues	<u>-</u>	<u>75,000</u>	<u>68,121</u>	<u>(6,879)</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>-</u>	<u>75,000</u>	<u>68,121</u>	<u>6,879</u>
Total Expenditures	<u>-</u>	<u>75,000</u>	<u>68,121</u>	<u>6,879</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - July 1, 2018			<u>-</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

CITY OF SANGER
URBAN GREENING GRANT - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ -	\$ -	\$ 101,600	\$ 101,600
Total Revenues	<u>-</u>	<u>-</u>	<u>101,600</u>	<u>101,600</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>-</u>	<u>166,050</u>	<u>101,600</u>	<u>64,450</u>
Total Expenditures	<u>-</u>	<u>166,050</u>	<u>101,600</u>	<u>64,450</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (166,050)</u>	<u>-</u>	<u>\$ 166,050</u>
Fund balance - July 1, 2018			<u>-</u>	
Fund balance - June 30, 2019			<u>\$ -</u>	

CITY OF SANGER
SANGER FINANCING AUTHORITY - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018 - 2019		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Investment income	\$ -	\$ -	\$ 54	\$ 54
Total Revenues	-	-	54	54
<u>EXPENDITURES</u>				
Debt service:				
Interest	80,255	80,255	-	80,255
Total Expenditures	80,255	80,255	-	80,255
Excess (deficiency) of revenues over expenditures	(80,255)	(80,255)	54	80,309
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	(115,288)	(115,288)	63,875	179,163
Total Other Financing Sources (Uses)	(115,288)	(115,288)	63,875	179,163
Net change in fund balance	\$ (195,543)	\$ (195,543)	63,929	\$ 259,472
Fund balance (deficit) - July 1, 2018			(65,491)	
Fund balance (deficit) - June 30, 2019			\$ (1,562)	

INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of good or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. The internal service funds used by the City are shown below:

Administration - Accounts for the city manager, city clerk, and finance departments systems which include acquisition, replacement and support services for both hardware and software.

Equipment Maintenance Fund - Accounts for bulk gasoline and consumption by the departments of the City.

Self-Insurance Programs - Accounts for the City's self-insured risks for the workers' compensation and liability programs.

CITY OF SANGER
 COMBINING SCHEDULE OF NET POSITION
 INTERNAL SERVICE FUNDS
 JUNE 30, 2019

	<u>Administration</u>	<u>Equipment Maintenance</u>	<u>Self Insurance Programs</u>	<u>Total Internal Service Funds</u>
<u>ASSETS</u>				
Current Assets				
Cash and investments	\$ 203,088	\$ 5,086	\$ 81,746	\$ 289,920
Accounts receivable, net	-	-	3,337	3,337
Inventory	-	<u>13,682</u>	-	<u>13,682</u>
Total Current Assets	<u>203,088</u>	<u>18,768</u>	<u>85,083</u>	<u>306,939</u>
Total Assets	<u>203,088</u>	<u>18,768</u>	<u>85,083</u>	<u>306,939</u>
<u>LIABILITIES</u>				
Current Liabilities				
Accounts payable	88,520	18,768	10,621	117,909
Accrued payroll and benefits	21,228	-	-	21,228
Deposits	-	-	266	266
Claims payable - current	-	-	<u>112,816</u>	<u>112,816</u>
Total Current Liabilities	<u>109,748</u>	<u>18,768</u>	<u>123,703</u>	<u>252,219</u>
Non-Current Liabilities				
Claims payable	-	-	<u>181,612</u>	<u>181,612</u>
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>181,612</u>	<u>181,612</u>
Total Liabilities	<u>109,748</u>	<u>18,768</u>	<u>305,315</u>	<u>433,831</u>
<u>NET POSITION:</u>				
Unrestricted	<u>93,340</u>	<u>-</u>	<u>(220,232)</u>	<u>(126,892)</u>
Total Net Position	<u>\$ 93,340</u>	<u>\$ -</u>	<u>\$ (220,232)</u>	<u>\$ (126,892)</u>

CITY OF SANGER
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Administration</u>	<u>Equipment Maintenance</u>	<u>Self Insurance Programs</u>	<u>Total Internal Service Funds</u>
<u>OPERATING REVENUES</u>				
Charges for services	\$ 2,038,800	\$ 212,035	\$ 3,326,802	\$ 5,577,637
Other revenue	<u>23,088</u>	<u>613</u>	<u>-</u>	<u>23,701</u>
Total Operating Revenue	<u>2,061,888</u>	<u>212,648</u>	<u>3,326,802</u>	<u>5,601,338</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	1,007,741	-	2,261,138	3,268,879
Supplies and services	703,805	215,430	783,566	1,702,801
General and administrative	<u>183,482</u>	<u>-</u>	<u>28,707</u>	<u>212,189</u>
Total Operating Expenses	<u>1,895,028</u>	<u>215,430</u>	<u>3,073,411</u>	<u>5,183,869</u>
<u>TRANSFERS</u>				
Transfers in	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total Transfers	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Change in net position	166,860	(2,782)	303,391	467,469
Net Position - July 1, 2018	<u>(73,520)</u>	<u>2,782</u>	<u>(523,623)</u>	<u>(594,361)</u>
Net Position - June 30, 2019	<u>\$ 93,340</u>	<u>\$ -</u>	<u>\$ (220,232)</u>	<u>\$ (126,892)</u>

CITY OF SANGER
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities - Internal Service Funds			
	Administration	Equipment Maintenance	Self Insurance Reserve	Total Internal Service Funds
<u>CASH FLOWS FROM OPERATING</u>				
<u>ACTIVITIES</u>				
Charges for services	\$ 2,061,888	\$ 212,648	\$ 3,376,472	\$ 5,651,008
Cash paid to suppliers	(967,817)	(209,854)	(1,067,212)	(2,244,883)
Cash paid to employees	(1,000,353)	-	(2,261,138)	(3,261,491)
Net Cash Provided by Operating Activities	<u>93,718</u>	<u>2,794</u>	<u>48,122</u>	<u>144,634</u>
Net Increase in Cash and Cash Equivalents	93,718	2,794	48,122	144,634
Cash and Cash Equivalents - July 1, 2018	<u>109,370</u>	<u>2,292</u>	<u>33,624</u>	<u>145,286</u>
Cash and Cash Equivalents - June 30, 2019	<u>\$ 203,088</u>	<u>\$ 5,086</u>	<u>\$ 81,746</u>	<u>\$ 289,920</u>
 <u>RECONCILIATION OF OPERATING INCOME</u>				
<u>(LOSS) TO NET CASH PROVIDED BY</u>				
<u>(USED FOR) OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	166,860	(2,782)	253,391	417,469
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Changes in assets and liabilities:				
Decrease in accounts receivable	-	-	461	461
Increase in inventory	-	(311)	-	(311)
(Decrease) increase in accounts payable	(80,530)	5,887	959	(73,684)
Decrease in deposits	-	-	(791)	(791)
Decrease in claims payable	-	-	(255,898)	(255,898)
Increase in accrued payroll and benefits	<u>7,388</u>	<u>-</u>	<u>-</u>	<u>7,388</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 93,718</u>	<u>\$ 2,794</u>	<u>\$ (1,878)</u>	<u>\$ 94,634</u>

AGENCY FUNDS

Agency funds are fiduciary funds which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. None of the trust and agency funds are subject to the budgeting of revenues and expenditures by the City.

Cash Deposit Trust - accounts for revenues and expenditures related to recreation programs, development of residential and commercial properties.

South Kings Groundwater Sustainability Trust - In September of 2014, Senate Bills 1168 and 1319 and Assembly Bill 1739 were signed into law as the Sustainable Groundwater Management Act (SGMA), which requires the establishment of Groundwater Sustainability Agencies (GSAs) by June 30, 2017. The City of Sanger was appointed Treasurer for this agency and fund was created to account for all monies.

CITY OF SANGER
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2019

	<u>Cash Deposit Trust</u>	<u>South Kings Groundwater Sustainability</u>	<u>Totals</u>
<u>ASSETS</u>			
Cash and investments	\$ 193,918	\$ -	\$ 193,918
Accounts receivable	<u>2,210</u>	<u>54,224</u>	<u>56,434</u>
Total Assets	<u>\$ 196,128</u>	<u>\$ 54,224</u>	<u>\$ 250,352</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 31,089	\$ 78,653	\$ 109,742
Deposits held in trust	<u>165,039</u>	<u>(24,429)</u>	<u>140,610</u>
Total Liabilities	<u>\$ 196,128</u>	<u>\$ 54,224</u>	<u>\$ 250,352</u>

CITY OF SANGER
SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Cash Deposit Trust</u>				
ASSETS				
Cash and investments	\$ 164,800	\$ 196,161	\$ 167,043	\$ 193,918
Accounts receivable	-	6,178	3,968	2,210
Total Assets	<u>\$ 164,800</u>	<u>\$ 202,339</u>	<u>\$ 171,011</u>	<u>\$ 196,128</u>
LIABILITIES				
Accounts payable	\$ 14,566	\$ 167,538	\$ 151,015	\$ 31,089
Deposits in trust	150,234	182,015	167,210	165,039
Total Liabilities	<u>\$ 164,800</u>	<u>\$ 349,553</u>	<u>\$ 318,225</u>	<u>\$ 196,128</u>
	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>South Kings Groundwater Sustainability Trust</u>				
ASSETS				
Cash and investments	\$ 146,397	\$ 100,322	\$ 246,719	\$ -
Accounts receivable	-	54,224	-	54,224
Total Assets	<u>\$ 146,397</u>	<u>\$ 154,546</u>	<u>\$ 246,719</u>	<u>\$ 54,224</u>
LIABILITIES				
Accounts payable	\$ 14,179	\$ 256,969	\$ 192,495	\$ 78,653
Deposits in trust	132,218	54,224	210,871	(24,429)
Total Liabilities	<u>\$ 146,397</u>	<u>\$ 311,193</u>	<u>\$ 403,366</u>	<u>\$ 54,224</u>
	<u>Balance</u> <u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2019</u>
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 311,197	\$ 296,483	\$ 413,762	\$ 193,918
Accounts receivable	-	60,402	3,968	56,434
Total Assets	<u>\$ 311,197</u>	<u>\$ 356,885</u>	<u>\$ 417,730</u>	<u>\$ 250,352</u>
LIABILITIES				
Accounts payable	\$ 28,745	\$ 424,507	\$ 343,510	\$ 109,742
Deposits in trust	282,452	236,239	378,081	140,610
Total Liabilities	<u>\$ 311,197</u>	<u>\$ 660,746</u>	<u>\$ 721,591</u>	<u>\$ 250,352</u>