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**CITY OF SANGER  
CALIFORNIA  
ANNUAL FINANCIAL REPORT  
WITH INDEPENDENT AUDITORS' REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

**PREPARED BY FINANCE DIVISION**

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**CITY OF SANGER**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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## INTRODUCTORY SECTION

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

**JUNE 30, 2017**

**ELECTED OFFICIALS**

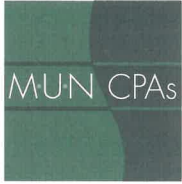
Mayor At-Large	Frank Gonzalez
Council Member	Melissa Hurtado
Council Member	Humberto Garza
Council Member	Daniel Martinez
Council Member	Eli Ontiveros

**EXECUTIVE MANAGEMENT TEAM**

City Manager	Tim Chapa
City Clerk/Deputy Personnel Officer	Becky Pardon
Administrative Services Director	Gary Watahira
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**



## 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, 2017, 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, 2017, 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 fund 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 fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the budgetary comparison schedules 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 April 11, 2018, 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.

A handwritten signature in blue ink, appearing to read "Man... CPAs".

Sacramento, California  
April 11, 2018

**CITY OF SANGER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017. 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, 2017 by \$57,216,531. Of this amount, \$37,605,215 is invested in capital assets, net of related debt; \$13,288,520 is restricted for debt service, capital projects, insurance, grants, taxes, and fees; and \$6,322,796 is unrestricted.
- The City's total assets increased by \$7,579,656 representing a \$7,059,068 increase in governmental and a \$520,588 increase in business-type activities.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$17,292,665, a decrease of \$367,781 from the prior year. \$939,514 is nonspendable. \$13,088,496 is subject to restrictions related to various funding sources, \$250,000 is committed, \$150,707 is assigned for various purposes, and \$2,863,948 is unassigned.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,491,194, compared to \$2,676,441 from fiscal year 2015-16.
- The total bonded debt decreased by \$651,215 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, 2017

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
- Transportation Equity Act 21
- 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 used 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, 2017**

- 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 and internal service 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 \$57,216,531 at June 30, 2017, a 13.5% 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, 2017 and 2016**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>		
	<u>2017</u>	<u>2016 As Previously Reported</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016 As Previously Reported</u>	<u>Net Change</u>
<b>Assets</b>							
Current and other assets	\$ 22,832,356	\$ 20,742,709	\$ 15,850,735	\$ 13,963,786	\$ 38,683,091	\$ 34,706,495	\$ 3,976,596
Capital assets	<u>32,575,357</u>	<u>27,605,936</u>	<u>32,301,093</u>	<u>33,667,454</u>	<u>64,876,450</u>	<u>61,273,390</u>	<u>3,603,060</u>
Total Assets	<u>55,407,713</u>	<u>48,348,645</u>	<u>48,151,828</u>	<u>47,631,240</u>	<u>103,559,541</u>	<u>95,979,885</u>	<u>7,579,656</u>
<b>Deferred Outflows of Resources</b>	<u>5,759,807</u>	<u>2,875,729</u>	<u>1,212,212</u>	<u>835,591</u>	<u>6,972,019</u>	<u>3,711,320</u>	<u>3,260,699</u>
<b>Liabilities</b>							
Long-term liabilities	17,530,563	15,238,240	28,962,378	29,163,304	46,492,941	44,401,544	2,091,397
Other liabilities	<u>3,856,869</u>	<u>1,765,523</u>	<u>1,920,947</u>	<u>1,466,897</u>	<u>5,777,816</u>	<u>3,232,420</u>	<u>2,545,396</u>
Total Liabilities	<u>21,387,432</u>	<u>17,003,763</u>	<u>30,883,325</u>	<u>30,630,201</u>	<u>52,270,757</u>	<u>47,633,964</u>	<u>4,636,793</u>
<b>Deferred Inflows of Resources</b>	<u>951,357</u>	<u>1,492,484</u>	<u>92,915</u>	<u>168,398</u>	<u>1,044,272</u>	<u>1,660,882</u>	<u>(616,610)</u>
<b>Net Position</b>							
Net investment in capital assets	31,255,357	26,285,936	6,349,858	7,065,004	37,605,215	33,350,940	4,254,275
Restricted	13,088,496	13,137,132	200,024	199,316	13,288,520	13,336,448	(47,928)
Unrestricted	<u>(5,515,122)</u>	<u>(6,694,941)</u>	<u>11,837,918</u>	<u>10,403,912</u>	<u>6,322,796</u>	<u>3,708,971</u>	<u>2,613,825</u>
Total Net Position	<u>\$ 38,828,731</u>	<u>\$ 32,728,127</u>	<u>\$ 18,387,800</u>	<u>\$ 17,668,232</u>	<u>\$ 57,216,531</u>	<u>\$ 50,396,359</u>	<u>\$ 6,820,172</u>

**CITY OF SANGER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Net position represents the difference between the City's resources and its obligations. At June 30, 2017 the largest portion of the City's total net position, 66%, 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 \$5,869,838 while the business-type showed an increase in net position of \$744,869. 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, 2017 and 2016**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total Government</u>		
	<u>2017</u>	<u>2016 As Previously Reported</u>	<u>2017</u>	<u>2016 As Previously Reported</u>	<u>2017</u>	<u>2016 As Previously Reported</u>	<u>Net Change</u>
<b>REVENUES:</b>							
Charges for services	\$ 3,074,903	\$ 3,234,825	\$ 11,061,016	\$ 10,841,307	\$ 14,135,919	\$ 14,076,132	\$ 59,787
Operating grants and contributions	778,451	1,331,571	-	-	778,451	1,331,571	(553,120)
Capital grants and contributions	3,751,812	1,347,827	-	-	3,751,812	1,347,827	2,403,985
Taxes	13,218,215	11,847,313	-	-	13,218,215	11,847,313	1,370,902
License and permits	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-
Investment earnings	133,758	47,650	127,446	29,513	261,204	77,163	184,041
Fees and other revenues	<u>635,503</u>	<u>814,954</u>	<u>338,928</u>	<u>350,145</u>	<u>974,431</u>	<u>1,165,099</u>	<u>(190,668)</u>
Total Revenues	<u>21,592,642</u>	<u>18,624,140</u>	<u>11,527,390</u>	<u>11,220,965</u>	<u>33,120,032</u>	<u>29,845,105</u>	<u>3,274,927</u>
<b>EXPENSES:</b>							
City Council	422,962	324,680	-	-	422,962	324,680	98,282
Administrative services	140,515	80,945	-	-	140,515	80,945	59,570
Community services	1,622,881	1,258,775	-	-	1,622,881	1,258,775	364,106
Police department	4,917,155	4,598,121	-	-	4,917,155	4,598,121	319,034
Fire and emergency services	3,797,283	3,681,474	-	-	3,797,283	3,681,474	115,809
Development services	376,173	240,593	-	-	376,173	240,593	135,580
Public works	1,665,511	1,642,734	-	-	1,665,511	1,642,734	22,777
Non departmental	452,300	833,362	-	-	452,300	833,362	(381,062)
Interest on long-term liabilities	77,664	76,142	-	-	77,664	76,142	1,522
Depreciation expense	2,250,360	2,414,202	-	-	2,250,360	2,414,202	(163,842)
Water	-	-	3,433,369	3,013,893	3,433,369	3,013,893	419,476
Sewer	-	-	4,304,630	4,071,135	4,304,630	4,071,135	233,495
Disposal	-	-	<u>3,044,522</u>	<u>3,088,479</u>	<u>3,044,522</u>	<u>3,088,479</u>	<u>(43,957)</u>
Total Expenses	<u>15,722,804</u>	<u>15,151,028</u>	<u>10,782,521</u>	<u>10,173,507</u>	<u>26,505,325</u>	<u>25,324,535</u>	<u>1,180,790</u>
Transfers	-	871,723	-	(871,723)	-	-	(871,723)
Change in net position	<u>5,869,838</u>	<u>4,344,835</u>	<u>744,869</u>	<u>175,735</u>	<u>6,614,707</u>	<u>4,520,570</u>	<u>1,222,414</u>
Net position - beginning	32,728,127	27,445,948	17,668,232	17,492,497	50,396,359	44,938,445	5,457,914
Restatement	<u>230,766</u>	<u>937,344</u>	<u>(25,301)</u>	<u>-</u>	<u>205,465</u>	<u>937,344</u>	<u>(731,879)</u>
Net position - beginning restated	<u>32,958,893</u>	<u>28,383,292</u>	<u>17,642,931</u>	<u>17,492,497</u>	<u>50,601,824</u>	<u>45,875,789</u>	<u>4,726,035</u>
Net position - end of year	<u>\$ 38,828,731</u>	<u>\$ 32,728,127</u>	<u>\$ 18,387,800</u>	<u>\$ 17,668,232</u>	<u>\$ 57,216,531</u>	<u>\$ 50,396,359</u>	<u>\$ 5,948,449</u>

**CITY OF SANGER**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Revenue

The City's total revenues were \$33,120,032 for the fiscal year ended June 30, 2017 compared to 29,845,105 for fiscal year ended June 30, 2016. Revenues increased \$3,274,927 and this is attributed to several areas. The first area was in the Proprietary Funds revenues which increased by \$306,425 and the second area was in sales taxes and development fees. Revenues from governmental activities totaled \$21,592,642 and revenues from business-type activities totaled \$11,527,390. Taxes provided 40% of the total revenues for the City. Charges for services, operating and capital grants and contributions provided 56% of the total revenues received during the year ended June 30, 2017 with interest earnings and miscellaneous revenues making up the remainder of 4%.

Expenses

Expenses of the City for the year totaled \$26,505,325 compared to \$25,324,535 in fiscal year 2016. The increase in expenses can be attributed to increases in community services and water related expenditures. Governmental activity expenses total \$15,722,804 or 59% of total expenses. Business-type expenses total \$10,782,521 or 41% 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**

	<b>Total Cost of Services</b>		<b>Net Cost of Services</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
City Council	\$ 422,962	\$ 324,680	\$ 422,962	\$ 324,680
Administrative services	140,515	80,945	140,515	80,945
Community services	1,622,881	1,258,775	1,307,040	895,284
Police department	4,917,155	4,598,121	4,641,205	4,216,612
Fire and emergency services	3,797,283	3,681,474	2,024,513	1,484,927
Development services	376,173	240,593	(336,290)	(275,878)
Public works	1,665,511	1,642,734	(2,386,431)	(337,271)
Non departmental	452,300	833,362	(23,900)	357,162
Interest on long-term liabilities	77,664	76,142	77,664	76,142
Depreciation	<u>2,250,360</u>	<u>2,414,202</u>	<u>2,250,360</u>	<u>2,414,202</u>
<b>Total</b>	<b><u>\$ 15,722,804</u></b>	<b><u>\$ 15,151,028</u></b>	<b><u>\$ 8,117,638</u></b>	<b><u>\$ 9,236,805</u></b>

The total cost of all governmental activities for fiscal year June 30, 2017 was \$15,722,804. The City's taxpayers paid for approximately 51.6% of these costs, or \$8,117,638. 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 \$11,061,016. Expenses of business-type activities were \$10,782,521. 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, 2017**

**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 \$17,292,665 an decrease of \$367,781 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 \$3,491,194 compared to \$2,676,441 in fiscal year 2016. During the current fiscal year, the City of Sanger's general fund balance increased by \$286,888. The key factor in this increase is the tight control of expenditures, and increases in sales tax, utility users tax, and building permits.

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 \$2,657,061 compared to \$3,498,086 in the prior year. The decrease of \$841,025 in the fund balance is due to the decrease in sales tax receipts and budget which intended to use reserves to cover costs including additional capital.

The Transportation Equity Act 21 is a special revenue fund for improving safety due to increasing traffic levels. At the end of the fiscal year, the fund had a deficit of \$625,313 as compared to \$55,808 in the prior year. The increase in the deficit of \$569,505 was due to the activity of multiple capital projects.

The Developer Fees fund is a special revenue fund that accounts for fees placed on the development of land. Fees are an offset the future impact that the development will have on infrastructure. At the end of the current fiscal year, fund balance was \$5,300,289 as compared to \$4,763,861 in the prior year. The increase in fund balance of \$536,428 is attributable collection of fees for new development.

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 \$5,813,592. The amount held in the water fund for DBCP monitoring and maintenance is \$3,931,990.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Total revenues of the general fund were \$574,092 or (5%) over budget. The variance can be attributed to building permits of approximately \$110,935 more than budgeted and property taxes up approximately \$332,929.

On the expenditure side, the general fund was under budget by \$2,170,265 or 16%. There were several departments that under-spent their budgets: police by approximately \$385,291 and the public works department by \$703,234.

**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, 2017 amounts to \$64,876,450 (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, 2017**

**CAPITAL ASSETS (NET OF DEPRECIATION)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land	\$ 434,923	\$ 434,923	\$ 1,325,542	\$ 1,325,542	\$ 1,760,465	\$ 1,760,465
Construction in progress	5,448,140	855,876	24,652	278,781	5,472,792	1,134,657
Buildings & improvements	4,973,875	4,824,912	26,072,984	27,225,997	31,046,859	32,050,909
Machinery & equipment	2,015,216	650,796	4,877,915	4,837,134	6,893,131	5,487,930
Infrastructure	<u>19,703,203</u>	<u>20,839,429</u>	<u>-</u>	<u>-</u>	<u>19,703,203</u>	<u>20,839,429</u>
Total	<u>\$ 32,575,357</u>	<u>\$ 27,605,936</u>	<u>\$ 32,301,093</u>	<u>\$ 33,667,454</u>	<u>\$ 64,876,450</u>	<u>\$ 61,273,390</u>

Long-term Debt

At June 30, 2017, 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, 2017</u>
<u>Governmental Activities</u>		
Lease revenue bonds:		
Series 2013	2043	\$ 1,320,000
Compensated absences		545,208
Claims and judgments		<u>461,877</u>
Total governmental activities		<u>\$ 2,327,085</u>
<u>Business-Type Activities</u>		
Lease revenue bonds:		
Series 2013 subordinate wastewater	2043	6,370,000
Series 2013 water	2043	3,840,000
Series 2014 refunding	2036	<u>14,780,000</u>
Bond issuance premiums (discounts)		
Series 2013 subordinate wastewater		(44,006)
Series 2014 refunding		1,005,241
Compensated absences		<u>66,446</u>
Total business-type activities		<u>\$ 26,017,681</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, 2017

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

Sales tax experienced an increase of 8.4% comparing FY 1516 to FY 1617. The increase was due to a robust economy which is expected to continue into FY 17-18.

Economically the City saw increases in the retail, construction and business to business sectors food, while experiencing declines in transportation and food products. Retail is up due to Walmart and the City's share of internet sales. Construction continues to improve as demand for permits increases.

Property tax revenue increased 4.86% from fiscal 2015/2016. The City anticipates a 10% increase in property tax in fiscal year 2017/2018 due to reassessment of property values

Economic forecasts for the Central Valley and Fresno County continue to indicate growth but still at a slower pace as compared to all of California particularly the coastal areas. The economic outlook for the California economy has improved than the national outlook with a sluggish longterm recovery. Unemployment in Fresno County remains has improved to 8.7% as to the 10.5% reported last year. Sanger's unemployment rate is currently at 9.60% down from the 11.7% 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 fee incentives to promote the development of industrial and office construction, and a program designed to revitalize underperforming retail facilities by providing a sales tax rebate to retailers that move into currently vacant properties. 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. To encourage the investment in business and industry to employ Sanger residents that City has developed the Sanger Jobs Training Program designed to equip residents with the skills needed to meet the local industrial and manufacturing job demand.

Under residential developments, Lennar homes completed on Phase 3 of Tract 5383 which includes 93 Lots, known as the Royal Woods Subdivision. The site is located between Indianola and Bethel just north of Jensen. While offsite improvements still need to be completed, it is expected that they will be complete with the project by July of 2017. Another development completed is Tract 5460 known as Evergreen. This tract includes a total of 207 lots and is currently constructing six of its final nine lots for the project.

In February 2017 DR Horton initiated the subdivision located on the north west corner of Annadale and Newmark. The subdivision includes 195 vacant lots. The developer has submitted plans and permits for the first phase of this subdivision which will include corrections the existing fencing, streets, curb and gutter and also includes grading and other lot preparations. Permits for individual lots are expected to be submitted at a rapid pace with the developer indicating that they will construct as many and as quick as they can once they are clear for construction of individual homes.

Downtown Sanger continues to show promise in economic development. United Health facility was close to completion expected to open early in FY 2018. Initiative Foods completed rebuilding their facility. In process are the Cosette strip mall, Central Valley Medical Offices and Burger King.

**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 7thStreet, Sanger, California, 93657; (559) 876-6300.

**CITY OF SANGER**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2017**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b><u>ASSETS</u></b>			
Cash and investments (Note 2)	\$ 16,025,820	\$ 13,313,551	\$ 29,339,371
Accounts receivables, net of allowance	4,138,251	1,635,654	5,773,905
Land held for development	712,000	-	712,000
Inventory	12,234	-	12,234
Advance to Successor Agency (Note 13)	227,514	701,506	929,020
Notes receivable (Note 3)	1,716,051	-	1,716,051
Restricted assets:			
Cash and investments with fiscal agents	486	200,024	200,510
Capital assets (Note 5)			
Land and construction in progress	5,883,063	1,350,194	7,233,257
Other capital assets, net of depreciation	26,692,294	30,950,899	57,643,193
Total capital assets	<u>32,575,357</u>	<u>32,301,093</u>	<u>64,876,450</u>
<b>Total Assets</b>	<u>55,407,713</u>	<u>48,151,828</u>	<u>103,559,541</u>
<b><u>Deferred Outflows of Resources</u></b>			
Deferred loss on refunding (Note 6)	-	447,282	447,282
Changes in the net pension liability (Note 9)	5,759,807	764,930	6,524,737
<b>Total Deferred Outflows of Resources</b>	<u>5,759,807</u>	<u>1,212,212</u>	<u>6,972,019</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ 2,976,935	\$ 945,539	\$ 3,922,474
Accrued payroll and benefits	173,821	23,010	196,831
Retention payable	65,911	-	65,911
Accrued interest payable	20,892	45,255	66,147
Unearned revenue	40,919	-	40,919
Deposits payable	1,490	235,697	237,187
Net pension liability (Note 9):			
Due in more than one year	15,780,379	3,616,143	19,396,522
Accrued compensated absences (Note 6):			
Due within one year	376,833	66,446	443,279
Due in more than one year	168,375	-	168,375
Claims Payable (Note 7):			
Due within one year	200,068	-	200,068
Due in more than one year	261,809	-	261,809
Long-term liabilities (Note 6):			
Due within one year	-	605,000	605,000
Due in more than one year	1,320,000	25,346,235	26,666,235
<b>Total Liabilities</b>	<u>21,387,432</u>	<u>30,883,325</u>	<u>52,270,757</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Changes in the net pension liability (Note 9)	951,357	92,915	1,044,272
<b><u>NET POSITION</u></b>			
Net investment in capital assets	31,255,357	6,349,858	37,605,215
Restricted for:			
Debt service	-	200,024	200,024
Capital projects	8,759,045	-	8,759,045
Public safety	3,227,072	-	3,227,072
Community services	641,175	-	641,175
Affordable housing	461,204	-	461,204
Unrestricted	(5,515,122)	11,837,918	6,322,796
<b>Total Net Position</b>	<u>\$ 38,828,731</u>	<u>\$ 18,387,800</u>	<u>\$ 57,216,531</u>

See accompanying notes to the basic financial statements.

**CITY OF SANGER**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total Primary Government
<b>PRIMARY GOVERNMENT</b>							
Governmental activities:							
City Council	\$ 422,962	\$ -	\$ -	\$ -	\$ (422,962)	\$ -	\$ (422,962)
Community services	1,622,881	288,888	26,953	-	(1,307,040)	-	(1,307,040)
Administrative services	140,515	-	-	-	(140,515)	-	(140,515)
Police department	4,917,155	99,644	140,296	36,010	(4,641,205)	-	(4,641,205)
Fire and emergency services	3,797,283	1,637,768	135,002	-	(2,024,513)	-	(2,024,513)
Development services	376,173	712,463	-	-	336,290	-	336,290
Public works	1,665,511	336,140	-	3,715,802	2,386,431	-	2,386,431
Nondepartmental	452,300	-	476,200	-	23,900	-	23,900
Interest and fiscal charges	77,664	-	-	-	(77,664)	-	(77,664)
Unallocated depreciation expense	2,250,360	-	-	-	(2,250,360)	-	(2,250,360)
Total governmental activities	<u>15,722,804</u>	<u>3,074,903</u>	<u>778,451</u>	<u>3,751,812</u>	<u>(8,117,638)</u>	<u>-</u>	<u>(8,117,638)</u>
Business-type activities:							
Water	3,433,369	2,902,027	-	-	-	(531,342)	(531,342)
Sewer	4,304,630	5,050,109	-	-	-	745,479	745,479
Disposal	<u>3,044,522</u>	<u>3,108,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>64,358</u>	<u>64,358</u>
Total business-type activities	<u>10,782,521</u>	<u>11,061,016</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>278,495</u>	<u>278,495</u>
Total primary government	<u>\$ 26,505,325</u>	<u>\$ 14,135,919</u>	<u>\$ 778,451</u>	<u>\$ 3,751,812</u>	<u>\$ (8,117,638)</u>	<u>\$ 278,495</u>	<u>\$ (7,839,143)</u>
General revenues:							
Property taxes					\$ 4,816,059	\$ -	\$ 4,816,059
Sales and use taxes					6,122,333	-	6,122,333
Franchise taxes					566,617	-	566,617
Transient occupancy taxes					8,723	-	8,723
Utility users taxes					1,574,580	-	1,574,580
Business license tax					129,903	-	129,903
Investment income					133,758	127,446	261,204
Fees and other revenue					635,503	338,928	974,431
Total general revenues					<u>13,987,476</u>	<u>466,374</u>	<u>14,453,850</u>
Change in net position					<u>5,869,838</u>	<u>744,869</u>	<u>6,614,707</u>
Net position - July 1, 2016					32,728,127	17,668,232	50,396,359
Prior period restatement (Note 12)					230,766	(25,301)	205,465
Net position - July 1, 2016, restated					<u>32,958,893</u>	<u>17,642,931</u>	<u>50,601,824</u>
Net position - June 30, 2017					<u>\$ 38,828,731</u>	<u>\$ 18,387,800</u>	<u>\$ 57,216,531</u>

See accompanying notes to the basic financial statements.

**CITY OF SANGER**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<b>General Fund</b>	<b>Measure S District Sales Tax</b>	<b>Transportation Equity Act 21</b>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,362,049	\$ 2,903,087	\$ -
Cash with fiscal agent	-	-	-
Accounts receivable	722,554	339,800	2,697,637
Loans receivable, net	-	-	-
Due from other funds	1,463,784	-	-
Advances to Successor Agency	-	-	-
Land held for development	-	-	-
	<u>4,548,387</u>	<u>3,242,887</u>	<u>2,697,637</u>
Total Assets	<u>\$ 4,548,387</u>	<u>\$ 3,242,887</u>	<u>\$ 2,697,637</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 472,665	\$ 569,217	\$ 1,397,206
Accrued payroll and benefits	142,902	16,609	-
Retention payable	-	-	56,593
Due to other funds	-	-	1,284,036
Unearned revenues	40,919	-	-
	<u>656,486</u>	<u>585,826</u>	<u>2,737,835</u>
Total Liabilities	<u>656,486</u>	<u>585,826</u>	<u>2,737,835</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenues	-	-	585,115
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	-	-
Restricted	-	2,657,061	-
Committed	250,000	-	-
Assigned	150,707	-	-
Unassigned	3,491,194	-	(625,313)
	<u>3,891,901</u>	<u>2,657,061</u>	<u>(625,313)</u>
Total Fund Balances (Deficits)	<u>3,891,901</u>	<u>2,657,061</u>	<u>(625,313)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 4,548,387</u>	<u>\$ 3,242,887</u>	<u>\$ 2,697,637</u>

See accompanying notes to the basic financial statements.

**CITY OF SANGER**  
**BALANCE SHEET (continued)**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2017**

	<u>Developer Fees</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 5,300,289	\$ 5,377,162	\$ 15,942,587
Cash with fiscal agent	-	486	486
Accounts receivable	-	376,831	4,136,822
Loans receivable, net	-	1,716,051	1,716,051
Due from other funds	-	-	1,463,784
Advances to Successor Agency	-	227,514	227,514
Land held for development	-	712,000	712,000
	<u>-</u>	<u>712,000</u>	<u>712,000</u>
Total Assets	<u>\$ 5,300,289</u>	<u>\$ 8,410,044</u>	<u>\$ 24,199,244</u>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u></b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 461,332	\$ 2,900,420
Accrued payroll and benefits	-	535	160,046
Retention payable	-	9,318	65,911
Due to other funds	-	154,081	1,438,117
Unearned revenues	-	-	40,919
	<u>-</u>	<u>-</u>	<u>40,919</u>
Total Liabilities	<u>-</u>	<u>625,266</u>	<u>4,605,413</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenues	<u>-</u>	<u>1,716,051</u>	<u>2,301,166</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	939,514	939,514
Restricted	5,300,289	5,131,146	13,088,496
Committed	-	-	250,000
Assigned	-	-	150,707
Unassigned	-	(1,933)	2,863,948
	<u>-</u>	<u>(1,933)</u>	<u>2,863,948</u>
Total Fund Balances (Deficits)	<u>5,300,289</u>	<u>6,068,727</u>	<u>17,292,665</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 5,300,289</u>	<u>\$ 8,410,044</u>	<u>\$ 24,199,244</u>

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, 2017**

Total fund balances of governmental funds	\$ 17,292,665
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 \$55,239,531.	32,575,357
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	5,759,807
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	(1,320,000)
Compensated absences	(545,208)
Net pension liability	(15,780,379)
Deferred inflows related to changes in the net pension liability	(951,357)
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	1,716,051
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(20,892)
Long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the fund financial statements.	585,115
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>(482,428)</u>
Net position of governmental activities	<u>\$ 38,828,731</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, 2017**

	<u>General Fund</u>	<u>Measure S District Sales Tax</u>	<u>Transportation Equity Act 21</u>
<b><u>REVENUES</u></b>			
Taxes	\$ 8,083,706	\$ 2,061,011	\$ -
License and permits	560,433	-	-
Intergovernmental	654,972	-	2,149,114
Fines and forfeitures	222,418	-	-
Investment income	20,716	26,349	(357)
Charges for services	1,771,962	-	-
Other revenues	<u>306,880</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>11,621,087</u>	<u>2,087,360</u>	<u>2,148,757</u>
<b><u>EXPENDITURES</u></b>			
Current:			
City Council	423,811	-	-
Community services	1,054,209	-	-
Police department	4,334,667	927,923	-
Fire and emergency services	3,527,065	566,618	-
Development services	379,904	-	-
Public works	864,429	-	-
Nondepartmental	452,300	-	-
Capital outlay	219,995	1,433,844	2,718,262
Debt service:			
Interest and fiscal charges	<u>73,051</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>11,329,431</u>	<u>2,928,385</u>	<u>2,718,262</u>
Excess (Deficiency) of Revenues over Expenditures	<u>291,656</u>	<u>(841,025)</u>	<u>(569,505)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	-	-	-
Transfers out	<u>(4,768)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(4,768)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	286,888	(841,025)	(569,505)
Fund Balances (Deficits) - July 1, 2016	3,454,306	3,498,086	(96,936)
Prior period adjustment (Note 12)	<u>150,707</u>	<u>-</u>	<u>41,128</u>
Fund Balances (Deficits) - July 1, 2016, restated	<u>3,605,013</u>	<u>3,498,086</u>	<u>(55,808)</u>
Fund Balances (Deficits) - June 30, 2017	<u>\$ 3,891,901</u>	<u>\$ 2,657,061</u>	<u>\$ (625,313)</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, 2017

	<u>Developers Fees</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>REVENUES</u></b>			
Taxes	\$ -	\$ 3,073,498	\$ 13,218,215
License and permits	-	-	560,433
Intergovernmental	-	1,202,611	4,006,697
Fines and forfeitures	-	-	222,418
Investment income	32,248	39,460	118,416
Charges for services	515,670	4,420	2,292,052
Other revenues	<u>-</u>	<u>355,779</u>	<u>662,659</u>
Total Revenues	<u>547,918</u>	<u>4,675,768</u>	<u>21,080,890</u>
<b><u>EXPENDITURES</u></b>			
Current:			
City Council	-	-	423,811
Community services	-	561,600	1,615,809
Police department	-	257,464	5,520,054
Fire and emergency services	-	10,900	4,104,583
Development services	-	-	379,904
Public works	-	792,530	1,656,959
Nondepartmental	-	-	452,300
Capital outlay	11,490	2,836,490	7,220,081
Debt service:			
Interest and fiscal charges	<u>-</u>	<u>2,119</u>	<u>75,170</u>
Total Expenditures	<u>11,490</u>	<u>4,461,103</u>	<u>21,448,671</u>
Excess (Deficiency) of Revenues over Expenditures	<u>536,428</u>	<u>214,665</u>	<u>(367,781)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	-	4,768	4,768
Transfers out	<u>-</u>	<u>-</u>	<u>(4,768)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>4,768</u>	<u>-</u>
Net Change in Fund Balances	536,428	219,433	(367,781)
Fund Balances (Deficits) - July 1, 2016	4,763,861	5,810,363	17,429,680
Prior period adjustment (Note 12)	<u>-</u>	<u>38,931</u>	<u>230,766</u>
Fund Balances (Deficits) - July 1, 2016, restated	<u>4,763,861</u>	<u>5,849,294</u>	<u>17,660,446</u>
Fund Balances (Deficits) - June 30, 2017	<u>\$ 5,300,289</u>	<u>\$ 6,068,727</u>	<u>\$ 17,292,665</u>

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, 2017**

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	\$ (367,781)
<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	7,219,781
Depreciation expense	(2,245,105)
<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>	
	91,620
<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	15,342
Loans made during the year	(27,156)
<p>Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.</p>	
	(2,494)
<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	788,829
<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>	
	(126,764)
<p>Some revenues reported in the Statement of Activities will not be collected for several months after the City's year-end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds (\$585,115). Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year (\$61,549).</p>	
	<u>523,566</u>
Change in net position of governmental activities	<u>\$ 5,869,838</u>

See accompanying notes to the basic financial statements.

**CITY OF SANGER**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2017**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>	
	<b>Water</b>	<b>Sewer</b>	<b>Disposal</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>					
Current Assets					
Cash and investments	\$ 6,223,395	\$ 4,155,324	\$ 2,934,832	\$ 13,313,551	\$ 83,233
Restricted cash and investments	199,596	428	-	200,024	-
Accounts receivable, net	540,248	689,641	405,765	1,635,654	1,429
Inventory	-	-	-	-	12,234
<b>Total Current Assets</b>	<b>6,963,239</b>	<b>4,845,393</b>	<b>3,340,597</b>	<b>15,149,229</b>	<b>96,896</b>
Non Current Assets					
Advances to the Successor Agency	701,506	-	-	701,506	-
Capital assets, net	13,492,073	18,808,701	319	32,301,093	-
<b>Total Non-Current Assets</b>	<b>14,193,579</b>	<b>18,808,701</b>	<b>319</b>	<b>33,002,599</b>	<b>-</b>
<b>Total Assets</b>	<b>21,156,818</b>	<b>23,654,094</b>	<b>3,340,916</b>	<b>48,151,828</b>	<b>96,896</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Changes in the net pension liability	231,851	435,998	97,081	764,930	-
Deferred loss on refunding	-	447,282	-	447,282	-
<b>Total Deferred Outflows of Resources</b>	<b>231,851</b>	<b>883,280</b>	<b>97,081</b>	<b>1,212,212</b>	<b>-</b>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts payable	487,039	126,630	331,870	945,539	76,515
Accrued payroll and benefits	7,971	12,263	2,776	23,010	13,775
Interest payable	-	45,255	-	45,255	-
Due to other funds	-	-	-	-	25,667
Deposits	235,697	-	-	235,697	1,490
Compensated absences - current	19,368	38,427	8,651	66,446	-
Bonds payable - current	45,000	560,000	-	605,000	-
Claims payable - current	-	-	-	-	200,068
<b>Total Current Liabilities</b>	<b>795,075</b>	<b>782,575</b>	<b>343,297</b>	<b>1,920,947</b>	<b>317,515</b>
Non-Current Liabilities					
Bonds payable - noncurrent	3,795,000	21,551,235	-	25,346,235	-
Net pension liability	1,104,101	2,033,045	478,997	3,616,143	-
Claims payable - noncurrent	-	-	-	-	261,809
<b>Total Non-Current Liabilities</b>	<b>4,899,101</b>	<b>23,584,280</b>	<b>478,997</b>	<b>28,962,378</b>	<b>261,809</b>
<b>Total Liabilities</b>	<b>5,694,176</b>	<b>24,366,855</b>	<b>822,294</b>	<b>30,883,325</b>	<b>579,324</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Changes in the net pension liability	29,232	50,628	13,055	92,915	-
<b>NET POSITION</b>					
Net investment in capital assets	9,652,073	(3,302,534)	319	6,349,858	-
Restricted	199,596	428	-	200,024	-
Unrestricted	5,813,592	3,421,997	2,602,329	11,837,918	(482,428)
<b>Total Net Position</b>	<b>\$ 15,665,261</b>	<b>\$ 119,891</b>	<b>\$ 2,602,648</b>	<b>\$ 18,387,800</b>	<b>\$ (482,428)</b>

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, 2017**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>	
	<b>Water</b>	<b>Sewer</b>	<b>Disposal</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b><u>OPERATING REVENUES</u></b>					
Charges for services	\$ 2,902,027	\$ 5,050,109	\$ 3,108,880	\$ 11,061,016	\$ 4,501,701
Other revenue	<u>21,948</u>	<u>295,003</u>	<u>21,977</u>	<u>338,928</u>	<u>596</u>
<b>Total Operating Revenue</b>	<u>2,923,975</u>	<u>5,345,112</u>	<u>3,130,857</u>	<u>11,399,944</u>	<u>4,502,297</u>
<b><u>OPERATING EXPENSES</u></b>					
Salaries and benefits	570,998	838,936	202,665	1,612,599	2,668,565
Vehicle operations	7,856	16,251	-	24,107	-
Supplies and services	1,212,924	976,972	1,997,138	4,187,034	1,893,060
General and administrative	694,131	696,838	844,400	2,235,369	62,181
Depreciation and amortization	<u>769,602</u>	<u>876,938</u>	<u>319</u>	<u>1,646,859</u>	<u>5,255</u>
<b>Total Operating Expenses</b>	<u>3,255,511</u>	<u>3,405,935</u>	<u>3,044,522</u>	<u>9,705,968</u>	<u>4,629,061</u>
<b>Operating Income (Loss)</b>	<u>(331,536)</u>	<u>1,939,177</u>	<u>86,335</u>	<u>1,693,976</u>	<u>(126,764)</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>					
Interest income	74,240	30,015	23,191	127,446	-
Interest expense	<u>(177,858)</u>	<u>(898,695)</u>	<u>-</u>	<u>(1,076,553)</u>	<u>-</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(103,618)</u>	<u>(868,680)</u>	<u>23,191</u>	<u>(949,107)</u>	<u>-</u>
Change in net position	<u>(435,154)</u>	<u>1,070,497</u>	<u>109,526</u>	<u>744,869</u>	<u>(126,764)</u>
Net Position - July 1, 2016	16,056,993	(881,883)	2,493,122	17,668,232	(355,664)
Prior period adjustment (Note 12)	<u>43,422</u>	<u>(68,723)</u>	<u>-</u>	<u>(25,301)</u>	<u>-</u>
Net Position - July 1, 2016, restated	<u>16,100,415</u>	<u>(950,606)</u>	<u>2,493,122</u>	<u>17,642,931</u>	<u>(355,664)</u>
Net Position - June 30, 2017	<u>\$ 15,665,261</u>	<u>\$ 119,891</u>	<u>\$ 2,602,648</u>	<u>\$ 18,387,800</u>	<u>\$ (482,428)</u>

See accompanying notes to the basic financial statements.

**CITY OF SANGER**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Business-Type Activities Enterprise Funds</b>			<b>Governmental Activities</b>	
	<b>Water</b>	<b>Sewer</b>	<b>Disposal</b>	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Cash received from customers	\$ 2,893,485	\$ 5,372,363	\$ 3,147,668	\$ 11,413,516	\$ 4,501,075
Cash paid to suppliers	(1,661,914)	(1,621,896)	(2,687,740)	(5,971,550)	(2,019,195)
Cash paid to employees	(581,749)	(850,248)	(210,978)	(1,642,975)	(2,693,581)
Net Cash Provided by (Used for) Operating Activities	<u>649,822</u>	<u>2,900,219</u>	<u>248,950</u>	<u>3,798,991</u>	<u>(211,701)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>					
Interfund payments	<u>648,236</u>	<u>-</u>	<u>-</u>	<u>648,236</u>	<u>25,667</u>
Net Cash Provided by Non-Capital Financing Activities	<u>648,236</u>	<u>-</u>	<u>-</u>	<u>648,236</u>	<u>25,667</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>					
Acquisition of capital assets	(230,892)	(74,907)	-	(305,799)	-
Principal paid on long-term debt	(45,000)	(555,000)	-	(600,000)	-
Interest paid on long-term debt	(177,858)	(949,910)	-	(1,127,768)	-
Net Cash Used for Capital and Related Financing Activities	<u>(453,750)</u>	<u>(1,579,817)</u>	<u>-</u>	<u>(2,033,567)</u>	<u>-</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Interest and dividends	<u>74,240</u>	<u>30,015</u>	<u>23,191</u>	<u>127,446</u>	<u>-</u>
Net Cash Provided by Investing Activities	<u>74,240</u>	<u>30,015</u>	<u>23,191</u>	<u>127,446</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	918,548	1,350,417	272,141	2,541,106	(186,034)
Cash and Cash Equivalents - July 1, 2016	<u>5,504,443</u>	<u>2,805,335</u>	<u>2,662,691</u>	<u>10,972,469</u>	<u>269,267</u>
Cash and Cash Equivalents - June 30, 2017	<u>\$ 6,422,991</u>	<u>\$ 4,155,752</u>	<u>\$ 2,934,832</u>	<u>\$ 13,513,575</u>	<u>\$ 83,233</u>
<b><u>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position</u></b>					
Cash and investments	\$ 6,223,395	\$ 4,155,324	\$ 2,934,832	\$ 13,313,551	\$ 83,233
Restricted cash and investments	<u>199,596</u>	<u>428</u>	<u>-</u>	<u>200,024</u>	<u>-</u>
Cash and Cash Equivalents - June 30, 2017	<u>\$ 6,422,991</u>	<u>\$ 4,155,752</u>	<u>\$ 2,934,832</u>	<u>\$ 13,513,575</u>	<u>\$ 83,233</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, 2017

	<u>Water</u>	<u>Sewer</u>	<u>Disposal</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<b><u>RECONCILIATION OF OPERATING</u></b>					
<b><u>INCOME (LOSS) TO NET CASH</u></b>					
<b><u>PROVIDED BY (USED FOR)</u></b>					
<b><u>OPERATING ACTIVITIES:</u></b>					
Operating Income (Loss)	(331,536)	1,939,177	86,335	1,693,976	(126,764)
Adjustments:					
Depreciation expense	769,602	876,938	319	1,646,859	5,255
Pension expense	6,466	36,001	2,560	45,027	-
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(38,139)	27,250	16,810	5,921	(1,261)
Increase in inventory	-	-	-	-	(85)
Increase (decrease) increase in accounts payable	252,997	68,166	153,798	474,961	(33,795)
Increase in deposits	7,650	-	-	7,650	39
Decrease in claims payable	-	-	-	-	(30,074)
Decrease in accrued payroll and benefits	(25,197)	(31,612)	(5,723)	(62,532)	(25,016)
Increase (decrease) in compensated absences	<u>7,979</u>	<u>(15,701)</u>	<u>(5,149)</u>	<u>(12,871)</u>	<u>-</u>
Net Cash Provided by (Used for)					
Operating Activities	<u>\$ 649,822</u>	<u>\$ 2,900,219</u>	<u>\$ 248,950</u>	<u>\$ 3,798,991</u>	<u>\$ (211,701)</u>

See accompanying notes to the basic financial statements.

**CITY OF SANGER**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	<b>Successor Agency Private-Purpose Trust Fund</b>	<b>Agency Fund Cash Deposit Trust</b>
<b><u>ASSETS</u></b>		
Cash and investments (Note 2)	\$ 1,031,867	\$ 203,127
Cash with fiscal agent (Note 2)	361,653	-
Notes receivable (Note 13)	663,343	-
Land held for resale	1,297,598	-
Capital assets, net of accumulated depreciation (Note 13)	3,195	-
<b>Total Assets</b>	<b>\$ 3,357,656</b>	<b>\$ 203,127</b>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ 130	\$ 2,555
Accrued wages	1,071	-
Interest payable	12,712	-
Bonds payable (Note 13)	670,511	-
Advances from the City (Note 13)	929,020	-
Deposits held in trust	-	200,572
<b>Total Liabilities</b>	<b>\$ 1,613,444</b>	<b>\$ 203,127</b>
<b><u>NET POSITION</u></b>		
Held in trust for private purposes	<b>\$ 1,744,212</b>	<b>\$ -</b>

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, 2017**

	<b>Successor Agency Private-Purpose Trust Fund</b>
<b><u>ADDITIONS</u></b>	
Property taxes	\$ 886,360
Interest income	3,587
Fees and other revenues	<u>386,692</u>
<b>Total Additions</b>	<b><u>1,276,639</u></b>
<b><u>DEDUCTIONS</u></b>	
Program expenses	94,233
Depreciation	676
Interest expense	<u>32,117</u>
<b>Total Deductions</b>	<b><u>127,026</u></b>
Change in Fiduciary Net Position	1,149,613
Fiduciary Net Position - July 1, 2016	<u>594,599</u>
Fiduciary Net Position - June 30, 2017	<b><u><u>\$ 1,744,212</u></u></b>

**CITY OF SANGER**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**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, 2017

**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, 2017

**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. The primary revenue source is an ad valorem specially assessed tax override. These governmental functions are not financed with bond indebtedness.

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.

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

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 fund 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.

**CITY OF SANGER**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

The City also reports the following fund types:

Agency Funds - The City administers two agency funds.

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.

Cash Deposit Trust - This fund is used to account for revenues and expenditures related to recreation programs, development of residential and commercial properties.

**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.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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. 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.

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.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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.

**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 outflows 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:

Vehicles	5 years
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, 2017**

**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, 2017. 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, 2017.

**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 statement of net position. 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, 2017

**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 over all its liabilities, 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, 2017

**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, 2016, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 77

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The City did not have any such agreements as of June 30, 2017.

Government Accounting Standards Board Statement No. 80

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The City does not have a component unit that is incorporated as a not-for-profit corporation; therefore is not affected by the implementation of this standard.

**P. Future Government Accounting Standards Board Statements**

These statements are not effective until July 1, 2017 or later. The City has not determined the effects on the financial statements.

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. 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, 2019.



**CITY OF SANGER**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

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

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. 85

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). 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, 2018.

Government Accounting Standards Board Statement No. 86

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishments Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. 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, 2019.

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.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2: CASH AND INVESTMENTS**

Cash and investments as of June 30, 2017 were classified in the accompanying financial statements as follows:

	<u>Cash and Investments</u>	<u>Restricted Cash with Fiscal Agent</u>	<u>Total</u>
Governmental activities	\$ 16,025,820	\$ 486	\$ 16,026,306
Business-type activities	<u>13,313,551</u>	<u>200,024</u>	<u>13,513,575</u>
<b>Total government-wide cash and investments</b>	<u>29,339,371</u>	<u>200,510</u>	<u>29,539,881</u>
Fiduciary activities	<u>1,234,994</u>	<u>361,653</u>	<u>1,596,647</u>
<b>Total cash and investments</b>	<u>\$ 30,574,365</u>	<u>\$ 562,163</u>	<u>\$ 31,136,528</u>

Cash and investments were carried at fair value as of June 30, 2017 and consisted of the following:

Cash on hand	\$ 5,215
Cash in banks	<u>8,637,735</u>
<b>Total cash</b>	<u>8,642,950</u>
Negotiable certificates of deposit	2,472,592
Local Agency Investment Fund (LAIF)	19,456,436
Money market mutual funds	<u>564,550</u>
<b>Total investments</b>	<u>22,493,578</u>
<b>Total cash and investments</b>	<u>\$ 31,136,528</u>

Authorized Investments of the City

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio *</u>	<u>Maximum Investment in one Issuer</u>
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	\$50 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.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2: CASH AND INVESTMENTS (continued)**

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, 2017:

Investments	Fair Value Measurements Using			Fair Value
	Level 1 Inputs	Level 2 inputs	Level 3 inputs	
Negotiable certificates of deposit	\$ -	\$ 2,472,592	\$ -	\$ 2,472,592
Money market funds	<u>564,550</u>	<u>-</u>	<u>-</u>	<u>564,550</u>
Total Investments	<u>\$ 564,550</u>	<u>\$ 2,472,592</u>	<u>\$ -</u>	<u>\$ 3,037,142</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 \$19,456,436 is not subject to valuation on a recurring basis.

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, 2017:

	Remaining Maturity (in years)			Fair Value
	12 months or less	1-5 years	More than 5 years	
Negotiable certificates of deposit	\$ -	\$ 1,222,849	\$ 1,249,743	\$ 2,472,592
Local Agency Investment Fund (LAIF) Held by fiscal agent:	19,456,436	-	-	19,456,436
Money market mutual funds	<u>564,550</u>	<u>-</u>	<u>-</u>	<u>564,550</u>
	<u>\$ 20,020,986</u>	<u>\$ 1,222,849</u>	<u>\$ 1,249,743</u>	<u>\$ 22,493,578</u>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

One The City had no investments (including investments held by bond trustees) that were highly sensitive to interest rate fluctuations as of June 30, 2017.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 2: CASH AND INVESTMENTS (continued)**

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	\$ 2,472,592			Not rated
Local Agency Investment Fund (LAIF)	19,456,436			Not rated
Held by fiscal agent:				
Money market mutual funds	<u>564,550</u>	AAAm	Aaa-mf	
	<u>\$ 22,493,578</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.

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, 2017, the carrying amount of the City's deposits was \$8,637,735 and bank balances were \$8,839,874. The City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 3: NOTES RECEIVABLE**

Notes receivable of at June 30, 2017 were comprised of the following:

	<u>Balance July 1, 2016</u>	<u>Additions /Interest</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Low-income housing loans	\$ 280,528	\$ 4,187	\$ (5,101)	\$ 279,614
Down payment assistance loan program	968,864	6,703	(22,055)	953,512
BEGIN program loans	<u>478,473</u>	<u>4,452</u>	<u>-</u>	<u>482,925</u>
Total Loans	<u>\$ 1,727,865</u>	<u>\$ 15,342</u>	<u>\$ (27,156)</u>	<u>\$ 1,716,051</u>

Low Income Housing Loans

At June 30, 2017, the City was owed \$279,614 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, 2017, the City was owed \$953,512 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, 2017, the City was owed \$482,925 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.

**NOTE 4: INTERFUND TRANSACTIONS**

Due To/From Other Funds

Current interfund balances arise in the normal course of business are 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	\$ 1,284,036
	Landscape & Lighting	Deficit cash balance	89
	Transportation and Street Maintenance	Deficit cash balance	43,160
	Kings River Boat Launch	Deficit cash balance	13,840
	SJVAPCD Public Benefit Grant	Deficit cash balance	80,000
	Vehicle Impound Program	Deficit cash balance	17
	CDBG	Deficit cash balance	4,268
	Supplemental Law Enforcement Grant	Deficit cash balance	10,000
	State Homeland Security Grant	Deficit cash balance	199
	Bulletproof Vest Grant	Deficit cash balance	868
	Sanger Public Financing Authority	Deficit cash balance	1,640
	Internal Service - Risk Management	Deficit cash balance	<u>25,667</u>
	<b>Total Interfund Receivable/Payable</b>		

**CITY OF SANGER**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 4: INTERFUND AND TRANSACTIONS (continued)**

**Interfund Transfers to/from Other Funds**

Transfers between funds during the fiscal year ended June 30, 2017 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
General Fund	Kings River Boat Launch	Fund balance deficit	\$ 2,038
	Sanger Skate Park	Fund balance deficit	<u>2,730</u>
<b>Total Major Governmental Interfund Transfers</b>			<b><u>\$ 4,768</u></b>

**NOTE 5: CAPITAL ASSETS**

**Governmental Activities:**

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2017</u>
Capital assets not being depreciated					
Land	\$ 434,923	\$ -	\$ -	\$ -	\$ 434,923
Construction-in-progress	<u>855,876</u>	<u>5,212,984</u>	<u>-</u>	<u>(620,720)</u>	<u>5,448,140</u>
Total capital assets not being depreciated	<u>1,290,799</u>	<u>5,212,984</u>	<u>-</u>	<u>(620,720)</u>	<u>5,883,063</u>
Capital assets being depreciated					
Buildings and improvements	12,984,422	-	-	620,720	13,605,142
Machinery and equipment	5,747,293	1,610,696	-	-	7,357,989
Infrastructure	<u>60,572,593</u>	<u>396,101</u>	<u>-</u>	<u>-</u>	<u>60,968,694</u>
Total capital assets being depreciated	<u>79,304,308</u>	<u>2,006,797</u>	<u>-</u>	<u>620,720</u>	<u>81,931,825</u>
Less accumulated depreciation					
Buildings and improvements	(8,159,510)	(471,757)	-	-	(8,631,267)
Machinery and equipment	(5,101,752)	(241,021)	-	-	(5,342,773)
Infrastructure	<u>(39,733,164)</u>	<u>(1,532,327)</u>	<u>-</u>	<u>-</u>	<u>(41,265,491)</u>
Total accumulated depreciation	<u>(52,994,426)</u>	<u>(2,245,105)</u>	<u>-</u>	<u>-</u>	<u>(55,239,531)</u>
<b>Total Capital Assets, net</b>	<u>27,600,681</u>	<u>4,974,676</u>	<u>-</u>	<u>-</u>	<u>32,575,357</u>
<b>Internal Service Funds:</b>					
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>(275,195)</u>	<u>(5,255)</u>	<u>-</u>	<u>-</u>	<u>(280,450)</u>
<b>Total Capital Assets, net</b>	<u>5,255</u>	<u>(5,255)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Governmental Activities</b>	<u>\$ 27,605,936</u>	<u>\$ 4,969,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,575,357</u>

Depreciation expense in governmental activities for capital assets for the year ended June 30, 2017 was \$2,250,360. The City did not allocate the depreciation expense to departments or functions.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 5: CAPITAL ASSETS (continued)**

**Business-type Activities:**

	<u>Balance at July 1, 2016</u>	<u>Prior Period Adjustment</u>	<u>Balance at July 1, 2016, Restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2017</u>
Capital assets not being depreciated							
Land	\$ 1,325,542	\$ -	\$ 1,325,542	\$ -	\$ -	\$ -	\$ 1,325,542
Construction-in-progress	<u>278,781</u>	<u>-</u>	<u>278,781</u>	<u>24,652</u>	<u>-</u>	<u>(278,781)</u>	<u>24,652</u>
Total capital assets not being depreciated	<u>1,604,323</u>	<u>-</u>	<u>1,604,323</u>	<u>24,652</u>	<u>-</u>	<u>(278,781)</u>	<u>1,350,194</u>
Capital assets being depreciated							
Buildings and improvements	51,049,444	-	51,049,444	188,997	-	-	51,238,441
Machinery and equipment	<u>7,136,405</u>	<u>-</u>	<u>7,136,405</u>	<u>92,150</u>	<u>-</u>	<u>278,781</u>	<u>7,507,336</u>
Total capital assets being depreciated	<u>58,185,849</u>	<u>-</u>	<u>58,185,849</u>	<u>281,147</u>	<u>-</u>	<u>278,781</u>	<u>58,745,777</u>
Less accumulated depreciation							
Buildings and improvements	(23,823,447)	(25,301)	(23,848,748)	(1,316,709)	-	-	(25,165,457)
Machinery and equipment	<u>(2,299,271)</u>	<u>-</u>	<u>(2,299,271)</u>	<u>(330,150)</u>	<u>-</u>	<u>-</u>	<u>(2,629,421)</u>
Total accumulated depreciation	<u>(26,122,718)</u>	<u>(25,301)</u>	<u>(26,148,019)</u>	<u>(1,646,859)</u>	<u>-</u>	<u>-</u>	<u>(27,794,878)</u>
<b>Total Capital Assets, net</b>	<u>\$ 33,667,454</u>	<u>\$ (25,301)</u>	<u>\$ 33,642,153</u>	<u>\$ (1,341,060)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,301,093</u>

For the year ended June 30, 2017, business-type activity depreciation expense on capital assets was charged as follows:

Water	\$ 769,602
Sewer	876,938
Disposal	<u>319</u>
Total depreciation expense	<u>\$ 1,646,859</u>

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
<b>Governmental Activities:</b>					
2013 Lease Revenue Bonds	\$ 1,320,000	\$ -	\$ -	\$ 1,320,000	\$ -
Total Bonds Payable	<u>1,320,000</u>	<u>-</u>	<u>-</u>	<u>1,320,000</u>	<u>-</u>
Other liabilities:					
Compensated Absences	636,828	238,430	(330,050)	545,208	376,833
Claims and Judgments (Note 7)	<u>491,951</u>	<u>947,264</u>	<u>(977,338)</u>	<u>461,877</u>	<u>200,068</u>
<b>Total Governmental Activities</b>	<u>\$ 2,448,779</u>	<u>\$ 1,185,694</u>	<u>\$ (1,307,388)</u>	<u>\$ 2,327,085</u>	<u>\$ 576,901</u>

A description of the long-term liabilities related to governmental activities at June 30, 2017 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>
2018	\$ -	\$ 60,256	\$ 60,256	\$ 60,256
2019	20,000	60,256	80,256	80,256
2020	20,000	59,836	79,836	79,836
2021	25,000	59,346	84,346	84,346
2022	25,000	58,658	83,658	83,658
2023 - 2027	185,000	277,860	462,860	462,860
2028 - 2032	240,000	235,306	475,306	475,306
2033 - 2037	315,000	171,390	486,390	486,390
2038 - 2042	400,000	62,950	462,950	462,950
2043 - 2047	<u>90,000</u>	<u>4,500</u>	<u>94,500</u>	<u>94,500</u>
<b>Total</b>	<u>\$ 1,320,000</u>	<u>\$ 1,050,358</u>	<u>\$ 2,370,358</u>	<u>\$ 2,370,358</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, 2017**

**NOTE 6: LONG-TERM LIABILITIES (continued)**

**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, 2017:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
<b>Business-type Activities:</b>					
2013 Subordinate Wastewater Lease Revenue Bonds	\$ 6,370,000	\$ -	\$ -	\$ 6,370,000	\$ -
Less Issuance Discount	(45,699)	-	1,693	(44,006)	-
2013 Water Lease Revenue Bonds	3,885,000	-	(45,000)	3,840,000	45,000
2014 Lease Revenue Refunding	15,335,000	-	(555,000)	14,780,000	560,000
Add Issuance Premium	<u>1,058,149</u>	<u>-</u>	<u>(52,908)</u>	<u>1,005,241</u>	<u>-</u>
Total Bonds Payable	<u>26,602,450</u>	<u>-</u>	<u>(651,215)</u>	<u>25,951,235</u>	<u>605,000</u>
Other liabilities:					
Compensated Absences	<u>79,317</u>	<u>58,967</u>	<u>(71,838)</u>	<u>66,446</u>	<u>66,446</u>
<b>Total Business-Type Activities</b>	<b><u>\$ 26,681,767</u></b>	<b><u>\$ 58,967</u></b>	<b><u>\$ (723,053)</u></b>	<b><u>\$ 26,017,681</u></b>	<b><u>\$ 671,446</u></b>

A description of the long-term liabilities related to business-type activities at June 30, 2017 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 reserve fund sure 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 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>
2018	\$ -	\$ 306,442	\$ 306,442	\$ 306,442
2019	-	306,442	306,442	306,442
2020	60,000	306,442	366,442	366,442
2021	60,000	304,912	364,912	364,912
2022	60,000	303,172	363,172	363,172
2023 - 2027	810,000	1,456,184	2,266,184	2,266,184
2028 - 2032	1,240,000	1,228,750	2,468,750	2,468,750
2033 - 2037	1,610,000	882,250	2,492,250	2,492,250
2038 - 2042	2,055,000	437,500	2,492,500	2,492,500
2043 - 2047	<u>475,000</u>	<u>23,750</u>	<u>498,750</u>	<u>498,750</u>
<b>Total</b>	<b><u>\$ 6,370,000</u></b>	<b><u>\$ 5,555,844</u></b>	<b><u>\$ 11,925,844</u></b>	<b><u>\$ 11,925,844</u></b>

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6: LONG-TERM LIABILITIES (continued)**

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 reserve fund sure 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 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>
2018	\$ 45,000	\$ 177,272	\$ 222,272
2019	45,000	176,552	221,552
2020	50,000	175,652	225,652
2021	50,000	174,478	224,478
2022	50,000	173,152	223,152
2023 - 2027	445,000	832,556	1,277,556
2028 - 2032	595,000	729,036	1,324,036
2033 - 2037	965,000	553,250	1,518,250
2038 - 2042	1,295,000	275,500	585,000
2043 - 2047	<u>300,000</u>	<u>15,000</u>	<u>315,000</u>
<b>Total</b>	<b>\$ <u>3,840,000</u></b>	<b>\$ <u>3,282,448</u></b>	<b>\$ <u>6,136,948</u></b>

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, 2017 totaling \$447,282. 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 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>
2018	\$ 560,000	\$ 613,116	\$ 1,173,116
2019	570,000	604,680	1,174,680
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 - 2027	3,395,000	2,464,400	5,859,400
2028 - 2032	4,255,000	1,604,250	5,859,250
2033 - 2037	<u>4,225,000</u>	<u>463,000</u>	<u>4,688,000</u>
<b>Total</b>	<b>\$ <u>14,780,000</u></b>	<b>\$ <u>7,495,602</u></b>	<b>\$ <u>22,275,602</u></b>

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 6: LONG-TERM LIABILITIES (continued)**

Total Business-Type Activities Future Debt Service

<u>For the Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 605,000	\$ 1,096,830	\$ 1,701,830
2019	615,000	1,087,674	1,702,674
2020	690,000	1,076,574	1,766,574
2021	700,000	1,061,866	1,761,866
2022	715,000	1,096,830	1,811,830
2023 - 2027	4,650,000	4,753,140	9,403,140
2028 - 2032	6,090,000	3,562,036	9,652,036
2033 - 2037	6,800,000	1,898,500	8,698,500
2038 - 2042	3,350,000	713,000	4,063,000
2043 - 2047	<u>775,000</u>	<u>38,750</u>	<u>813,750</u>
<b>Total</b>	<b><u>\$ 24,990,000</u></b>	<b><u>\$ 16,385,200</u></b>	<b><u>\$ 41,375,200</u></b>

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.

**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.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**NOTE 7: RISK MANAGEMENT (continued)**

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.

	June 30, 2017	June 30, 2016
Claims Payable - Workers' Compensation		
Beginning Balance	\$ 491,951	\$ 538,989
Incurred	947,264	418,440
Paid	(977,338)	(465,478)
Ending Balance	\$ 461,877	\$ 491,951
Claims liability - current	\$ 200,068	\$ 53,664
Claims liability - non-current	261,809	438,287
Total Claims Liability	\$ 461,877	\$ 491,951

**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, 2017**

**NOTE 8: FUND BALANCE (continued)**

As of June 30, 2017, fund balances were comprised of the following:

	<u>General Fund</u>	<u>Measure S District Sales Tax</u>	<u>Transportation Equity Act 21</u>	<u>Developer Fees</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable						
Advances	\$ -	\$ -	\$ -	\$ -	\$ 227,514	\$ 227,514
Land held for resale	-	-	-	-	712,000	712,000
Total Nonspendable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>939,514</u>	<u>939,514</u>
Restricted						
Street repairs	-	-	-	-	3,288,659	3,288,659
Capital projects	-	-	-	5,300,289	170,097	5,470,386
Police services	-	1,328,531	-	-	408,395	1,736,926
Fire services	-	1,328,530	-	-	161,616	1,490,146
Affordable housing	-	-	-	-	461,204	461,204
Community service	-	-	-	-	641,175	641,175
Total Restricted	<u>-</u>	<u>2,657,061</u>	<u>-</u>	<u>5,300,289</u>	<u>5,131,146</u>	<u>13,088,496</u>
Committed						
Emergency contingencies	<u>250,000</u>	-	-	-	-	<u>250,000</u>
Total Committed	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>
Assigned						
Capital projects	-	-	-	-	-	-
Deposits	<u>150,707</u>	-	-	-	-	<u>150,707</u>
Total Assigned	<u>150,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,707</u>
Unassigned	<u>3,491,194</u>	-	<u>(625,313)</u>	-	<u>(1,933)</u>	<u>2,863,948</u>
Total Fund Balance	<u>\$ 3,891,901</u>	<u>\$ 2,657,061</u>	<u>\$ (625,313)</u>	<u>\$ 5,300,289</u>	<u>\$ 6,068,727</u>	<u>\$ 17,292,665</u>

**Fund Balance Deficits**

As of June 30, 2017, the following funds had a fund deficit:

<u>Fund</u>	<u>Deficit</u>
Transportation Equity Act 21	\$ 625,313
Kings River Boat Launch	84
CDBG	7
State Homeland Security Grant	199
Bulletproof Vest Grant	3
Sanger Public Financing Authority	1,640

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, 2017**

**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, 2017, are summarized as follows:

	<b>Miscellaneous</b>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Hire Date	Tier I	PEPRA
Benefit Formula	2.0% @ 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%	6.250%
Required Employer Contribution Rates*	37.116%	6.570%
	<b>Safety - Police</b>	
	<u>Prior to January 1, 2013</u>	<u>On or After January 1, 2013</u>
Hire Date	Tier I	PEPRA
Benefit Formula	3.0% @ 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*	22.867%	N/A

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (continued)**

Hire Date	<b>Safety - Fire</b>		
	On or After September 1, 2008	On or After October 1, 1985	On or After January 1, 2013
Benefit Formula	Tier I 3.0% @ 55	Tier I 3.0% @ 55	PEPRA 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	9.0%	9.0%	11.50%
Required Employer Contribution Rates*	N/A	26.274%	12.082%

\*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, 2017 were \$2,037,970.

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

As of June 30, 2017, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$19,396,522. \$15,780,379 of the liability is reported in governmental activities, while \$3,616,143 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, 2016, 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, 2015 rolled forward to June 30, 2016 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 June 30, 2015 and 2016 was as follows:

Proportion - June 30, 2015	0.23694%
Proportion - June 30, 2016	0.22416%
Change - Increase (Decrease)	(0.01278%)

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (continued)**

For the year ended June 30, 2017, the City recognized pension expense of \$1,291,513. At June 30, 2017, 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	\$ 2,037,970	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	300,851	-
Differences between actual and expected experience	25,649	106,706
Changes in assumptions	-	682,282
Adjustment due to differences in proportions	737,459	255,284
Net differences between projected and actual earnings on plan investments	3,422,808	-
 Total	 \$ 6,524,737	 \$ 1,044,272

\$2,037,970 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,		
2017	\$	509,880
2018		486,901
2019		1,556,321
2020		889,393

Actuarial Assumptions

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous & Safety Plans
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% 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 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 201 Experience Study Report.



**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 9: DEFINED BENEFIT PENSION PLAN (continued)**

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

There were no changes of assumptions during the measurement period ended June 30, 2016. Deferred inflows of resources for changes in assumptions presented in the deferred outflows/inflows table above represents the portion of the changes of assumptions related to prior measurement periods.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 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 7.65 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 7.65 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 at 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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 PERF 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. The target allocation shown was adopted by the Board effective on July 1, 2015.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(0.55%)	(1.05%)

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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% (6.65%)	Current Discount Rate (7.65%)	Discount Rate +1% (8.65%)
Net Pension Liability (Asset)	\$ 28,300,539	\$ 19,396,522	\$ 12,065,452

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 (excluding extraordinary items) in excess of appropriations in the following amounts for the year ended June 30, 2017:

Fund	Excess Expenditures
Developer Fees	\$ 11,490
Measure C Ext. - ADA	399
Local Public Safety	9,770
SJVAPCD Public Benefit Grant	80,000
Area Agency on Aging Grant	8,980
Supplemental Law Enforcement Grant	29,324
Community Facilities District	90,620
DUI Enforcement & Awareness Grant	508
Petsmart Charities	810
Bulletproof Vest Grant	710

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

**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.

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.

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 12: PRIOR PERIOD ADJUSTMENTS**

The following prior period adjustments were recorded to fund balance/net position:

<u>Fund</u>	<u>Description of Restatement</u>	<u>Increase (Decrease)</u>
<b>Governmental Funds</b>		
General Fund	Deposits previously held in a fiduciary fund	\$ 150,707
Transportation Equity Act 21	Reconciliation of grant revenue	41,128
Transportation and Street Maintenance	Reconciliation of CIP projects	<u>38,931</u>
	Total adjustments to governmental fund balance	<u>230,766</u>
<b>Proprietary Funds</b>		
Water	True up of accumulated depreciation	(43,422)
Sewer	Account for asset fully depreciated in prior year	<u>68,723</u>
	Total adjustments to proprietary and business-type net position	<u>\$ 25,301</u>

In addition, the Governmental Activities Statement of Net Position's beginning net position was restated by \$230,766.

**NOTE 13: 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, 2016</u>	<u>Additions /Interest</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Business Improvement Loans	\$ 40,348	\$ -	\$ (26,809)	\$ 13,539
California Trustrame	<u>-</u>	<u>657,942</u>	<u>(8,138)</u>	<u>649,804</u>
Total Notes Receivable	<u>\$ 40,348</u>	<u>\$ 657,942</u>	<u>\$ (34,947)</u>	<u>\$ 663,343</u>

At June 30, 2017, the Successor Agency was owed \$13,539 from various development and improvement loans. Development loans are interest bearing loans ranging from 3.2% to 6.0%, and improvement loans are non-interest bearing and secured by deeds of trust. Maturities vary according to terms.

In July 2016, the Successor Agency entered into a promissory note with California Trustrame, LLC for the purchase of real property. The note accrues interest at 1.446% until paid. Principal and interest are due and payable on a quarterly basis through December 2018. The outstanding balance at June 30, 2017 was \$649,804.

**B. Advances to/from the City of Sanger**

<u>Advances From</u>	<u>Advances To</u>	<u>Amount</u>
Sanger Housing Authority	Successor Agency	\$ 227,514
Water Fund	Successor Agency	<u>701,506</u>
		<u>\$ 929,020</u>

**CITY OF SANGER**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**NOTE 13: SUCCESSOR AGENCY DISCLOSURES (continued)**

During 2006-07, the former Redevelopment Agency borrowed money in the amount of \$1,169,373 from the Water Enterprise Fund for the purchase of land located in the Sanger Industrial Park which is being held for resale purposes. The loan is to be repaid as lots in the Sanger Industrial Park are sold or as funds become available. The interest on the loan will be calculated using the LAIF interest rate. The outstanding balance as of June 30, 2017 was \$929,020. Approximately, 80% of the loan balance is reported in Water Enterprise Fund and the remaining 20% of the balance is reported in the Housing Authority Special Revenue Fund.

AB 1484 specifies the actions to be taken and the method of repayment for advances by the Successor Agency to the various funds of the City. Upon application and approval by the Successor Agency and approval by the oversight board, loan agreements (advances) entered into by former redevelopment agency and the city shall be deemed to be enforceable obligations provided that the oversight board makes a finding that the advances were for legitimate redevelopment purposes.

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2017 was as follows:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2017</u>
Capital assets being depreciated Improvements	\$ 13,519	\$ -	\$ -	\$ 13,519
Less accumulated depreciation Improvements	(9,648)	(676)	-	(10,324)
<b>Total Capital Assets, net</b>	<u>\$ 3,871</u>	<u>\$ (676)</u>	<u>\$ -</u>	<u>\$ 3,195</u>

**D. Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2017 was as follows:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
2006 Tax Allocation Bond	\$ 990,000	\$ -	\$ (315,000)	\$ 675,000	\$ 330,000
Less Issuance Discount	(8,973)	-	4,484	(4,489)	-
Total Bonds Payable	<u>\$ 981,027</u>	<u>\$ -</u>	<u>\$ (310,516)</u>	<u>\$ 670,511</u>	<u>\$ 330,000</u>

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.

**CITY OF SANGER**  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2017

**NOTE 13: SUCCESSOR AGENCY DISCLOSURES (continued)**

The annual debt service requirements on these bonds are as follows:

<b>For the Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2018	\$ 330,000	\$ 23,378	\$ 353,378
2019	345,000	7,935	352,935
<b>Total</b>	<b>\$ 675,000</b>	<b>\$ 31,313</b>	<b>\$ 706,313</b>

**NOTE 14: SUBSEQUENT EVENTS**

Events occurring after June 30, 2017 have been evaluated for possible adjustments the financial statements or disclosure as of April 11, 2018, 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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
			<b>Amounts</b>	<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Taxes	\$ 7,750,777	\$ 7,750,777	\$ 8,083,706	\$ 332,929
Licenses and permits	335,700	352,483	560,433	207,950
Intergovernmental	521,700	717,741	654,972	(62,769)
Fines and forfeitures	210,250	237,722	222,418	(15,304)
Investment income	2,000	2,000	20,716	18,716
Charges for services	1,995,823	1,834,868	1,771,962	(62,906)
Other revenues	<u>162,404</u>	<u>151,404</u>	<u>306,880</u>	<u>155,476</u>
Total Revenues	<u>10,978,654</u>	<u>11,046,995</u>	<u>11,621,087</u>	<u>574,092</u>
<b><u>EXPENDITURES</u></b>				
Current:				
City council	351,004	351,678	423,811	(72,133)
Community services	1,453,332	1,339,327	1,054,209	285,118
Police department	4,538,853	4,719,958	4,334,667	385,291
Fire and emergency services	3,636,279	3,776,057	3,527,065	248,992
Development services	672,882	686,987	379,904	307,083
Public works	1,558,043	1,567,663	864,429	703,234
Nondepartmental	477,265	521,177	452,300	68,877
Capital outlay	368,150	390,150	219,995	170,155
Debt service				
Principal	133,903	133,903	-	133,903
Interest and fiscal charges	<u>12,796</u>	<u>12,796</u>	<u>73,051</u>	<u>(60,255)</u>
Total Expenditures	<u>13,202,507</u>	<u>13,499,696</u>	<u>11,329,431</u>	<u>2,170,265</u>
Excess (deficiency) of revenues over expenditures	<u>(2,223,853)</u>	<u>(2,452,701)</u>	<u>291,656</u>	<u>2,744,357</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	1,626,282	1,624,941	-	(1,624,941)
Transfers out	<u>(70,255)</u>	<u>(152,155)</u>	<u>(4,768)</u>	<u>147,387</u>
Total Other Financing Sources (Uses)	<u>1,556,027</u>	<u>1,472,786</u>	<u>(4,768)</u>	<u>(1,477,554)</u>
Net change in fund balance	<u>\$ (667,826)</u>	<u>\$ (979,915)</u>	<u>286,888</u>	<u>\$ 1,266,803</u>
Fund balance - July 1, 2016			3,454,306	
Prior period adjustment			<u>150,707</u>	
Fund balance - July 1, 2016, restated			<u>3,605,013</u>	
Fund balance - June 30, 2017			<u>\$ 3,891,901</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Taxes and assessments	\$ 2,160,371	\$ 2,160,371	\$ 2,061,011	\$ (99,360)
Investment income	-	-	26,349	26,349
Other revenues	-	10,000	-	(10,000)
Total Revenues	<u>2,160,371</u>	<u>2,170,371</u>	<u>2,087,360</u>	<u>(83,011)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Police department	832,543	1,029,043	927,923	101,120
Fire and emergency services	448,083	639,484	566,618	72,866
Capital outlay	<u>758,813</u>	<u>1,776,610</u>	<u>1,433,844</u>	<u>342,766</u>
Total Expenditures	<u>2,039,439</u>	<u>3,445,137</u>	<u>2,928,385</u>	<u>516,752</u>
Net change in fund balance	<u>\$ 120,932</u>	<u>\$ (1,274,766)</u>	<u>(841,025)</u>	<u>\$ 433,741</u>
Fund balance - July 1, 2016			<u>3,498,086</u>	
Fund balance - June 30, 2017			<u>\$ 2,657,061</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, 2017**

	<b>2016 - 2017</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 3,110,726	\$ 3,110,726	\$ 2,149,114	\$ (961,612)
Investment income	<u>-</u>	<u>-</u>	<u>(357)</u>	<u>(357)</u>
Total Revenues	<u>3,110,726</u>	<u>3,110,726</u>	<u>2,148,757</u>	<u>(961,969)</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay	<u>3,110,726</u>	<u>3,857,156</u>	<u>2,718,262</u>	<u>1,138,894</u>
Total Expenditures	<u>3,110,726</u>	<u>3,857,156</u>	<u>2,718,262</u>	<u>1,138,894</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (746,430)</u>	<u>(569,505)</u>	<u>\$ 176,925</u>
Fund balance (deficit) - July 1, 2016			(96,936)	
Prior period adjustment			<u>41,128</u>	
Fund balance (deficit) - July 1, 2016, restated			<u>(55,808)</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ (625,313)</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ 8,200	\$ 32,248	\$ 24,048
Charges for services	<u>887,300</u>	<u>887,300</u>	<u>515,670</u>	<u>(371,630)</u>
Total Revenues	<u>887,300</u>	<u>895,500</u>	<u>547,918</u>	<u>(347,582)</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay	<u>-</u>	<u>-</u>	<u>11,490</u>	<u>(11,490)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>11,490</u>	<u>(11,490)</u>
Net change in fund balance	<u>\$ 887,300</u>	<u>\$ 895,500</u>	<u>536,428</u>	<u>\$ (359,072)</u>
Fund balance - July 1, 2016			<u>4,763,861</u>	
Fund balance - June 30, 2017			<u>\$ 5,300,289</u>	

**CITY OF SANGER**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGETARY ACCOUNTING AND CONTROL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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, 2017  
Last 10 Years \***

	Measurement Period		
	2016	2015	2014
Proportion of the net pension liability	0.224160 %	0.236935 %	0.225898 %
Proportionate share of the net pension liability (asset)	\$ 19,396,522	\$ 16,263,015	\$ 14,056,482
Covered - employee payroll	\$ 5,713,477	\$ 5,552,266	\$ 5,645,111
Proportionate share of the net pension liability as a percentage of covered - employee payroll	339.49 %	292.91 %	249.00 %
Plan fiduciary net position as a percentage of the total pension liability	74.06 %	78.40 %	79.82 %

**Notes to Schedule:**

**Changes in assumptions.** 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 three 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, 2017  
Last 10 Years \***

	Fiscal Year-End		
	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 2,037,970	\$ 2,021,209	\$ 1,710,588
Contributions in relation to the actuarially determined contributions	<u>2,037,970</u>	<u>2,021,209</u>	<u>1,710,588</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 6,525,459	\$ 5,713,477	\$ 5,552,266
Contributions as a percentage of covered - employee payroll	31.23 %	35.38 %	30.81 %

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

**COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION**

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## NON-MAJOR GOVERNMENTAL FUNDS

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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.

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.

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.

SJVAPCD Public Benefit Grant - Accounts for funding for the purchase of new alternative fueled vehicles (Electric, Plug-in Hybrid, CNG, LNG, LPG, etc). The program is available to public agencies for the purchase of new electric, plug-in hybrid, or alternative fuel vehicles to promote clean air alternative-fuel technologies and the use of low or zero-emission vehicles in public fleets.

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.

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.

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## NON-MAJOR GOVERNMENTAL FUNDS

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### **SPECIAL REVENUE FUNDS (continued)**

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.

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).

### **DEBT SERVICE FUNDS**

Sanger Public Financing Authority - Accounted for the prior 2006 Series A & B Lease Revenue Bonds.



**CITY OF SANGER**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS**  
**JUNE 30, 2017**

	<b>Special Revenue Funds</b>					
	<u>State Gas Tax</u>	<u>Landscape and Lighting</u>	<u>Measure C EXT - Pedestrian</u>	<u>Measure C EXT - Bicycle</u>	<u>Measure C EXT - ADA</u>	<u>Measure C EXT - Street</u>
<b><u>ASSETS</u></b>						
Cash and investments	\$ 196,903	\$ 542,602	\$ 179,540	\$ 61,011	\$ 27,371	\$ 527,202
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable, net of allowance	48,267	4,106	5,074	1,293	718	21,978
Loans receivable	-	-	-	-	-	-
Advances to Successor Agency	-	-	-	-	-	-
Land held for development	-	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 245,170</u></b>	<b><u>\$ 546,708</u></b>	<b><u>\$ 184,614</u></b>	<b><u>\$ 62,304</u></b>	<b><u>\$ 28,089</u></b>	<b><u>\$ 549,180</u></b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u></b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ 9,189	\$ -	\$ -	\$ -	\$ 19,831
Accrued payroll and benefits	-	-	-	-	-	-
Retention payable	-	-	-	-	-	9,318
Due to other funds	-	89	-	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>9,278</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>29,149</u></b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable revenues	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	-	-	-
Restricted	245,170	537,430	184,614	62,304	28,089	520,031
Unassigned	-	-	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b><u>245,170</u></b>	<b><u>537,430</u></b>	<b><u>184,614</u></b>	<b><u>62,304</u></b>	<b><u>28,089</u></b>	<b><u>520,031</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b><u>\$ 245,170</u></b>	<b><u>\$ 546,708</u></b>	<b><u>\$ 184,614</u></b>	<b><u>\$ 62,304</u></b>	<b><u>\$ 28,089</u></b>	<b><u>\$ 549,180</u></b>

**CITY OF SANGER**  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS (continued)  
JUNE 30, 2017

	<b>Special Revenue Funds</b>					
	Measure C EXT - Flexible	Transportation and Street Maintenance	Kings River Boat Launch	Local Public Safety	Air Quality Projects Funds	SJVAPCD Public Benefit Grant
<b>ASSETS</b>						
Cash and investments	\$ 700,235	\$ 1,872,803	\$ -	\$ 11,417	\$ 169,759	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable, net of allowance	21,260	114,392	16,131	22,292	-	80,000
Loans receivable	-	-	-	-	-	-
Advances to Successor Agency	-	-	-	-	-	-
Land held for development	-	-	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 721,495</u></b>	<b><u>\$ 1,987,195</u></b>	<b><u>\$ 16,131</u></b>	<b><u>\$ 33,709</u></b>	<b><u>\$ 169,759</u></b>	<b><u>\$ 80,000</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ 418,505	\$ 2,375	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-
Due to other funds	-	43,160	13,840	-	-	80,000
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>461,665</u></b>	<b><u>16,215</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>80,000</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	-	-	-
Restricted	721,495	1,525,530	-	33,709	169,759	-
Unassigned	-	-	(84)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b><u>721,495</u></b>	<b><u>1,525,530</u></b>	<b><u>(84)</u></b>	<b><u>33,709</u></b>	<b><u>169,759</u></b>	<b><u>-</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b><u>\$ 721,495</u></b>	<b><u>\$ 1,987,195</u></b>	<b><u>\$ 16,131</u></b>	<b><u>\$ 33,709</u></b>	<b><u>\$ 169,759</u></b>	<b><u>\$ 80,000</u></b>

**CITY OF SANGER**  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS (continued)  
JUNE 30, 2017

	<b>Special Revenue Funds</b>					
	Vehicle Impound Program Grant	ABC Grant	Community Development Block Grant	Area Agency on Aging Grant	Bicycle Lane Striping State Grant	Supplemental Law Enforcement Grant
<b>ASSETS</b>						
Cash and investments	\$ 108	\$ 7,520	\$ -	\$ 9,472	\$ 1,426	\$ -
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable, net of allowance	-	-	8,634	2,760	-	10,000
Loans receivable	-	-	-	-	-	-
Advances to Successor Agency	-	-	-	-	-	-
Land held for development	-	-	-	-	-	-
<b>Total Assets</b>	<u>\$ 108</u>	<u>\$ 7,520</u>	<u>\$ 8,634</u>	<u>\$ 12,232</u>	<u>\$ 1,426</u>	<u>\$ 10,000</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ -	\$ 4,373	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-
Due to other funds	17	-	4,268	-	-	10,000
<b>Total Liabilities</b>	<u>17</u>	<u>-</u>	<u>8,641</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	-	-	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	-	-	-
Restricted	91	7,520	-	12,232	1,426	-
Unassigned	-	-	(7)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<u>91</u>	<u>7,520</u>	<u>(7)</u>	<u>12,232</u>	<u>1,426</u>	<u>-</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<u>\$ 108</u>	<u>\$ 7,520</u>	<u>\$ 8,634</u>	<u>\$ 12,232</u>	<u>\$ 1,426</u>	<u>\$ 10,000</u>

**CITY OF SANGER**  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEETS (continued)  
JUNE 30, 2017

	<b>Special Revenue Funds</b>					
	Community Facilities District	Sanger Housing Authority	State Homeland Security Grant	DUI Enforcement and Awareness Grant	Sanger Skate Park Grant	Edward Byrne Program (JAG)
<b>ASSETS</b>						
Cash and investments	\$ 570,202	\$ 456,477	\$ -	\$ 34,535	\$ 338	\$ 1,789
Cash with fiscal agent	-	-	-	-	-	-
Accounts receivable, net of allowance	6,161	-	6,501	-	-	5,940
Loans receivable	-	548,350	-	-	-	-
Advances to Successor Agency	-	227,514	-	-	-	-
Land held for development	-	712,000	-	-	-	-
<b>Total Assets</b>	<b><u>\$ 576,363</u></b>	<b><u>\$ 1,944,341</u></b>	<b><u>\$ 6,501</u></b>	<b><u>\$ 34,535</u></b>	<b><u>\$ 338</u></b>	<b><u>\$ 7,729</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ 99	\$ 6,501	\$ -	\$ -	\$ -
Accrued payroll and benefits	-	535	-	-	-	-
Retention payable	-	-	-	-	-	-
Due to other funds	-	-	199	-	-	-
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>634</u></b>	<b><u>6,700</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	<u>-</u>	<u>548,350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	939,514	-	-	-	-
Restricted	576,363	455,843	-	34,535	338	7,729
Unassigned	-	-	(199)	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b><u>576,363</u></b>	<b><u>1,395,357</u></b>	<b><u>(199)</u></b>	<b><u>34,535</u></b>	<b><u>338</u></b>	<b><u>7,729</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b><u>\$ 576,363</u></b>	<b><u>\$ 1,944,341</u></b>	<b><u>\$ 6,501</u></b>	<b><u>\$ 34,535</u></b>	<b><u>\$ 338</u></b>	<b><u>\$ 7,729</u></b>

**CITY OF SANGER**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEETS (continued)**  
**JUNE 30, 2017**

	Special Revenue Funds				Debt Service	Total Non-major Governmental Funds
	SAFER Grant	Petsmart Charities Grant	CalHome Grant	Bulletproof Vest Grant	Sanger Public Financing Authority	
<b>ASSETS</b>						
Cash and investments	\$ 363	\$ 1,214	\$ 5,361	\$ -	\$ (486)	\$ 5,377,162
Cash with fiscal agent	-	-	-	-	486	486
Accounts receivable, net of allowance	-	-	-	1,324	-	376,831
Loans receivable	-	-	1,167,701	-	-	1,716,051
Advances to Successor Agency	-	-	-	-	-	227,514
Land held for development	-	-	-	-	-	712,000
<b>Total Assets</b>	<b><u>\$ 363</u></b>	<b><u>\$ 1,214</u></b>	<b><u>\$ 1,173,062</u></b>	<b><u>\$ 1,324</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,410,044</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>						
<b>LIABILITIES:</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 459	\$ -	\$ 461,332
Accrued payroll and benefits	-	-	-	-	-	535
Retention payable	-	-	-	-	-	9,318
Due to other funds	-	-	-	868	1,640	154,081
<b>Total Liabilities</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>1,327</u></b>	<b><u>1,640</u></b>	<b><u>625,266</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	-	-	1,167,701	-	-	1,716,051
<b>FUND BALANCES (DEFICITS):</b>						
Nonspendable	-	-	-	-	-	939,514
Restricted	363	1,214	5,361	-	-	5,131,146
Unassigned	-	-	-	(3)	(1,640)	(1,933)
<b>Total Fund Balances (Deficits)</b>	<b><u>363</u></b>	<b><u>1,214</u></b>	<b><u>5,361</u></b>	<b><u>(3)</u></b>	<b><u>(1,640)</u></b>	<b><u>6,068,727</u></b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>	<b><u>\$ 363</u></b>	<b><u>\$ 1,214</u></b>	<b><u>\$ 1,173,062</u></b>	<b><u>\$ 1,324</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 8,410,044</u></b>

**CITY OF SANGER**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Special Revenue Funds</b>					
	State Gas Tax	Landscape and Lighting	Measure C EXT - Pedestrian	Measure C EXT - Bicycle	Measure C EXT - ADA	Measure C EXT - Street
<b>REVENUES</b>						
Taxes	\$ 490,642	\$ -	\$ 55,857	\$ 14,056	\$ 8,319	\$ 270,966
Intergovernmental	-	-	-	-	-	-
Investment income	2,761	871	1,209	446	246	4,622
Charges for services	-	-	-	-	-	-
Other revenue	-	321,850	-	-	-	-
Total Revenues	<u>493,403</u>	<u>322,721</u>	<u>57,066</u>	<u>14,502</u>	<u>8,565</u>	<u>275,588</u>
<b>EXPENDITURES</b>						
Current:						
Community services	-	-	-	-	-	-
Police department	-	-	-	-	-	-
Fire and emergency services	-	-	-	-	-	-
Public works	490,942	238,095	-	-	-	-
Capital outlay	-	-	-	1,698	7,399	241,313
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>490,942</u>	<u>238,095</u>	<u>-</u>	<u>1,698</u>	<u>7,399</u>	<u>241,313</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,461</u>	<u>84,626</u>	<u>57,066</u>	<u>12,804</u>	<u>1,166</u>	<u>34,275</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>2,461</u>	<u>84,626</u>	<u>57,066</u>	<u>12,804</u>	<u>1,166</u>	<u>34,275</u>
Fund balances (deficits) - July 1, 2016	242,709	452,804	127,548	49,500	26,923	485,756
Prior period adjustment (Note 12)	-	-	-	-	-	-
Fund balances - July 1, 2016, restated	<u>242,709</u>	<u>452,804</u>	<u>127,548</u>	<u>49,500</u>	<u>26,923</u>	<u>485,756</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 245,170</u>	<u>\$ 537,430</u>	<u>\$ 184,614</u>	<u>\$ 62,304</u>	<u>\$ 28,089</u>	<u>\$ 520,031</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, 2017**

	<b>Special Revenue Funds</b>					
	<u>Measure C EXT - Flexible</u>	<u>Transportation and Street Maintenance</u>	<u>Kings River Boat Launch</u>	<u>Local Public Safety</u>	<u>Air Quality Projects Funds</u>	<u>SJVAPCD Public Benefit Grant</u>
<b>REVENUES</b>						
Taxes	\$ 261,949	\$ 1,307,953	\$ -	\$ 123,136	\$ -	\$ -
Intergovernmental	-	760,219	14,973	-	-	80,000
Investment income	5,861	12,382	(84)	2	1,344	-
Charges for services	-	-	-	-	-	-
Other revenue	-	-	-	-	6,654	-
Total Revenues	<u>267,810</u>	<u>2,080,554</u>	<u>14,889</u>	<u>123,138</u>	<u>7,998</u>	<u>80,000</u>
<b>EXPENDITURES</b>						
Current:						
Community services	-	-	-	-	-	-
Police department	-	-	-	85,225	-	-
Fire and emergency services	-	-	-	-	-	-
Public works	-	18,720	-	-	-	-
Capital outlay	304,163	1,937,863	14,974	37,910	-	80,000
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>304,163</u>	<u>1,956,583</u>	<u>14,974</u>	<u>123,135</u>	<u>-</u>	<u>80,000</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(36,353)</u>	<u>123,971</u>	<u>(85)</u>	<u>3</u>	<u>7,998</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	2,038	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>2,038</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(36,353)</u>	<u>123,971</u>	<u>1,953</u>	<u>3</u>	<u>7,998</u>	<u>-</u>
Fund balances (deficits) - July 1, 2016	757,848	1,362,628	(2,037)	33,706	161,761	-
Prior period adjustment (Note 12)	-	38,931	-	-	-	-
Fund balances - July 1, 2016, restated	<u>757,848</u>	<u>1,401,559</u>	<u>(2,037)</u>	<u>33,706</u>	<u>161,761</u>	<u>-</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 721,495</u>	<u>\$ 1,525,530</u>	<u>\$ (84)</u>	<u>\$ 33,709</u>	<u>\$ 169,759</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, 2017**

	<b>Special Revenue Funds</b>					
	Vehicle Impound Program Grant	ABC Grant	Community Development Block Grant	Area Agency on Aging Grant	Bicycle Lane Striping State Grant	Supplemental Law Enforcement Grant
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	152,229	16,560	-	129,324
Investment income	177	(6)	(7)	19	2	-
Charges for services	-	-	-	4,420	-	-
Other revenue	-	-	-	-	-	-
Total Revenues	<u>177</u>	<u>(6)</u>	<u>152,222</u>	<u>20,999</u>	<u>2</u>	<u>129,324</u>
<b>EXPENDITURES</b>						
Current:						
Community services	-	-	-	20,980	-	-
Police department	-	-	-	-	-	129,324
Fire and emergency services	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	58,941	-	152,229	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>58,941</u>	<u>-</u>	<u>152,229</u>	<u>20,980</u>	<u>-</u>	<u>129,324</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(58,764)</u>	<u>(6)</u>	<u>(7)</u>	<u>19</u>	<u>2</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(58,764)</u>	<u>(6)</u>	<u>(7)</u>	<u>19</u>	<u>2</u>	<u>-</u>
Fund balances (deficits) - July 1, 2016	58,855	7,526	-	12,213	1,424	-
Prior period adjustment (Note 12)	-	-	-	-	-	-
Fund balances - July 1, 2016, restated	<u>58,855</u>	<u>7,526</u>	<u>-</u>	<u>12,213</u>	<u>1,424</u>	<u>-</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 91</u>	<u>\$ 7,520</u>	<u>\$ (7)</u>	<u>\$ 12,232</u>	<u>\$ 1,426</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, 2017**

	<b>Special Revenue Funds</b>					
	Community Facilities District	Sanger Housing Authority	State Homeland Security Grant	DUI Enforcement and Awareness Grant	Sanger State Park Grant	Edward Byrne Program (JAG)
<b>REVENUES</b>						
Taxes	\$ 540,620	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	10,701	17,508	-	16,287
Investment income	5,044	3,888	-	263	(93)	-
Charges for services	-	-	-	-	-	-
Other revenue	-	27,155	-	-	-	-
Total Revenues	<u>545,664</u>	<u>31,043</u>	<u>10,701</u>	<u>17,771</u>	<u>(93)</u>	<u>16,287</u>
<b>EXPENDITURES</b>						
Current:						
Community services	540,620	-	-	-	-	-
Police department	-	-	-	17,508	-	16,287
Fire and emergency services	-	-	10,900	-	-	-
Public works	-	44,773	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Total Expenditures	<u>540,620</u>	<u>44,773</u>	<u>10,900</u>	<u>17,508</u>	<u>-</u>	<u>16,287</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,044</u>	<u>(13,730)</u>	<u>(199)</u>	<u>263</u>	<u>(93)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	2,730	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,730</u>	<u>-</u>
Net change in fund balances	<u>5,044</u>	<u>(13,730)</u>	<u>(199)</u>	<u>263</u>	<u>2,637</u>	<u>-</u>
Fund balances (deficits) - July 1, 2016	571,319	1,409,087	-	34,272	(2,299)	7,729
Prior period adjustment (Note 12)	-	-	-	-	-	-
Fund balances - July 1, 2016, restated	<u>571,319</u>	<u>1,409,087</u>	<u>-</u>	<u>34,272</u>	<u>(2,299)</u>	<u>7,729</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 576,363</u>	<u>\$ 1,395,357</u>	<u>\$ (199)</u>	<u>\$ 34,535</u>	<u>\$ 338</u>	<u>\$ 7,729</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, 2017**

	Special Revenue Funds				Debt Service	Total Non-major Governmental Funds
	SAFER Grant	Petsmart Charities Grant	CalHome Grant	Bulletproof Vest Grant	Sanger Public Financing Authority	
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,073,498
Intergovernmental	-	-	-	4,810	-	1,202,611
Investment income	-	22	15	(3)	479	39,460
Charges for services	-	-	-	-	-	4,420
Other revenue	-	120	-	-	-	355,779
Total Revenues	-	142	15	4,807	479	4,675,768
<b>EXPENDITURES</b>						
Current:						
Community services	-	-	-	-	-	561,600
Police department	-	4,310	-	4,810	-	257,464
Fire and emergency services	-	-	-	-	-	10,900
Public works	-	-	-	-	-	792,530
Capital outlay	-	-	-	-	-	2,836,490
Debt service:						
Interest and fiscal charges	-	-	-	-	2,119	2,119
Total Expenditures	-	4,310	-	4,810	2,119	4,461,103
Excess (Deficiency) of Revenues over Expenditures	-	(4,168)	15	(3)	(1,640)	214,665
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	4,768
Total Other Financing Sources (Uses)	-	-	-	-	-	4,768
Net change in fund balances	-	(4,168)	15	(3)	(1,640)	219,433
Fund balances (deficits) - July 1, 2016	363	5,382	5,346	-	-	5,810,363
Prior period adjustment (Note 12)	-	-	-	-	-	38,931
Fund balances - July 1, 2016, restated	363	5,382	5,346	-	-	5,849,294
Fund balances (deficits) - June 30, 2017	\$ 363	\$ 1,214	\$ 5,361	\$ (3)	\$ (1,640)	\$ 6,068,727

**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, 2017**

	<b>2016 - 2017</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b><u>REVENUES</u></b>				
Taxes	\$ 549,728	\$ 549,728	\$ 490,642	\$ (59,086)
Investment income	-	-	2,761	2,761
Total Revenues	<u>549,728</u>	<u>549,728</u>	<u>493,403</u>	<u>(56,325)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works	-	-	490,942	(490,942)
Capital outlay	<u>71,500</u>	<u>71,500</u>	-	<u>71,500</u>
Total Expenditures	<u>71,500</u>	<u>71,500</u>	<u>490,942</u>	<u>(419,442)</u>
Excess (deficiency) of revenues over expenditures	<u>478,228</u>	<u>478,228</u>	<u>2,461</u>	<u>(475,767)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(621,282)</u>	<u>(621,282)</u>	-	<u>621,282</u>
Total Other Financing Sources (Uses)	<u>(621,282)</u>	<u>(621,282)</u>	-	<u>621,282</u>
Net change in fund balance	<u>\$ (143,054)</u>	<u>\$ (143,054)</u>	<u>2,461</u>	<u>\$ 145,515</u>
Fund balance - July 1, 2016			<u>242,709</u>	
Fund balance - June 30, 2017			<u>\$ 245,170</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ 871	\$ 871
Other revenues	<u>330,000</u>	<u>330,000</u>	<u>321,850</u>	<u>(8,150)</u>
Total Revenues	<u>330,000</u>	<u>330,000</u>	<u>322,721</u>	<u>(7,279)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works	<u>114,696</u>	<u>114,696</u>	<u>238,095</u>	<u>(123,399)</u>
Total Expenditures	<u>114,696</u>	<u>114,696</u>	<u>238,095</u>	<u>(123,399)</u>
Excess (deficiency) of revenues over expenditures	<u>215,304</u>	<u>215,304</u>	<u>84,626</u>	<u>(130,678)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(144,000)</u>	<u>(144,000)</u>	<u>-</u>	<u>144,000</u>
Total Other Financing Sources (Uses)	<u>(144,000)</u>	<u>(144,000)</u>	<u>-</u>	<u>144,000</u>
Net change in fund balance	<u>\$ 71,304</u>	<u>\$ 71,304</u>	<u>84,626</u>	<u>\$ 13,322</u>
Fund balance - July 1, 2016			<u>452,804</u>	
Fund balance - June 30, 2017			<u>\$ 537,430</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, 2017**

	<b>2016 - 2017</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Taxes	\$ 53,862	\$ 53,862	\$ 55,857	\$ 1,995
Investment income	<u>-</u>	<u>-</u>	<u>1,209</u>	<u>1,209</u>
Total Revenues	<u>53,862</u>	<u>53,862</u>	<u>57,066</u>	<u>3,204</u>
<b><u>EXPENDITURES</u></b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 53,862</u>	<u>\$ 53,862</u>	<u>57,066</u>	<u>\$ 3,204</u>
Fund balance - July 1, 2016			<u>127,548</u>	
Fund balance - June 30, 2017			<u>\$ 184,614</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, 2017**

	<b>2016 - 2017</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>REVENUES</b>				
Taxes	\$ 13,614	\$ 13,614	\$ 14,056	\$ 442
Investment income	-	-	446	446
Total Revenues	<u>13,614</u>	<u>13,614</u>	<u>14,502</u>	<u>888</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>17,900</u>	<u>17,900</u>	<u>1,698</u>	<u>16,202</u>
Total Expenditures	<u>17,900</u>	<u>17,900</u>	<u>1,698</u>	<u>16,202</u>
Net change in fund balance	<u>\$ (4,286)</u>	<u>\$ (4,286)</u>	<u>12,804</u>	<u>\$ 17,090</u>
Fund balance - July 1, 2016			<u>49,500</u>	
Fund balance - June 30, 2017			<u>\$ 62,304</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 9,233	\$ 9,233	\$ 8,319	\$ (914)
Investment income	<u>-</u>	<u>-</u>	<u>246</u>	<u>246</u>
Total Revenues	<u>9,233</u>	<u>9,233</u>	<u>8,565</u>	<u>(668)</u>
<b>EXPENDITURES</b>				
Current:				
Capital outlay	<u>7,000</u>	<u>7,000</u>	<u>7,399</u>	<u>(399)</u>
Total Expenditures	<u>7,000</u>	<u>7,000</u>	<u>7,399</u>	<u>(399)</u>
Net change in fund balance	<u>\$ 2,233</u>	<u>\$ 2,233</u>	<u>1,166</u>	<u>\$ (1,067)</u>
Fund balance - July 1, 2016			<u>26,923</u>	
Fund balance - June 30, 2017			<u>\$ 28,089</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, 2017**

	<b>2016 - 2017</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Taxes	\$ 263,789	\$ 263,789	\$ 270,966	\$ 7,177
Investment income	<u>-</u>	<u>-</u>	<u>4,622</u>	<u>4,622</u>
Total Revenues	<u>263,789</u>	<u>263,789</u>	<u>275,588</u>	<u>11,799</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay	<u>697,117</u>	<u>310,209</u>	<u>241,313</u>	<u>68,896</u>
Total Expenditures	<u>697,117</u>	<u>310,209</u>	<u>241,313</u>	<u>68,896</u>
Net change in fund balance	<u>\$ (433,328)</u>	<u>\$ (46,420)</u>	<u>34,275</u>	<u>\$ 80,695</u>
Fund balance - July 1, 2016			<u>485,756</u>	
Fund balance - June 30, 2017			<u>\$ 520,031</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, 2017**

	<b>2016 - 2017</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b><u>Budgeted Amounts</u></b>			
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual Amounts</u></b>	
<b><u>REVENUES</u></b>				
Taxes	\$ 257,556	\$ 257,556	\$ 261,949	\$ 4,393
Investment income	<u>-</u>	<u>-</u>	<u>5,861</u>	<u>5,861</u>
Total Revenues	<u>257,556</u>	<u>257,556</u>	<u>267,810</u>	<u>10,254</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay	<u>787,857</u>	<u>516,330</u>	<u>304,163</u>	<u>212,167</u>
Total Expenditures	<u>787,857</u>	<u>516,330</u>	<u>304,163</u>	<u>212,167</u>
Net change in fund balance	<u>\$ (530,301)</u>	<u>\$ (258,774)</u>	<u>(36,353)</u>	<u>\$ 222,421</u>
Fund balance - July 1, 2016			<u>757,848</u>	
Fund balance - June 30, 2017			<u>\$ 721,495</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Taxes	\$ 2,243,987	\$ 2,243,987	\$ 1,307,953	\$ (936,034)
Intergovernmental	616,258	616,258	760,219	143,961
Investment income	<u>-</u>	<u>-</u>	<u>12,382</u>	<u>12,382</u>
Total Revenues	<u>2,860,245</u>	<u>2,860,245</u>	<u>2,080,554</u>	<u>(779,691)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works	-	18,412	18,720	(308)
Capital outlay	<u>3,869,789</u>	<u>3,960,602</u>	<u>1,937,863</u>	<u>2,022,739</u>
Total Expenditures	<u>3,869,789</u>	<u>3,979,014</u>	<u>1,956,583</u>	<u>2,022,431</u>
Net change in fund balance	<u>\$ (1,009,544)</u>	<u>\$ (1,118,769)</u>	<u>123,971</u>	<u>\$ 1,242,740</u>
Fund balance - July 1, 2016			1,362,628	
Prior period adjustment			<u>38,931</u>	
Fund balance - July 1, 2016, restated			<u>1,401,559</u>	
Fund balance - June 30, 2017			<u>\$ 1,525,530</u>	

**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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 390,000	\$ 390,000	\$ 14,973	\$ (375,027)
Investment income	<u>-</u>	<u>-</u>	<u>(84)</u>	<u>(84)</u>
Total Revenues	<u>390,000</u>	<u>390,000</u>	<u>14,889</u>	<u>(375,111)</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay	<u>452,860</u>	<u>528,100</u>	<u>14,974</u>	<u>513,126</u>
Total Expenditures	<u>452,860</u>	<u>528,100</u>	<u>14,974</u>	<u>513,126</u>
Excess (deficiency) of revenues over expenditures	<u>(62,860)</u>	<u>(138,100)</u>	<u>(85)</u>	<u>138,015</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>2,038</u>	<u>(7,962)</u>
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>2,038</u>	<u>(7,962)</u>
Net change in fund balance	<u>\$ (52,860)</u>	<u>\$ (128,100)</u>	<u>1,953</u>	<u>\$ 130,053</u>
Fund balance (deficit) - July 1, 2016			<u>(2,037)</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ (84)</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Taxes	\$ 90,000	\$ 90,000	\$ 123,136	\$ 33,136
Investment income	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Total Revenues	<u>90,000</u>	<u>90,000</u>	<u>123,138</u>	<u>33,138</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Police department	-	-	85,225	(85,225)
Capital outlay	<u>-</u>	<u>-</u>	<u>37,910</u>	<u>(37,910)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>123,135</u>	<u>(123,135)</u>
Excess (deficiency) of revenues over expenditures	<u>90,000</u>	<u>90,000</u>	<u>3</u>	<u>(89,997)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(113,365)</u>	<u>(113,365)</u>	<u>-</u>	<u>113,365</u>
Total Other Financing Sources (Uses)	<u>(113,365)</u>	<u>(113,365)</u>	<u>-</u>	<u>113,365</u>
Net change in fund balance	<u>\$ (23,365)</u>	<u>\$ (23,365)</u>	<u>3</u>	<u>\$ 23,368</u>
Fund balance - July 1, 2016			<u>33,706</u>	
Fund balance - June 30, 2017			<u>\$ 33,709</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original*</b>	<b>Final*</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ 1,344	\$ 1,344
Other revenues	<u>-</u>	<u>-</u>	<u>6,654</u>	<u>6,654</u>
Total Revenues	<u>-</u>	<u>-</u>	<u>7,998</u>	<u>7,998</u>
<b><u>EXPENDITURES</u></b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,998</u>	<u>\$ 7,998</u>
Fund balance - July 1, 2016			<u>161,761</u>	
Fund balance - June 30, 2017			<u>\$ 169,759</u>	

\* The City did not adopt a budget for the Air Quality Projects fund for the year ended June 30, 2017.

**CITY OF SANGER**  
**SJVAPCD PUBLIC BENEFIT GRANT - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 80,000	\$ -
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>	<u>-</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>(80,000)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>(80,000)</u>
Net change in fund balance	<u>\$ 80,000</u>	<u>\$ 80,000</u>	<u>-</u>	<u>\$ (80,000)</u>
Fund balance - July 1, 2016			<u>-</u>	
Fund balance - June 30, 2017			<u>\$ -</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ 177	\$ 177
Charges for services	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>(9,000)</u>
Total Revenues	<u>9,000</u>	<u>9,000</u>	<u>177</u>	<u>(8,823)</u>
<b><u>EXPENDITURES</u></b>				
Capital outlay	<u>-</u>	<u>-</u>	<u>58,941</u>	<u>(58,941)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>58,941</u>	<u>(58,941)</u>
Excess (deficiency) of revenues over expenditures	<u>9,000</u>	<u>9,000</u>	<u>(58,764)</u>	<u>(67,764)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(76,635)</u>	<u>(76,635)</u>	<u>-</u>	<u>76,635</u>
Total Other Financing Sources (Uses)	<u>(76,635)</u>	<u>(76,635)</u>	<u>-</u>	<u>76,635</u>
Net change in fund balance	<u>\$ (67,635)</u>	<u>\$ (67,635)</u>	<u>(58,764)</u>	<u>\$ 8,871</u>
Fund balance - July 1, 2016			<u>58,855</u>	
Fund balance - June 30, 2017			<u>\$ 91</u>	

**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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 15,000	\$ -	\$ (15,000)
Investment income	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>(6)</u>
Total Revenues	<u>15,000</u>	<u>15,000</u>	<u>(6)</u>	<u>(15,006)</u>
<b>EXPENDITURES</b>				
Current:				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>15,000</u>	<u>15,000</u>	<u>(6)</u>	<u>(15,006)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(14,000)</u>	<u>(14,000)</u>	<u>-</u>	<u>14,000</u>
Total Other Financing Sources (Uses)	<u>(14,000)</u>	<u>(14,000)</u>	<u>-</u>	<u>14,000</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>(6)</u>	<u>\$ (1,006)</u>
Fund balance - July 1, 2016			<u>7,526</u>	
Fund balance - June 30, 2017			<u>\$ 7,520</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, 2017

	<b>2016 - 2017</b>			<b>Variance with Final Budget Positive (Negative)</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual Amounts</b>	
<b>REVENUES</b>				
Intergovernmental	\$ 159,548	\$ 159,548	\$ 152,229	\$ (7,319)
Investment income	<u>-</u>	<u>-</u>	<u>(7)</u>	<u>(7)</u>
Total Revenues	<u>159,548</u>	<u>159,548</u>	<u>152,222</u>	<u>(7,326)</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>159,548</u>	<u>168,595</u>	<u>152,229</u>	<u>16,366</u>
Total Expenditures	<u>159,548</u>	<u>168,595</u>	<u>152,229</u>	<u>16,366</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (9,047)</u>	<u>(7)</u>	<u>\$ 9,040</u>
Fund balance - July 1, 2016			<u>-</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ (7)</u>	

**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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 16,560	\$ 4,560
Investment income	-	-	19	19
Charges for services	-	-	4,420	4,420
Total Revenues	<u>12,000</u>	<u>12,000</u>	<u>20,999</u>	<u>8,999</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Community services	-	-	20,980	(20,980)
Total Expenditures	<u>-</u>	<u>-</u>	<u>20,980</u>	<u>(20,980)</u>
Excess (deficiency) of revenues over expenditures	<u>12,000</u>	<u>12,000</u>	<u>19</u>	<u>(11,981)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	<u>(12,000)</u>	<u>(12,000)</u>	-	<u>12,000</u>
Total Other Financing Sources (Uses)	<u>(12,000)</u>	<u>(12,000)</u>	-	<u>12,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>19</u>	<u>\$ 19</u>
Fund balance - July 1, 2016			<u>12,213</u>	
Fund balance - June 30, 2017			<u>\$ 12,232</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, 2017**

	<u>2016 - 2017</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>		
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ 2	\$ 2
Total Revenues	\$ -	\$ -	\$ 2	\$ 2
<b><u>EXPENDITURES</u></b>				
Total Expenditures	-	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2	<u>\$ 2</u>
Fund balance - July 1, 2016			<u>1,424</u>	
Fund balance - June 30, 2017			<u>\$ 1,426</u>	

\* There was no budget adopted for the Bicycle Lane Striping fund for the year ended June 30, 2017.

**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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 129,324	\$ 29,324
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>129,324</u>	<u>29,324</u>
<b>EXPENDITURES</b>				
Current:				
Police department	-	-	129,324	(129,324)
Total Expenditures	<u>-</u>	<u>-</u>	<u>129,324</u>	<u>(129,324)</u>
Excess (deficiency) of revenues over expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - July 1, 2016			<u>-</u>	
Fund balance - June 30, 2017			<u>\$ -</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, 2017

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Taxes	\$ 405,000	\$ 405,000	\$ 540,620	\$ 135,620
Investment income	-	-	5,044	5,044
Total Revenues	<u>405,000</u>	<u>405,000</u>	<u>545,664</u>	<u>140,664</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Community services	-	-	540,620	(540,620)
Total Expenditures	-	-	540,620	(540,620)
Excess (deficiency) of revenues over expenditures	<u>405,000</u>	<u>405,000</u>	<u>5,044</u>	<u>(399,956)</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers out	(450,000)	(450,000)	-	450,000
Total Other Financing Sources (Uses)	<u>(450,000)</u>	<u>(450,000)</u>	-	<u>450,000</u>
Net change in fund balance	<u>\$ (45,000)</u>	<u>\$ (45,000)</u>	<u>5,044</u>	<u>\$ 50,044</u>
Fund balance - July 1, 2016			<u>571,319</u>	
Fund balance - June 30, 2017			<u>\$ 576,363</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ 3,888	\$ 3,888
Other revenues	<u>40,300</u>	<u>40,300</u>	<u>27,155</u>	<u>(13,145)</u>
Total Revenues	<u>40,300</u>	<u>40,300</u>	<u>31,043</u>	<u>(9,257)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Public works	<u>58,186</u>	<u>58,186</u>	<u>44,773</u>	<u>13,413</u>
Total Expenditures	<u>58,186</u>	<u>58,186</u>	<u>44,773</u>	<u>13,413</u>
Net change in fund balance	<u>\$ (17,886)</u>	<u>\$ (17,886)</u>	<u>(13,730)</u>	<u>\$ 4,156</u>
Fund balance - July 1, 2016			<u>1,409,087</u>	
Fund balance - June 30, 2017			<u>\$ 1,395,357</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, 2017

	<u>2016 - 2017</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>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ -	\$ 11,600	\$ 10,701	\$ (899)
Total Revenues	<u>-</u>	<u>11,600</u>	<u>10,701</u>	<u>(899)</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Fire and emergency services	<u>-</u>	<u>11,600</u>	<u>10,900</u>	<u>700</u>
Total Expenditures	<u>-</u>	<u>11,600</u>	<u>10,900</u>	<u>700</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(199)</u>	<u>\$ (199)</u>
Fund balance - July 1, 2016			<u>-</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ (199)</u>	

**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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 18,000	\$ 18,000	\$ 17,508	\$ (492)
Investment income	<u>-</u>	<u>-</u>	<u>263</u>	<u>263</u>
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>17,771</u>	<u>(229)</u>
<b>EXPENDITURES</b>				
Current:				
Police department	<u>17,000</u>	<u>17,000</u>	<u>17,508</u>	<u>(508)</u>
Total Expenditures	<u>17,000</u>	<u>17,000</u>	<u>17,508</u>	<u>(508)</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	<u>263</u>	<u>\$ (737)</u>
Fund balance - July 1, 2016			<u>34,272</u>	
Fund balance - June 30, 2017			<u>\$ 34,535</u>	



**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, 2017**

	<u>2016 - 2017</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>		
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ (93)	\$ (93)
Total Revenues	-	-	(93)	(93)
<b><u>EXPENDITURES</u></b>				
Total Expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	(93)	(93)
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	-	-	2,730	2,730
Total Other Financing Sources (Uses)	-	-	2,730	2,730
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>2,637</u>	<u>\$ 2,637</u>
Fund balance (deficit) - July 1, 2016			<u>(2,299)</u>	
Fund balance - June 30, 2017			<u>\$ 338</u>	

\* The City did not adopt a budget for the Sanger Skate Park fund for the year ended June 30, 2017.

**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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 15,000	\$ 28,659	\$ 16,287	\$ (12,372)
Total Revenues	<u>15,000</u>	<u>28,659</u>	<u>16,287</u>	<u>(12,372)</u>
<b>EXPENDITURES</b>				
Current:				
Police department	-	21,843	16,287	5,556
Total Expenditures	<u>-</u>	<u>21,843</u>	<u>16,287</u>	<u>5,556</u>
Excess (deficiency) of revenues over expenditures	<u>15,000</u>	<u>6,816</u>	<u>-</u>	<u>(6,816)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(15,000)</u>	<u>(15,665)</u>	<u>-</u>	<u>15,665</u>
Total Other Financing Sources (Uses)	<u>(15,000)</u>	<u>(15,665)</u>	<u>-</u>	<u>15,665</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (8,849)</u>	<u>-</u>	<u>\$ 8,849</u>
Fund balance - July 1, 2016			<u>7,729</u>	
Fund balance - June 30, 2017			<u>\$ 7,729</u>	

**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, 2017**

	<u>2016 - 2017</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>		
<b><u>REVENUES</u></b>				
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>EXPENDITURES</u></b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance - July 1, 2016			<u>363</u>	
Fund balance - June 30, 2017			<u>\$ 363</u>	

\* The City did not adopt a budget for the Safer Grant Fund for the year ended June 30, 2017.

**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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 3,500	\$ 3,500	\$ -	\$ (3,500)
Investment income	-	-	22	22
Other revenues	-	-	120	120
Total Revenues	<u>3,500</u>	<u>3,500</u>	<u>142</u>	<u>(3,358)</u>
<b>EXPENDITURES</b>				
Current:				
Police department	<u>3,500</u>	<u>3,500</u>	<u>4,310</u>	<u>(810)</u>
Total Expenditures	<u>3,500</u>	<u>3,500</u>	<u>4,310</u>	<u>(810)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(4,168)</u>	<u>\$ (4,168)</u>
Fund balance - July 1, 2016			<u>5,382</u>	
Fund balance - June 30, 2017			<u>\$ 1,214</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, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original*</b>	<b>Final*</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ 15	\$ 15
Total Revenues	<u>-</u>	<u>-</u>	<u>15</u>	<u>15</u>
<b><u>EXPENDITURES</u></b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>15</u>	<u>\$ 15</u>
Fund balance - July 1, 2016			<u>5,346</u>	
Fund balance - June 30, 2017			<u>\$ 5,361</u>	

The City did not adopt a budget for the CalHOME fund as of June 30, 2017.

**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, 2017**

	<u>2016 - 2017</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>		
<b><u>REVENUES</u></b>				
Intergovernmental	\$ 4,500	\$ 4,500	\$ 4,810	\$ 310
Investment income	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(3)</u>
Total Revenues	<u>4,500</u>	<u>4,500</u>	<u>4,807</u>	<u>307</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Police department	<u>4,100</u>	<u>4,100</u>	<u>4,810</u>	<u>(710)</u>
Total Expenditures	<u>4,100</u>	<u>4,100</u>	<u>4,810</u>	<u>(710)</u>
Net change in fund balance	<u>\$ 400</u>	<u>\$ 400</u>	<u>(3)</u>	<u>\$ (403)</u>
Fund balance - July 1, 2016			<u>-</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ (3)</u>	

**CITY OF SANGER**  
**SANGER PUBLIC FINANCING AUTHORITY - DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<b>2016 - 2017</b>		<b>Actual</b>	<b>Variance</b>
	<b>Budgeted Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>with Final</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b><u>REVENUES</u></b>				
Investment income	\$ -	\$ -	\$ 479	\$ 479
Total Revenues	<u>-</u>	<u>-</u>	<u>479</u>	<u>479</u>
<b><u>EXPENDITURES</u></b>				
Current:				
Administrative services	2,240	2,240	-	2,240
Debt service				
Interest	<u>60,255</u>	<u>60,255</u>	<u>2,119</u>	<u>58,136</u>
Total Expenditures	<u>62,495</u>	<u>62,495</u>	<u>2,119</u>	<u>60,376</u>
Excess (deficiency) of revenues over expenditures	<u>(62,495)</u>	<u>(62,495)</u>	<u>(1,640)</u>	<u>60,855</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	<u>60,255</u>	<u>60,255</u>	<u>-</u>	<u>(60,255)</u>
Total Other Financing Sources (Uses)	<u>60,255</u>	<u>60,255</u>	<u>-</u>	<u>(60,255)</u>
Net change in fund balance	<u>\$ (2,240)</u>	<u>\$ (2,240)</u>	<u>(1,640)</u>	<u>\$ 600</u>
Fund balance - July 1, 2016			<u>-</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ (1,640)</u>	

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## INTERNAL SERVICE FUNDS

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Internal service funds are used to account for the financing of goods 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, 2017

	<u>Administration</u>	<u>Equipment Maintenance</u>	<u>Self Insurance Programs</u>	<u>Total Internal Service Funds</u>
<b><u>ASSETS</u></b>				
Current Assets				
Cash and investments	\$ 61,359	\$ 21,854	\$ 20	\$ 83,233
Accounts receivable, net	-	-	1,429	1,429
Inventory	-	12,234	-	12,234
	<u>61,359</u>	<u>34,088</u>	<u>1,449</u>	<u>96,896</u>
Total Current Assets				
	<u>61,359</u>	<u>34,088</u>	<u>1,449</u>	<u>96,896</u>
<b>Total Assets</b>	<u>61,359</u>	<u>34,088</u>	<u>1,449</u>	<u>96,896</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities				
Accounts payable	49,707	17,348	9,460	76,515
Accrued payroll and benefits	13,775	-	-	13,775
Due to other funds	-	-	25,667	25,667
Deposits	-	-	1,490	1,490
Claims payable - current	-	-	200,068	200,068
	<u>63,482</u>	<u>17,348</u>	<u>236,685</u>	<u>317,515</u>
Total Current Liabilities				
	<u>63,482</u>	<u>17,348</u>	<u>236,685</u>	<u>317,515</u>
Non-Current Liabilities				
Claims payable	-	-	261,809	261,809
	<u>-</u>	<u>-</u>	<u>261,809</u>	<u>261,809</u>
Total Non-Current Liabilities				
	<u>-</u>	<u>-</u>	<u>261,809</u>	<u>261,809</u>
<b>Total Liabilities</b>	<u>63,482</u>	<u>17,348</u>	<u>498,494</u>	<u>579,324</u>
<b><u>NET POSITION:</u></b>				
Unrestricted	<u>(2,123)</u>	<u>16,740</u>	<u>(497,045)</u>	<u>(482,428)</u>
<b>Total Net Position</b>	<u>\$ (2,123)</u>	<u>\$ 16,740</u>	<u>\$ (497,045)</u>	<u>\$ (482,428)</u>

**CITY OF SANGER**  
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 INTERNAL SERVICE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Administration</u>	<u>Equipment Maintenance</u>	<u>Self Insurance Programs</u>	<u>Total Internal Service Funds</u>
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 1,679,620	\$ 163,867	\$ 2,658,214	\$ 4,501,701
Other revenue	<u>235</u>	<u>167</u>	<u>194</u>	<u>596</u>
<b>Total Operating Revenue</b>	<u>1,679,855</u>	<u>164,034</u>	<u>2,658,408</u>	<u>4,502,297</u>
<b><u>OPERATING EXPENSES</u></b>				
Salaries and benefits	919,440	-	1,749,125	2,668,565
Supplies and services	748,518	156,328	988,214	1,893,060
General and administrative	40,932	-	21,249	62,181
Depreciation	<u>5,255</u>	<u>-</u>	<u>-</u>	<u>5,255</u>
<b>Total Operating Expenses</b>	<u>1,714,145</u>	<u>156,328</u>	<u>2,758,588</u>	<u>4,629,061</u>
Change in net position	(34,290)	7,706	(100,180)	(126,764)
Net Position - July 1, 2016	<u>32,167</u>	<u>9,034</u>	<u>(396,865)</u>	<u>(355,664)</u>
Net Position - June 30, 2017	<u><u>\$ (2,123)</u></u>	<u><u>\$ 16,740</u></u>	<u><u>\$ (497,045)</u></u>	<u><u>\$ (482,428)</u></u>

**CITY OF SANGER**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Administration</b>	<b>Equipment Maintenance</b>	<b>Self Insurance Reserve</b>	<b>Total Internal Service Funds</b>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Charges for services	\$ 1,679,855	\$ 164,034	\$ 2,657,186	\$ 4,501,075
Cash paid to suppliers	(826,345)	(154,777)	(1,038,073)	(2,019,195)
Cash paid to employees	(944,456)	-	(1,749,125)	(2,693,581)
Net Cash Provided by (Used for) Operating Activities	<u>(90,946)</u>	<u>9,257</u>	<u>(130,012)</u>	<u>(211,701)</u>
<b><u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u></b>				
Interfund (payments) receipts	-	-	25,667	25,667
Net Cash Provided by Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>25,667</u>	<u>25,667</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(90,946)	9,257	(104,345)	(186,034)
Cash and Cash Equivalents - July 1, 2016	<u>152,305</u>	<u>12,597</u>	<u>104,365</u>	<u>269,267</u>
Cash and Cash Equivalents - June 30, 2017	<u>\$ 61,359</u>	<u>\$ 21,854</u>	<u>\$ 20</u>	<u>\$ 83,233</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u></b>				
Operating Income (Loss)	(34,290)	7,706	(100,180)	(126,764)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation expense	5,255	-	-	5,255
Changes in assets and liabilities:				
Increase in accounts receivable	-	-	(1,261)	(1,261)
Increase in inventory	-	(85)	-	(85)
(Decrease) increase in accounts payable	(36,895)	1,636	1,464	(33,795)
Increase in deposits	-	-	39	39
Decrease in claims payable	-	-	(30,074)	(30,074)
Decrease in accrued payroll and benefits	(25,016)	-	-	(25,016)
Net Cash Provided by (Used for) Operating Activities	<u>\$ (90,946)</u>	<u>\$ 9,257</u>	<u>\$ (130,012)</u>	<u>\$ (211,701)</u>

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## AGENCY FUNDS

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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.

**CITY OF SANGER**  
**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Cash Deposit Trust</u>				
<b>ASSETS</b>				
Cash and investments	\$ 303,604	\$ 471,379	\$ 571,856	\$ 203,127
Accounts receivable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 303,604</u>	<u>\$ 471,379</u>	<u>\$ 571,856</u>	<u>\$ 203,127</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,737	\$ 130,759	\$ 130,941	\$ 2,555
Deposits in trust	<u>300,867</u>	<u>468,135</u>	<u>568,430</u>	<u>200,572</u>
Total Liabilities	<u>\$ 303,604</u>	<u>\$ 598,894</u>	<u>\$ 699,371</u>	<u>\$ 203,127</u>