

**CITY OF SANGER**  
**ANNUAL FINANCIAL REPORT**  
**For The Fiscal Year Ended June 30, 2009**

**CITY OF SANGER**  
**ANNUAL FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2009**

**TABLE OF CONTENTS**

INTRODUCTORY SECTION

FINANCIAL SECTION

Independent Auditors' Report.....	1
Basic Financial Statements:	
Statement of Net Assets.....	4
Statement of Activities.....	5
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	7
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets.....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	10
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	12
Statement of Net Assets – Proprietary Funds.....	14
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds.....	16
Combined Statement of Cash Flows - Proprietary Funds.....	18
Statement of Net Assets – Fiduciary Funds.....	19
Notes to Basic Financial Statements.....	21
Required Supplementary Information:	
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – General Fund.....	51
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Redevelopment Agency Fund.....	52
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Transportation & Street Maintenance Fund.....	53
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual – Developers Fees Fund.....	54
Notes to Required Supplementary Information.....	55

Supplementary Information:

Combining Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds.....	61
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	62
Combining Balance Sheet – Nonmajor Special Revenue Funds.....	63
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds.....	75
Combining Balance Sheet – Nonmajor Debt Service Funds.....	87
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds.....	88
Combining Balance Sheet – Nonmajor Internal Service Funds.....	89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Internal Service Funds.....	90
Combining Statement of Fiduciary Assets And Liabilities – Fiduciary Funds.....	91



**Mayer Hoffman McCann P.C.**  
An Independent CPA Firm

5060 California Avenue, Suite 800  
Bakersfield, CA 93309  
PH 661.325.7500  
FAX 661.325.7004

## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of Sanger, California

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, California (City), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Sanger, California's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

The accompanying financial statements have been prepared assuming that the City will continue as a going concern. As shown in the financial statements and further discussed in Note 11 the City has incurred operating deficits in its governmental and proprietary activities and faces a declining revenue base for future years. These factors raise substantial doubt about the City's ability to continue as going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts and classification of liabilities that might be necessary in the event the City cannot continue as a going concern.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2010, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing

### Southern California Locations

10474 Santa Monica Blvd. Suite 200 • Los Angeles, CA 90025 • PH 310.268.2000 • FX 310.268.2001  
5060 California Ave. Suite 800 • Bakersfield, CA 93309 • PH 661.325.7500 • FX 661.325.7004  
300 Esplanade Dr. Suite 250 • Oxnard, CA 93036 • PH 805.988.3222 • FX 805.988.3220

of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The budgetary comparison information and other required supplementary information on pages 51 through 54 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

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 nonmajor fund financial statements listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Mayer Hoffman Mc Corm P.C.*

Bakersfield, California  
January 25, 2010

## **BASIC FINANCIAL STATEMENTS**

**CITY OF SANGER  
STATEMENT OF NET ASSETS  
JUNE 30, 2009**

	Governmental Activities	Business-Type Activities	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 8,361,437	\$ 326,915	\$ 8,688,352
Cash with fiscal agent	709,266	-	709,266
Receivables (net of allowance for uncollectibles):			
Accounts	1,071,090	1,941,177	3,012,267
Intergovernmental	465,147	-	465,147
Internal balances	(624,793)	624,793	-
Inventory	17,700	-	17,700
Prepaid items	287,567	-	287,567
Advances to/from other funds	(2,579,719)	2,579,719	-
Land held for development	1,860,348	-	1,860,348
Bond issuance cost, net	115,833	664,593	780,426
Notes receivable	-	450,000	450,000
Restricted assets:			
Restricted cash and cash equivalents	-	2,133,855	2,133,855
Capital assets			
Non-depreciable	434,923	1,325,542	1,760,465
Depreciable, net of accumulated depreciation	23,929,336	29,574,834	53,504,170
<b>Total assets</b>	<b>34,048,135</b>	<b>39,621,428</b>	<b>73,669,563</b>
<b>LIABILITIES</b>			
Accounts payable	876,741	292,568	1,169,309
Accrued interest payable	79,036	-	79,036
Deposits	2,217	137,433	139,650
Claims payable	193,809	-	193,809
Deferred/unearned revenues	2,652,472	855,661	3,508,133
Due in one year or less	441,163	180,000	621,163
Due in more than one year	4,396,589	20,587,364	24,983,953
<b>Total liabilities</b>	<b>8,642,027</b>	<b>22,053,026</b>	<b>30,695,053</b>
<b>NET ASSETS</b>			
Invested in capital assets, net related debt	18,038,738	10,609,675	28,648,413
Restricted for:			
Debt service and special projects	6,221,093	-	6,221,093
Unrestricted	1,146,277	6,958,727	8,105,004
<b>Total net assets</b>	<b>\$ 25,406,108</b>	<b>\$ 17,568,402</b>	<b>\$ 42,974,510</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
STATEMENT OF ACTIVITIES  
JUNE 30, 2009**

	Program Revenues			Net (Expense) Revenue and Change in Net Assets			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Functions/Programs</b>							
Primary government							
Governmental activities:							
City council	\$ 300,351	\$ -	\$ -	\$ -	\$ (300,351)	\$ -	\$ (300,351)
City manager	2,467,097	-	-	-	(2,467,097)	-	(2,467,097)
Administrative services	3,701,394	2,029,261	347,682	-	(1,324,451)	-	(1,324,451)
Community services	705,692	433,033	35,136	-	(237,523)	-	(237,523)
Police department	4,449,451	84,148	78,695	96,539	(4,190,069)	-	(4,190,069)
Fire & Emergency services	-	43,669	-	25,000	68,669	-	68,669
Development services	1,119,044	17,318	-	-	(1,101,726)	-	(1,101,726)
Public works	1,164,302	1,652,665	-	1,709,527	2,197,890	-	2,197,890
Economic development	640,749	-	-	-	(640,749)	-	(640,749)
Non-departmental	894,327	22,203	2,650,134	-	1,778,010	-	1,778,010
Interest on long-term debt (unallocated)	183,113	-	-	-	(183,113)	-	(183,113)
Depreciation expense (unallocated)	1,698,714	-	-	-	(1,698,714)	-	(1,698,714)
Total governmental activities	<u>17,324,234</u>	<u>4,282,297</u>	<u>3,111,647</u>	<u>1,831,066</u>	<u>(8,099,224)</u>	<u>-</u>	<u>(8,099,224)</u>
Business-type activities:							
Water	2,825,199	2,504,385	-	-	-	(320,814)	(320,814)
Sewer	4,588,700	3,883,114	-	-	-	(705,586)	(705,586)
Disposal	2,949,563	2,864,880	-	-	-	(84,683)	(84,683)
Ambulance	1,812,800	1,852,309	-	-	-	39,509	39,509
Total business-type activities	<u>12,176,262</u>	<u>11,104,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,071,574)</u>	<u>(1,071,574)</u>
Total primary government	<u>\$ 29,500,496</u>	<u>\$ 15,386,985</u>	<u>\$ 3,111,647</u>	<u>\$ 1,831,066</u>	<u>\$ (8,099,224)</u>	<u>\$ (1,071,574)</u>	<u>\$ (9,170,798)</u>
General revenues							
Taxes					10,833,671	-	10,833,671
Licenses and permits					100,541	-	100,541
Fines and penalties					122,426	-	122,426
Revenue from use of money and property					117,379	-	117,379
Fees and other revenues					547,409	592,166	1,139,575
Transfers in (out)					250,000	(250,000)	-
Proceeds from sales of property					2,800	-	2,800
Donations expense					-	-	-
Total general revenues and transfers					<u>11,974,226</u>	<u>342,166</u>	<u>12,316,392</u>
Change in net assets					3,875,002	(729,408)	3,145,594
Net assets - July 1, 2008					<u>21,531,106</u>	<u>18,297,810</u>	<u>39,828,916</u>
Net assets - June 30, 2009					<u>\$ 25,406,108</u>	<u>\$ 17,568,402</u>	<u>\$ 42,974,510</u>

The notes to the financial statements are an integral part of this statement.

## **FUND FINANCIAL STATEMENTS**

**CITY OF SANGER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	General	Redevelopment Agency	Transportation & Street Maintenance Funds
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 554,933	\$ 388,374	\$ 1,523,499
Cash with fiscal agent	-	395,032	-
Receivables			
Accounts	326,682	36,813	122,589
Intergovernmental	-	-	-
Land held for investment	-	1,860,348	-
Due from other funds	-	-	161,501
Notes receivable	-	1,514,158	-
<b>Total assets</b>	<b>\$ 881,615</b>	<b>\$ 4,194,725</b>	<b>\$ 1,807,589</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 378,856	\$ 98,284	\$ 9,587
Advances/ loans from other funds	1,410,346	1,169,373	-
Due to other funds	-	197,290	-
Deferred/unearned revenue	-	1,514,158	-
<b>Total liabilities</b>	<b>1,789,202</b>	<b>2,979,105</b>	<b>9,587</b>
<b>Fund balances:</b>			
Reserved	38,389	1,086,007	-
Unreserved, reported in:			
General fund	(945,976)	-	-
Special Revenue Fund	-	129,613	1,798,002
<b>Total fund balances</b>	<b>(907,587)</b>	<b>1,215,620</b>	<b>1,798,002</b>
<b>Total liabilities and fund balances</b>	<b>\$ 881,615</b>	<b>\$ 4,194,725</b>	<b>\$ 1,807,589</b>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009**

	Developers Fees Funds	Other Governmental Funds	Total Governmental
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 2,626,093	\$ 2,677,424	\$ 7,770,323
Cash with fiscal agent	-	314,234	709,266
Receivables			
Accounts	-	583,275	1,069,359
Intergovernmental	-	465,147	465,147
Land held for investment	-	-	1,860,348
Due from other funds	-	-	161,501
Notes receivable	-	-	1,514,158
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total assets</b>	<u>\$ 2,626,093</u>	<u>\$ 4,040,080</u>	<u>\$ 13,550,102</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ -	\$ 217,226	\$ 703,953
Advances/ loans from other funds	-	-	2,579,719
Due to other funds	-	589,004	786,294
Deferred/unearned revenue	2,626,093	26,379	4,166,630
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>2,626,093</u>	<u>832,609</u>	<u>8,236,596</u>
<b>Fund balances:</b>			
Reserved	-	337,177	1,461,573
Unreserved, reported in:			
General fund	-	-	(945,976)
Special Revenue Fund	-	2,870,294	4,797,909
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>-</u>	<u>3,207,471</u>	<u>5,313,506</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,626,093</u>	<u>\$ 4,040,080</u>	<u>\$ 13,550,102</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2009**

Fund balances of governmental funds	\$ 5,313,506
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>	
<p>Long-term notes receivable were not current available resources. Therefore, in the governmental funds balance sheet, they were offset by deferred revenue. In the Government-Wide Statement of Net Assets, deferred revenue was netted against the notes receivable. The following amounts represent the net realizable value of the notes receivable</p>	
Notes receivable	(1,514,158)
Deferred revenue	1,514,158
<p>Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below.</p>	
	24,342,490
<p>Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Assets.</p>	
	551,067
<p>Long-term debt, compensated absences and claims payable from the General long-term Debt Account Group that have not been included in the governmental fund activity:</p>	
	(4,837,752)
<p>Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.</p>	
	(79,036)
<p>Unamortized issuance costs on revenue bonds payable has not been reported in the governmental funds.</p>	
	115,833
Net assets of governmental activities	\$25,406,108

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	General	Redevelopment Agency	Transportation & Street Maintenance Funds
<b>REVENUES</b>			
Taxes	\$ 5,419,892	\$ 1,862,998	\$ 1,017,521
Licenses and permits	100,541	-	-
Fines and penalties	112,017	-	-
Revenue from use of money and property	-	33,192	40,241
Charges for services	354,075	-	-
Intergovernmental revenues	2,673,209	-	459,108
Fees and other revenues	489,199	58,210	-
Total revenues	<u>9,148,933</u>	<u>1,954,400</u>	<u>1,516,870</u>
<b>EXPENDITURES</b>			
Current			
City Council	317,596	-	-
City Manager	2,002,316	-	-
Administrative services	-	-	-
Community services	698,535	-	-
Police department	4,350,763	-	-
Fire & emergency services	-	-	-
Development services	652,005	457,530	-
Public works	1,037,676	-	2,261
Economic development	-	628,688	-
Non-departmental	894,327	-	-
Capital outlay	1,204,198	-	1,289,153
Debt service:			
Principal	-	365,000	-
Interest	17,283	169,990	-
Total expenditures	<u>11,174,699</u>	<u>1,621,208</u>	<u>1,291,414</u>
Excess (deficiency) of revenues over expenditures	<u>(2,025,766)</u>	<u>333,192</u>	<u>225,456</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sales of property	2,800	-	-
Transfers in	990,068	1,121,569	-
Transfers out	-	(1,121,569)	-
Total other financing sources and uses	<u>992,868</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,032,898)	333,192	225,456
Fund balances - beginning	<u>125,311</u>	<u>882,428</u>	<u>1,572,546</u>
Fund balances - ending	<u>\$ (907,587)</u>	<u>\$ 1,215,620</u>	<u>\$ 1,798,002</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

	Developers Fees Funds	Other Governmental Funds	Total Governmental
<b>REVENUES</b>			
Taxes	\$ 364,600	\$ 2,168,660	\$ 10,833,671
Licenses and permits	-	-	100,541
Fines and penalties	-	10,409	122,426
Revenue from use of money and property	-	43,946	117,379
Charges for services	-	7,172	361,247
Intergovernmental revenues	-	1,810,396	4,942,713
Fees and other revenues	-	-	547,409
Total revenues	<u>364,600</u>	<u>4,040,583</u>	<u>17,025,386</u>
<b>EXPENDITURES</b>			
Current			
City Council	-	-	317,596
City Manager	-	-	2,002,316
Administrative services	-	302,395	302,395
Community services	-	-	698,535
Police department	-	84,547	4,435,310
Fire & emergency services	-	16,157	16,157
Development services	-	-	1,109,535
Public works	-	174,565	1,214,502
Economic development	-	-	628,688
Non-departmental	-	-	894,327
Capital outlay	364,600	1,689,935	4,547,886
Debt service:			
Principal	-	-	365,000
Interest	-	-	187,273
Total expenditures	<u>364,600</u>	<u>2,267,599</u>	<u>16,719,520</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>1,772,984</u>	<u>305,866</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from sales of property	-	-	2,800
Transfers in	-	-	2,111,637
Transfers out	-	(740,068)	(1,861,637)
Total other financing sources and uses	<u>-</u>	<u>(740,068)</u>	<u>252,800</u>
Net change in fund balances	-	1,032,916	558,666
Fund balances - beginning	<u>-</u>	<u>2,174,555</u>	<u>4,754,840</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ 3,207,471</u>	<u>5,313,506</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009**

Amounts Reported for governmental activities in the statement of activities are different because of the items described below:

Net changes in fund balances - total governmental funds	\$ 558,666
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. Of the current year additions to capital assets of \$4,595,865, \$47,979 was credited to prior period and the balance to capital outlay.	4,547,886
Depreciation expense on capital assets is reported in the government-wide statement and changes in net assets, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure on the fund statements.	(1,688,202)
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net expenditure of the internal service funds was reported with governmental activities.	(38,417)
Compensated absences reported in the statement of activities that do not require the use of current financial resources are not reported on the fund statements, but are reported as an expense in the government-wide statements.	87,936
Repayment of long-term principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net assets.	413,198
Accrued interest payable is not reported in the governmental funds.	11,290
Amortization expense on bond issuance costs is reported in the government-wide statement and changes in net assets, but it does not require the use of current financial resources. Therefore, amortization expense is not reported as an expenditure on the fund statements.	<u>(17,355)</u>
Change in net assets of governmental activities	<u><u>\$ 3,875,002</u></u>

The notes to the financial statements are an integral part of this statement.

**PROPRIETARY FUNDS**

**CITY OF SANGER  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2009**

	<u>Water</u>	<u>Sewer</u>	<u>Disposal</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 2,345	\$ 136,681	\$ 187,889
Receivables (net of allowance)	613,910	638,349	475,859
Inventory	-	-	-
Prepaid Items	-	-	-
Due from other funds	740,550	454,835	-
Total current assets	<u>1,356,805</u>	<u>1,229,865</u>	<u>663,748</u>
Notes receivable	450,000	-	-
Interfund loans receivable	3,746,762	-	-
Bond issuance costs	-	664,593	-
Restricted Assets:			
Restricted cash, cash equivalents and investment	-	2,133,855	-
Capital assets:			
Land	17,285	1,308,257	-
General property and equipment	18,722,573	26,563,597	3,580,293
Less accumulated depreciation	<u>(6,689,675)</u>	<u>(9,569,934)</u>	<u>(3,119,034)</u>
Total capital assets (net of accumulated depreciation)	<u>12,050,183</u>	<u>18,301,920</u>	<u>461,259</u>
Total noncurrent assets	<u>16,246,945</u>	<u>21,100,368</u>	<u>461,259</u>
Total assets	<u>17,603,750</u>	<u>22,330,233</u>	<u>1,125,007</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	94,971	106,515	86,795
Deposits	137,433	-	-
Due to other funds	-	-	-
Unearned revenue	444,835	-	410,826
Due in one year or less	-	180,000	-
Total current liabilities	<u>677,239</u>	<u>286,515</u>	<u>497,621</u>
Non-current liabilities:			
Interfund loans payable	-	1,071,763	95,280
Claims payable	-	-	-
Due in more than one year	<u>54,930</u>	<u>20,234,907</u>	<u>166,323</u>
Total non-current liabilities	<u>54,930</u>	<u>21,306,670</u>	<u>261,603</u>
Total liabilities	<u>732,169</u>	<u>21,593,185</u>	<u>759,224</u>
<b>NET (DEFICIT) ASSETS</b>			
Invested in capital assets, net related debt	12,050,183	(2,112,987)	294,936
Unrestricted	<u>4,821,398</u>	<u>2,850,035</u>	<u>70,847</u>
Total net (deficit) assets	<u>\$ 16,871,581</u>	<u>\$ 737,048</u>	<u>\$ 365,783</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
JUNE 30, 2009**

	<u>Ambulance</u>	<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 326,915	\$ 591,114
Receivables (net of allowance)	213,059	1,941,177	1,731
Inventory	-	-	17,700
Prepaid Items	-	-	287,567
Due from other funds	-	1,195,385	-
Total current assets	<u>213,059</u>	<u>3,463,477</u>	<u>898,112</u>
Notes receivable	-	450,000	-
Interfund loans receivable	-	3,746,762	-
	-	664,593	-
Restricted Assets:			
Restricted cash, cash equivalents and investment	-	2,133,855	-
Capital assets:			
Land	-	1,325,542	-
General property and equipment	697,128	49,563,591	483,095
Less accumulated depreciation	<u>(610,114)</u>	<u>(19,988,757)</u>	<u>(461,326)</u>
Total capital assets (net of accumulated depreciation)	<u>87,014</u>	<u>30,900,376</u>	<u>21,769</u>
Total noncurrent assets	<u>87,014</u>	<u>37,895,586</u>	<u>21,769</u>
Total assets	<u>300,073</u>	<u>41,359,063</u>	<u>919,881</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	4,287	292,568	172,788
Deposits	-	137,433	2,217
Due to other funds	570,592	570,592	-
Unearned revenue	-	855,661	-
Due in one year or less	-	180,000	-
Total current liabilities	<u>574,879</u>	<u>2,036,254</u>	<u>175,005</u>
Non-current liabilities:			
Interfund loans payable	-	1,167,043	-
Claims payable	-	-	193,809
Due in more than one year	<u>131,204</u>	<u>20,587,364</u>	<u>-</u>
Total non-current liabilities	<u>131,204</u>	<u>21,754,407</u>	<u>193,809</u>
Total liabilities	<u>706,083</u>	<u>23,790,661</u>	<u>368,814</u>
<b>NET (DEFICIT) ASSETS</b>			
Invested in capital assets, net related debt	(44,190)	10,187,942	21,769
Unrestricted	<u>(361,820)</u>	<u>7,380,460</u>	<u>529,298</u>
Total net (deficit) assets	<u>\$ (406,010)</u>	<u>\$ 17,568,402</u>	<u>\$ 551,067</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR YEAR ENDED JUNE 30, 2009**

	Water	Sewer	Disposal
Operating revenues:			
Charges for service	\$ 2,504,385	\$ 3,883,114	\$ 2,864,880
Fees and other revenues	365,148	216,369	10,649
Total operating revenues	<u>2,869,533</u>	<u>4,099,483</u>	<u>2,875,529</u>
Operating Expenses:			
Salaries and benefits	826,041	1,094,487	1,111,426
Vehicle operations	776,813	1,021,702	834,419
Depreciation expense	500,700	643,054	190,657
General and administrative expense	721,645	905,817	802,563
Capital outlay	-	-	2,163
Total operating expenses	<u>2,825,199</u>	<u>3,665,060</u>	<u>2,941,228</u>
Operating income (loss)	<u>44,334</u>	<u>434,423</u>	<u>(65,699)</u>
Nonoperating revenues (expenses):			
Intergovernmental	-	-	-
Interest expense	-	(923,640)	(8,335)
Total nonoperating revenue (expenses)	<u>-</u>	<u>(923,640)</u>	<u>(8,335)</u>
Income before transfers	44,334	(489,217)	(74,034)
Transfers out	<u>(250,000)</u>	<u>-</u>	<u>-</u>
Change in net assets	(205,666)	(489,217)	(74,034)
Total net assets (deficit), beginning	<u>17,077,247</u>	<u>1,226,265</u>	<u>439,817</u>
Total net assets (deficit), ending	<u>\$ 16,871,581</u>	<u>\$ 737,048</u>	<u>\$ 365,783</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
FOR YEAR ENDED JUNE 30, 2009**

	Ambulance	Total	Governmental Activities Internal Service Funds
Operating revenues:			
Charges for service	\$ 1,852,309	\$ 11,104,688	\$ 3,921,050
Fees and other revenues	-	592,166	-
Total operating revenues	<u>1,852,309</u>	<u>11,696,854</u>	<u>3,921,050</u>
Operating Expenses:			
Salaries and benefits	1,179,307	4,211,261	1,069,154
Vehicle operations	125,272	2,758,206	2,850,041
Depreciation expense	61,876	1,396,287	11,188
General and administrative expense	485,183	2,915,208	9,084
Capital outlay	(40,000)	(37,837)	-
Total operating expenses	<u>1,811,638</u>	<u>11,243,125</u>	<u>3,939,467</u>
Operating income (loss)	<u>40,671</u>	<u>453,729</u>	<u>(18,417)</u>
Nonoperating revenues (expenses):			
Intergovernmental	-	-	(20,000)
Interest expense	(1,162)	(933,137)	-
Total nonoperating revenue (expenses)	<u>(1,162)</u>	<u>(933,137)</u>	<u>(20,000)</u>
Income before transfers	39,509	(479,408)	(38,417)
Transfers out	-	(250,000)	-
Change in net assets	39,509	(729,408)	(38,417)
Total net assets (deficit), beginning	<u>(445,519)</u>	<u>18,297,810</u>	<u>589,484</u>
Total net assets (deficit), ending	<u>\$ (406,010)</u>	<u>\$ 17,568,402</u>	<u>\$ 551,067</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR YEAR ENDED JUNE 30, 2009**

	Proprietary Funds	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Total operating revenues	\$ 11,585,404	\$ 3,926,480
Intergovernmental expenditures	(1,122,292)	(20,000)
Payments to employees	(4,141,235)	(1,069,154)
Maintenance and operations	(5,596,645)	(2,918,125)
Net cash provided by operating activities	725,232	(80,799)
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Operating transfers out	(250,000)	-
Net cash provided by noncapital and related financing activities	(250,000)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Interest expense	(895,401)	-
Payments on long-term debt	(90,000)	43,023
Net cash used in capital and related financing activities	(985,401)	43,023
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(2,381,702)	-
Receipt on long-term receivables	45,000	-
Interest income	-	-
Net cash provided by investing activities	(2,336,702)	-
Net increase in cash	(2,846,871)	(37,776)
Cash, beginning of year	5,307,641	628,890
Cash, end of year	\$ 2,460,770	\$ 591,114
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 453,729	\$ (18,417)
Adjustment to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,396,287	11,188
Intergovernmental expenditures	-	(20,000)
(Increase) decrease in:		
Receivables	(190,953)	4,303
Due from other funds	116,431	-
Intergovernmental receivables	(1,141,989)	-
Inventory	-	(162)
Prepaid expenses	-	(168,856)
Increase (decrease) in:		
Accounts payable	(49,902)	110,018
Compensated absences	70,026	-
Due to other funds	(27,597)	-
Other current liabilities	(2,226)	-
Deposits	25,846	1,127
Intergovernmental payables	19,697	-
Deferred revenues	55,883	-
Net cash provided by operating activities	\$ 725,232	\$ (80,799)
<b>NON CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>		
Bond discount amortization	(37,736)	-

The notes to the financial statements are an integral part of this statement.

**CITY OF SANGER  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
FIDUCIARY FUNDS  
FOR YEAR ENDED JUNE 30, 2009**

	<u>Total Trust and Agency Funds</u>
<b>ASSETS</b>	
Cash and short-term investments	\$ 1,206,224
Cash with fiscal agent	<u>111,252</u>
Total assets	<u><u>\$ 1,317,476</u></u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities:	
Accounts payable	\$ 4,990
Accrued wages	294,453
Deposits	651,434
Due to bond holders	<u>366,599</u>
Total liabilities	<u><u>\$ 1,317,476</u></u>

The notes to the financial statements are an integral part of this statement.

## **NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(1) Summary of significant accounting policies**

**A. Reporting Entity**

The City of Sanger (City) was incorporated as a general law city and as such draws its authority from the Constitution and laws of the State of California. The City has a council/manager form of government and is governed by a five-member elected council. The City Manager is appointed by the City Council. The City provides the following services: police, community services, street construction and maintenance, planning and zoning, street cleaning, transit, sanitation, and general administrative services.

The accompanying basic financial statements include the financial activities of the City and its component units, the Redevelopment Agency of the City of Sanger (Agency) and the Sanger Public Financing Authority (Authority). Financial information for the City and its component units are accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the Governmental Accounting Standards Board.

**Blended component units** - The Agency and the Authority boards are comprised solely of the same individuals who comprise the City Council, and their administrative staff are comprised of City employees. The Agency is reported as a governmental fund and the Authority is blended in with the City's Sewer Fund and is reported as a proprietary fund.

Separate financial statements are produced by the Agency and Authority and may be obtained from the City of Sanger, 1700 7<sup>th</sup> Street, Sanger, California 93657.

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

**B. Basis of Accounting/Measurement Focus**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**B. Basis of Accounting/Measurement Focus (Continued)**

**Government-wide and fund financial statements** - The City government-wide financial statements include a statement of net assets and a statement of activities and changes in net assets. These statements present summaries of governmental and business-type activities for the City accompanied by a total column.

These statements are presented on an *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets appraised on June 30, 2006 and acquired after July 1, 2006, and long-term liabilities, are included in the accompanying statement of net assets. The statement of activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the statement of net assets have been eliminated. In the statement of activities, interfund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. In addition, the City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its business-type activities.

**Governmental Fund Financial Statements** - Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the government-wide financial statements to explain the differences created by the integrated approach of GASB Statement No 34.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**B. Basis of Accounting/Measurement Focus (Continued)**

**Governmental Fund Financial Statements (Continued)**

All governmental funds are accounted for under a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on these balance sheets. The statement of revenues, expenditures and changes in fund balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash during the year or within 60 days after year-end. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenue and other forms of tax. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The City reports the following major governmental funds:

*General Fund* - The General Fund is the City's general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund. The primary revenue source is an ad valorem specially assessed tax override. These governmental functions are not financed with bonded indebtedness.

*Redevelopment Agency Fund* - The Agency consists of three funds used to account for operational, debt service and low and moderate income projects. All funds have been combined for presentation in these financial statements.

*Transportation & Street Maintenance Funds* – 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.

*Developers Fees Funds* – accounts for fees placed on the development of land. Fees are an offset to the future impact that the development will have on either infrastructure.

**Proprietary Fund Financial Statements**

*Proprietary Fund Financial Statements* - includes a statement of fund net assets, a statement of revenues, expenses, and changes in fund net assets, and a statement of cash flows for each major proprietary fund and for non-major funds.

The City of Sanger reports the following Proprietary funds:

*Water Fund* –accounts for the operations related to the City's water delivery system.

*Sewer Fund* – accounts for financial activity relative to construction, maintenance and repair of the sanitary sewer system.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**B. Basis of Accounting/Measurement Focus (Continued)**

**Proprietary Fund Financial Statements (Continued)**

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

*Ambulance Fund* – accounts for the operations related to the delivery of emergency medical services and transportation to a hospital.

Enterprise funds are accounted for using the *economic resources* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the statement of fund net assets. The statement of revenues, expenses, and changes in fund net assets presents increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they occur while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the enterprise funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

**Use of Estimates**

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

**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 on pooled investments is allocated on the end of month balance in each fund included in the pools.

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

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**B. Basis of Accounting/Measurement Focus (Continued)**

**Receivables and Payables**

Activity between funds that represents lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “interfund advances receivable/payable” (i.e. the non-current portion of interfund loans).

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 expendable available financial resources.

Enterprise fund receivables are shown net of an allowance for uncollectible accounts. All customers are billed monthly. The estimated value of services provided, but unbilled at year-end has been included in the accompanying financial statements.

Property taxes are assessed, collected and allocated by Fresno County throughout the fiscal year according to the following property tax calendar. The property taxes attach as an enforceable lien on property as of January 1<sup>st</sup> each year, with other dates of significance being:

Levy Date	January 1 <sup>st</sup>
Due Dates	November 1 <sup>st</sup> , 1 <sup>st</sup> installment; February 1 <sup>st</sup> , 2 <sup>nd</sup> installment
Delinquent Dates	December 10 <sup>th</sup> , 1 <sup>st</sup> installment, April 10 <sup>th</sup> , 2 <sup>nd</sup> installment

City property tax revenues are recognized when received in cash 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. Revenue from taxpayer-assessed taxes (sales and use, business license, transient occupancy, utility users, gas, and franchise fees) are accrued in the governmental funds when they are both measurable and available. The City considers these revenues available if they are received during the period when settlement of prior fiscal year accounts payable occurs. Historically, the majority of these taxes are received within 60 days of the fiscal year end.

Grant and entitlement revenues are recorded as receivables in the funds when all eligibility requirements have been met. The corresponding governmental fund revenues are recorded in governmental funds when they become available, with the differences recorded as unearned revenue. Enterprise fund revenues are recorded as operating revenues when the receivables are recorded. Some grant and entitlement revenues are not susceptible to accrual, in which case the corresponding revenues are recorded when received.

**Restricted Assets**

When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, the City’s policy is to apply restricted net assets first.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**B. Basis of Accounting/Measurement Focus (Continued)**

**Capital Assets**

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$5,000. The City has chosen not to capitalize infrastructure in place prior to the adoption of GASB 34. Gifts or contributions of capital assets are recorded at fair value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets 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.

**Compensated Absences Payable**

Vested or accumulated vacation leave that is expected to be liquidated with expendable available resources is reported as an expenditure and related fund liability of the governmental fund responsible for payment. Amounts of vested or accumulated vacation leave and benefits that are not expected to be liquidated with expendable available resources are reported in the non-current portion of the obligations reported in the government-wide statement of net assets with corresponding changes in account balances reported as expenses in the statement of activities. Vested or accumulated enterprise fund vacation leave and benefits are expensed with a corresponding fund liability for these unpaid accrued employee benefits. Vacation pay accruals generally do not exceed the amount earned for one year; however, an employee may accumulate up to a maximum of 320 hours of earned vacation time after which no further vacation accrues to the employee.

**Long-Term Obligations**

In the government-wide and enterprise fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as costs of issuance, during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**B. Basis of Accounting/Measurement Focus (Continued)**

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose.

In the government-wide financial statements, net assets are classified in the following categories:

*Invested in capital assets, net of related debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

*Restricted net assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* – This resulting category presents the remaining City net assets and this measure of equity is unrestricted, legally or otherwise.

**Stewardship (Budget)**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. All annual appropriations lapse at year-end. The budget process is briefly summarized as follows:

- In June, the City Manager submits a proposed operating budget for the fiscal year commencing the following July 1 to the City Council. The operating budget includes proposed expenditures and means of financing them.
- The City Council holds public hearings on the proposed operating budget.
- As near as possible to July 1, the budget is legally enacted through passage of an appropriation resolution.
- Supplemental appropriations during the year may be approved by the City Council.
- The City Manager is authorized to transfer budgeted amounts between departments within any fund; however any change to total expenditures of any fund must be approved by the City Council.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(2) Cash and Investments**

The City's investment policy is consistent with guidelines set forth under State of California Government Code Section 53601 and serves to maximize investment income consistent with safe and prudent investment practices. All surplus funds are managed by the Finance Director in compliance with the Statement of Investment Policy adopted by the City Council which delegates to the Finance Director the authority to invest City funds and to deposit securities.

The City follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on the month-end cash and investment balances.

The City's cash, cash equivalents, and investments consist of the following at June 30, 2009:

Deposits	\$	571,409
Petty cash		4,280
LAIF		9,318,887
Cash and cash equivalents		9,894,576
Investments with Fiscal Agents		2,954,374
	\$	12,848,950

The City's deposits and investments are reflected in the accompanying basic financial statements as follows:

	Governmental Activities	Business Type Activities	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 8,361,438	\$ 326,915	\$ 1,206,224	\$ 9,894,577
Cash with Fiscal Agents	709,266	-	111,252	820,518
Restricted Cash	-	2,133,855	-	2,133,855
	\$ 9,070,704	\$ 2,460,770	\$ 1,317,476	\$ 12,848,950

**Deposits**

The City maintains a cash investment pool that is available for all funds. Each fund type balance in the pool is reflected on the statement of net assets as cash and cash equivalents at June 30, 2009. The carrying amount of the City's deposits was \$571,409 and the bank balance was \$713,438 which was either insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus collateral for cash deposits is considered to be held in the City's name. The market value of the pledged securities must equal at least 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(2) Cash and Investments (Continued)**

**Local Agency Investment Fund (LAIF)**

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 investments in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). As of June 30, 2009, the balance is \$9,318,887. The balance available for withdrawals is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Investments**

As of June 30, 2009, the City had the following investments:

Investment Types	Book Value	Maturities in years	
		Less than 1	1 to 5
Money Market Fund	\$ 2,640,271	\$ 2,640,271	\$ -
Local Agency Investment Fund	9,318,887	9,318,887	-
County of Fresno Investment Pool	314,103	314,103	-
Total Investments	<u>12,273,261</u>	<u>\$ 12,273,261</u>	<u>\$ -</u>

**Authorized Investments**

Under provision of the City's investment policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

Securities of the U.S. Government, or its Agencies	Local agency investment fund deposits
Certificates of deposit (or time deposits) placed with commercial banks and/or savings & loan companies	Passbook savings account demand deposits
Negotiable certificates of deposit	Small business administration loans
Bankers' acceptances	Repurchase agreements
Money market funds	Reverse repurchase agreements

The City's investments by the investments manager are as follows:

City Treasurer	\$ 9,318,887
Fiscal Agents (Bond trustees for the City and its component units)	<u>2,954,374</u>
	<u>\$ 12,273,261</u>

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(2) Cash and Investments (Continued)**

**Interest Rate Risk**

The City does not have a formal investment policy that limits investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

The City investments are subject to immediate liquidation, therefore, the City is exposed to interest rate risk if interest rates fall.

**Credit Risk**

State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (NRSRO's). It is in the City's policy to limit its investments in these investment types to the top rating issued by NRSRO's, including raters Standard & Poor's and Moody's Investors Services.

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

Investment Type	AAA	A-1+	Total
Money Market Fund	2,640,271	-	2,640,271
Totals	<u>2,640,271</u>	<u>-</u>	<u>2,640,271</u>
Not rated:			
California Local Agency Investment Fund			9,318,887
County of Fresno Investment Pool			<u>314,103</u>
Total Investments			<u><u>12,273,261</u></u>

**(3) Notes Receivable**

At June 30, 2009, the City's notes receivable consisted of the following:

	Balance June 30, 2008	Additions	Retirements	Balance 6/30/2009
<b>Governmental Activities:</b>				
<b>General Fund</b>	\$ 25,000	\$ -	\$ 25,000	\$ -
<b>Redevelopmental Agency</b>				
Low income housing loans	302,976	83,916	40,910	345,982
Down Payment Assistance Program	20,753	140,594	16,187	145,160
Owners Participation Agreement - Avalonn Communities	500,000	-	-	500,000
Business Improvement Loans	635,329	16,123	128,436	523,016
<b>Total Redevelopment Agency</b>	<u>1,459,058</u>	<u>240,633</u>	<u>185,533</u>	<u>1,514,158</u>
<b>Total Government Activities</b>	<u>1,484,058</u>	<u>240,633</u>	<u>210,533</u>	<u>1,514,158</u>
<b>Business-Type Activities:</b>				
1995 Subordinate Tax Increment Revenue Bonds	495,000	-	45,000	450,000
<b>Total Business-Type Activities</b>	<u>495,000</u>	<u>-</u>	<u>45,000</u>	<u>450,000</u>
<b>Total</b>	<u><u>\$ 1,979,058</u></u>	<u><u>\$ 240,633</u></u>	<u><u>\$ 255,533</u></u>	<u><u>\$ 1,964,158</u></u>

**CITY OF SANGER  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**(3) Notes Receivable (Continued)**

At June 30, 2009, the Agency was owed \$345,982 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.

At June 30, 2009, the agency was owed \$145,160 under the provisions of the Down Payment Assistance Loan Program, which provides non-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 liens are recorded against the subjected property.

At June 30, 2009, the Agency was owed \$500,000 under the Owner Participation Agreement for the purpose of constructing single-family houses for sale, including eight affordable houses. The loans are repaid incrementally (\$14,000 per lot) as building lots are sold, plus accrued interest.

At June 30, 2009, the Agency was owed \$523,016 from various development and improvement loans. Development loans are interest bearing ranges from 3.2% to 6.0%, and improvement loans are non-interest bearing and secured by deeds of trust. Maturities vary according to terms.

At June 30, 2009, the City's Water Enterprise Fund was owed \$450,000 under terms of a loan agreement. During 1994-95, the Authority borrowed money from the Water Fund.

The annual requirements to amortize the note receivable are as follows:

Year ending June 30,	<b>1995 Subordinate Tax Increment Revenue Bonds</b>		
	Principal	Interest	Total
2010	\$ 50,000	\$ 22,500	\$ 72,500
2011	50,000	20,000	70,000
2012	65,000	17,500	82,500
2013	65,000	14,250	79,250
2014	70,000	11,000	81,000
2015-2016	150,000	11,250	161,250
	<u>\$ 450,000</u>	<u>\$ 96,500</u>	<u>\$ 546,500</u>

**CITY OF SANGER  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**(4) Interfund Activities**

**Current interfund balances**

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

	Transfers	
	Due To	Due From
<b>Governmental Funds</b>		
Transportation Equity Act 21	\$ 24,891	\$ -
Safe Route To Schools	17,362	-
Water Infrastructure State Grant	525	-
Sanger Skate Park	6,442	-
Pal Youth Center	245,189	-
Community Development Block Grant	72,617	-
Supp Law Enforcement Grant	45,029	-
Youth Center Remodel	169,808	-
Bulletproof Vest Program	4,454	-
Landscape & Lighting Funds	150	-
Redevelopment Agency	197,290	-
Improvement Dist 79-1	2,337	-
Asset Seizure Grant	200	-
Transportation & Street Maintenance		161,500
<b>Business Type Funds</b>		
Sewer	-	454,836
Water	-	740,550
Ambulance Fund	570,592	-
	\$ 1,356,886	\$ 1,356,886

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(4) Interfund Activities (Continued)**

**Interfund loans receivable and payable**

As of June 30, 2009, balances of interfunds loans receivable / loans payable were as follows:

	Loans Receivable	Loans Payable
<b>Governmental Activities</b>		
General	\$ -	\$ 1,410,346
Redevelopment Agency Fund	-	1,169,373
<b>Business Type Activities</b>		
Water Fund	3,746,762	-
Sewer Fund	-	1,071,763
Disposal Fund	-	95,280
	\$ 3,746,762	\$ 3,746,762

At June 30, 2009, the City's Water Enterprise Fund was owed \$3,746,762 under terms of ten loan agreements as described below:

**General Fund**

During 2001-02, the General Fund borrowed money in the amount of \$382,000 from the Water Fund for the purchase of a fire truck and equipment. The outstanding balance as of June 30, 2009 was \$151,243.

The annual requirements to amortize the note receivable are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	52,441	9,075	61,516
2011	98,802	5,928	104,730
Total	151,243	15,003	166,246

**CITY OF SANGER  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**(4) Interfund Activities (Continued)**

**Interfund loans receivable and payable (Continued)**

**General Fund (Continued)**

During 2006-07, the General Fund borrowed money in the amount of \$41,527 from the Water Fund for the purchase of Skidsteer Loader Street. The outstanding balance as of June 30, 2009 was \$17,051.

The annual requirements to amortize the note receivable are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	8,277	1,023	9,300
2011	8,774	526	9,300
Total	<u>17,051</u>	<u>1,549</u>	<u>18,600</u>

During 2006-07, the General Fund borrowed money in the amount of \$48,318 from the Water Fund for the purchase of two GMC trucks. The outstanding balance as of June 30, 2009 was \$19,839.

The annual requirements to amortize the note receivable are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	9,630	1,190	10,820
2011	10,209	612	10,821
Total	<u>19,839</u>	<u>1,802</u>	<u>21,641</u>

During 2006-07, the General Fund borrowed money in the amount of \$58,047 from the Water Fund for the purchase of a dump truck. The outstanding balance as of June 30, 2009 was \$23,013.

The annual requirements to amortize the note receivable are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	11,171	1,381	12,552
2011	11,842	710	12,552
Total	<u>23,013</u>	<u>2,091</u>	<u>25,104</u>

**CITY OF SANGER  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**(4) Interfund Activities (Continued)**

**Interfund loans receivable and payable (Continued)**

**General Fund (Continued)**

During 2008-09, the General Fund borrowed money in the amount of \$1,199,200 from the Water Fund for the purchase of a new Pal Building. The outstanding balance as of June 30, 2009 was \$1,199,200. The annual requirements to amortize the note receivable have not been determined at June 30, 2009.

**Redevelopment Agency**

During 2006-07, the Redevelopment Agency Fund borrowed money in the amount of \$1,169,373 from the Water Fund for the purchase of land held for resale purposes. The outstanding balance as of June 30, 2009 was \$1,169,373. The annual requirements to amortize the note receivable have not been determined at June 30, 2009.

**Sewer Fund**

During 2005-06, the Sewer Enterprise Fund borrowed money in the amount of \$1,216,000 from the Water Fund for the Wastewater Treatment Plant Expansion Project. The outstanding balance as of June 30, 2009 was \$810,364.

The annual requirements to amortize the note receivable are as follows:

Year Ending June 30,	Principal	Interest	Total
2010	136,857	35,423	172,280
2011	154,910	30,706	185,616
2012	518,597	41,673	560,270
Total	<u>810,364</u>	<u>107,802</u>	<u>918,166</u>

During 2008-09, the Sewer Enterprise Fund borrowed money in the amount of \$261,399 from the Water Fund for the purchase of Solar Bee Circulators. The outstanding balance as of June 30, 2009 was \$261,399. The annual requirements to amortize the note receivable have not been determined at June 30, 2009.

During 2008-09, the Sewer Enterprise Fund borrowed money in the amount of \$134,914 from the Water Fund for the purchase of a John Deere Loader. The outstanding balance as of June 30, 2009 was \$95,280. The annual requirements to amortize the note receivable have not been determined at June 30, 2009.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(4) Interfund Activities (Continued)**

**Transfers between funds**

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to reimburse a fund that has made expenditures on behalf of another fund or to supplement special revenues with general fund revenues.

Transfers in and out consisted of the following as of June 30, 2009:

	Transfers	
	In	Out
Governmental activities		
General Fund	\$ 990,068	\$ -
Redevelopment Agency	1,121,569	1,121,569
State Gas Tax	-	379,100
Area Agency on Aging Grant	-	36,468
Traffic Safety Fund	-	10,000
Local Public Safety Funds	-	97,500
Landscaped and Lighting Funds	-	137,000
Self Insurance Program	-	80,000
Business-type activities		
Water	-	250,000
	\$ 2,111,637	\$ 2,111,637

**(5) Capital Assets**

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure additions as of the beginning of the 2007-2008 fiscal year in the government-wide statement of net assets. The City elected to use the basic approach whereby accumulated depreciation and depreciation expense have been recorded.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(5) Capital Assets (Continued)**

The following table presents summary information on capital assets.

<b>Governmental activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 434,923	\$ -	\$ -	\$ 434,923
Construction in progress	496,083	-	(496,083)	-
Total capital assets, not being depreciated	<u>931,006</u>	<u>-</u>	<u>(496,083)</u>	<u>434,923</u>
Capital assets, being depreciated:				
Buildings	3,796,953	-	-	3,796,953
Improvements	4,990,936	1,444,096	-	6,435,032
Machinery and Equipment	5,430,604	131,736	-	5,562,340
Infrastructure	43,620,385	3,516,116	-	47,136,501
Total capital assets being depreciated	<u>57,838,878</u>	<u>5,091,948</u>	<u>-</u>	<u>62,930,826</u>
Less accumulated depreciation for:				
Buildings	(2,046,595)	(73,474)	-	(2,120,069)
Improvements	(2,573,474)	(123,980)	-	(2,697,454)
Machinery and Equipment	(4,578,835)	(203,324)	-	(4,782,159)
Infrastructure	(28,103,195)	(1,298,613)	-	(29,401,808)
Total accumulated depreciation	<u>(37,302,099)</u>	<u>(1,699,391)</u>	<u>-</u>	<u>(39,001,490)</u>
Total capital assets, being depreciated, net	<u>20,536,779</u>	<u>3,392,557</u>	<u>-</u>	<u>23,929,336</u>
Governmental activities capital assets, net	<u>\$ 21,467,785</u>	<u>\$ 3,392,557</u>	<u>\$ (496,083)</u>	<u>\$ 24,364,259</u>

Depreciation expense in governmental activities for capital assets for the year ended June 30, 2009 was \$1,699,391. The City did not allocate the depreciation expense to departments or functions.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(5) Capital Assets (Continued)**

The following is a summary of capital assets for business-type activities:

<b>Business-type activities:</b>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 1,325,542	\$ -	\$ -	\$ 1,325,542
Capital assets, being depreciated:				
Building	2,870,238	-	-	2,870,238
Improvements	39,368,833	1,805,690	-	41,174,523
Machinery and equipment	4,942,818	576,012	-	5,518,830
Total capital assets being depreciated	<u>47,181,889</u>	<u>2,381,702</u>	<u>-</u>	<u>49,563,591</u>
Less accumulated depreciation for:				
Building	(2,248,192)	(72,566)	-	(2,320,758)
Improvements	(12,867,664)	(1,071,187)	-	(13,938,851)
Machinery and equipment	(3,476,614)	(252,534)	-	(3,729,148)
Total accumulated depreciation	<u>(18,592,470)</u>	<u>(1,396,287)</u>	<u>-</u>	<u>(19,988,757)</u>
Total capital assets, being depreciated, net	<u>28,589,419</u>	<u>985,415</u>	<u>-</u>	<u>29,574,834</u>
Business-type activities capital assets, net	<u>\$ 29,914,961</u>	<u>\$ 985,415</u>	<u>\$ -</u>	<u>\$ 30,900,376</u>

For the year ended June 30, 2009, depreciation expense on capital assets was charged to the governmental functions as follows:

Business-type activities	
Water	\$ 500,700
Sewer	643,054
Disposal	190,657
Emergency	61,876
Total depreciation expense - business-type activities	<u>\$ 1,396,287</u>

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(6) Long-Term Obligations**

The following is a summary of long-term obligation transactions of the City for the year ended June 30, 2009:

	Beginning Balance	Incurred or Issued	Satisfied or Matured	Ending Balance	Due Within One Year	Due in More than One Year
<b>Governmental Activities:</b>						
Tax allocation bonds						
1995 Subordinate Tax Increment Revenue	\$ 495,000	\$ -	\$ 45,000	\$ 450,000	\$ 50,000	\$ 400,000
2006 Tax Allocation Bond	3,580,000	-	320,000	3,260,000	330,000	2,930,000
Less deferred amounts:						
For issuance discounts	(44,845)		(4,484)	(40,361)		(40,361)
Total tax allocation bonds payable	3,535,155	-	315,516	3,219,639	330,000	2,889,639
Notes Payable						
Hideki Otani	25,000	-	-	25,000	10,000	15,000
Capital Leases						
Engery Retrofit Honeywell	99,361	-	48,198	51,163	51,163	-
Governmental compensated absences	1,179,885	-	87,935	1,091,950	-	1,091,950
Governmental activity						
Long-term liabilities	<u>\$ 5,334,401</u>	<u>\$ -</u>	<u>\$ 496,649</u>	<u>\$ 4,837,752</u>	<u>\$ 441,163</u>	<u>\$ 4,396,589</u>
<b>Business-type activities:</b>						
Bonds						
2006 Lease Revenue Refunding Bond	\$ 20,735,000	\$ -	\$ 90,000	\$ 20,645,000	\$ 180,000	\$ 20,465,000
Less deferred amounts:						
For issuance discounts	(367,421)		(13,122)	(354,299)		(354,299)
Total bonds payable	<u>20,367,579</u>	<u>-</u>	<u>76,878</u>	<u>20,290,701</u>	<u>180,000</u>	<u>20,110,701</u>
Business Type Compensated Absences	406,637	70,026		476,663	-	476,663
Business-Type Activities						
Long-term liabilities	<u>\$ 20,774,216</u>	<u>\$ 70,026</u>	<u>\$ 76,878</u>	<u>\$ 20,767,364</u>	<u>\$ 180,000</u>	<u>\$ 20,587,364</u>

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(6) Long-Term Obligations (Continued)**

- Hideki Otani: On July 2, 2003 The City entered into an agreement with Hideki Otani in the amount of \$50,000 for the acquisition of the real property located at 818 "L" Street, 1119 8<sup>th</sup> Street and the northwest corner of 9<sup>th</sup> Street and "K" Street. The City is making annual installment of \$5,000 to Otani Enterprise. The note carries no interest rate and matures on August 22, 2013. At June 30, 2009, the outstanding balance of the notes was \$25,000.

The annual debt service requirements by year are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	10,000	-	10,000
2011	5,000	-	5,000
2012	5,000	-	5,000
2013	5,000	-	5,000
	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>

- 1995 Subordinate Tax Increment Revenue Bonds: During 1994-95, the Authority borrowed money from the Water Enterprise Fund and subsequently loaned the proceeds to the Agency to refund outstanding bonds and finance certain obligations of the Agency relating to the Project Area No. 1 and 2. The Bonds bear interest of 5.0% and are payable annually maturing through August, 2015.

Scheduled interest and principal payments on the Bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 50,000	\$ 22,500	\$ 72,500
2011	50,000	20,000	70,000
2012	65,000	17,500	82,500
2013	65,000	14,250	79,250
2014	70,000	11,000	81,000
2015-2016	150,000	11,250	161,250
	<u>\$ 450,000</u>	<u>\$ 96,500</u>	<u>\$ 546,500</u>

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(6) Long-Term Obligations (Continued)**

- 2006 Tax Allocation Bonds: On December 1, 2006, the Agency issued Tax Allocation Bonds with a face value of \$3,950,000, at a combined original issue discount and underwriter's discount of \$53,813. Issuance costs of \$161,701 were incurred. The bond discount and issuance costs will be amortized ratably over the average 12 year life of the bond issue on a straight-line basis. The bonds bear interest ranging 3.70% to 4.75% and are payable semi-annually commencing through August, 2018.

Scheduled interest and principal payments on the Bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Amortization of Bond Discount</u>
2010	\$ 330,000	\$ 132,642	\$ 462,642	\$ 4,484
2011	345,000	119,225	464,225	4,484
2012	355,000	105,225	460,225	4,484
2013	375,000	90,343	465,343	4,484
2014	275,000	76,719	351,719	4,484
2015-2019	1,580,000	185,514	1,765,514	17,941
	<u>\$ 3,260,000</u>	<u>\$ 709,668</u>	<u>\$ 3,969,668</u>	<u>\$ 40,361</u>

- Capital Lease Obligations: On May 6, 1999, the City entered into a Lease with Option to Purchase agreement with Honeywell for an energy efficient upgrade of the heating, ventilation air conditioning systems, and traffic signal lighting upgrades. The City refinanced this lease with another Lease with Option to Purchase agreement with Saulsbury Hill Financial. The lease bears an interest rate of 5.06% and terminates May 6, 2010. The outstanding balance of the lease as of June 30, 2009 was \$51,163.

Scheduled interest and principal payments on the lease outstanding are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	51,163	2,564	53,727
	<u>\$ 51,163</u>	<u>\$ 2,564</u>	<u>\$ 53,727</u>

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(6) Long-Term Obligations (Continued)**

- 2006 Series Lease Revenue Refunding Bonds: On December 1, 2006, the Authority issued Series A & B Lease Revenue Refunding Bonds with a face value of \$20,735,000, at a combined original issue discount and underwriter's discount of \$393,666. Issuance costs of \$719,247 were incurred. The bond discount and issuance costs will be amortized ratably over the average 30 year life of the bond issue on a straight-line basis. The Bonds bear interest ranging 4.0% to 5.0% and are payable semi-annually commencing through June, 2036.

Scheduled interest and principal payments on the Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total	Amortization of Bond Discount
2010	\$ 180,000	\$ 853,313	\$ 1,033,313	\$ 13,122
2011	280,000	844,313	1,124,313	13,122
2012	395,000	830,313	1,225,313	13,122
2013	515,000	816,488	1,331,488	13,122
2014	530,000	798,463	1,328,463	13,122
2015-2019	2,955,000	3,695,352	6,650,352	65,615
2020-2024	3,560,000	3,085,349	6,645,349	65,610
2025-2029	4,355,000	2,287,062	6,642,062	65,610
2030-2034	5,380,000	1,270,800	6,650,800	65,610
2035-2036	2,495,000	164,938	2,659,938	26,244
	<u>\$ 20,645,000</u>	<u>\$ 14,646,391</u>	<u>\$ 35,291,391</u>	<u>\$ 354,299</u>

**Compensated absences**

The City's policy relating to compensated absences is described in Note 1. As shown in the table of long-term obligations above, the non-current portion of this debt at fiscal year end was \$1,091,950 and \$476,663 for governmental activities and business-type activities respectively. This obligation is expected to be paid in future years from then available resources derived from the respective funds to which the employee services are rendered.

**CITY OF SANGER  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**(6) Long-Term Obligations (Continued)**

**Long-term debt without city commitment**

At June 30, 2008 the following Special assessment bonds were payable from the proceeds of the Special Tax levied and collected on all real property within the Special Districts. The City is not obligated to repay the debt in the event of a default and the debt is not recorded in the accompanying financial statements.

- 1998 Community Facility District 1 Refunding Special Assessment Bonds: In June 1998, the Community Facility District No. 1 Refunding Special Assessment Bonds, Series 1998, were issued for the purpose of refunding the 1991 Special Assessment bonds. The bonds mature annually each October 1, 1999 to 2011, in amounts ranging from \$125,000 to \$230,000. The bonds bear interest ranging from 4.30% to 5.55% and are payable semi-annually each April 1 and October 1.

The bonds and the interest thereon are payable from and secured by a first pledge of the proceeds of the Special Tax to be levied and collected on all real property within the District.

Scheduled interest and principal payments on the Bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	205,000	30,176	235,176
2011	215,000	18,677	233,677
2012	230,000	6,383	236,383
	<u>\$ 650,000</u>	<u>\$ 55,236</u>	<u>\$ 705,236</u>

**(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.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(7) Risk Management (Continued)**

**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

**Workers' compensation**

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

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

Claims Payable:	
Workers' compensation	\$ 193,809
Total	<u>\$ 193,809</u>

The information presented above is as of June 30, 2009 and is the most current information available.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(7) Risk Management (Continued)**

The following is a summary of CSJVRMA's financial information as of, and for the fiscal year ended, June 30, 2008 (latest information available).

Total assets	\$	55,090,154
Total liabilities		45,390,299
Net assets - restricted for future claims	\$	9,699,855
Total Revenue	\$	27,634,859
Total expenses		26,458,594
Change in net assets	\$	1,176,265

**(8) Classification of Net Assets and Fund Balances**

At June 30, 2009 restrictions of net assets were as follows:

	Governmental Activities	Business-type Activities	Total
Invested in capital assets, net of related debt	\$ 18,038,738	\$ 10,609,675	\$ 28,648,413
Restricted net assets:			
Debt service	709,266	-	709,266
Special projects	5,511,827	-	5,511,827
Total restricted assets	6,221,093	-	6,221,093
Unrestricted	1,146,277	6,958,727	8,105,004
Total net assets	\$ 25,406,108	\$ 17,568,402	\$ 42,974,510

The funds financial statements consist of reserved and unreserved amounts. Reserved fund balances represent that portion of a fund balance which has been appropriated for expenditure or is legally segregated for a specific future use. The remaining portion is unreserved. As of June 30, 2009, reservations of fund balance are described below:

Reserved for Encumbrances represents commitments for materials and services on purchase orders and contracts which are unperformed.

Reserved for Land Held for Resale, Net represents reserves that are attributed to land values which are planned for sale.

Reserved for Debt Service represents amounts accumulated in accordance with a bond indenture or similar covenant.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(8) Classification of Net Assets and Fund Balances (Continued)**

As of June 30, 2009, fund balance reservations were as follows:

	General Fund	Redevelopment Agency	Transportation & Street Maintenance Fund	Developers Fees Fund	Other Governmental Funds	Total
Reserved for:						
Encumbrances	\$ 38,389	\$ -	\$ -	\$ -	\$ 22,943	\$ 61,332
Land held for resale, net	-	690,975	-	-	-	690,975
Debt service	-	395,032	-	-	314,234	709,266
Unreserved, undesignated						
General Fund	(945,976)	-	-	-	-	(945,976)
Special Revenue Funds	-	129,613	1,798,002	-	2,870,294	4,797,909
Total fund balances	<u>\$ (907,587)</u>	<u>\$ 1,215,620</u>	<u>\$ 1,798,002</u>	<u>\$ -</u>	<u>\$ 3,207,471</u>	<u>\$ 5,313,506</u>

**(9) Public Employee Retirement System**

**A. Plan Description**

The City contributes to the California Public Employee Retirement System (CalPERS), a cost sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employee's Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, California 95814.

**B. Funding Policy**

Active plan members in Miscellaneous and Safety Plans are required to contribute 7% for miscellaneous employees and 9% for safety employees of their annual covered salary. The City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2008/2009 was 11.562% for miscellaneous employees, 173.344% for first tier police employees, 15.811% for second tier police employees, 34.576% for first tier fire employees, and 15.103% for second tier fire employees of annual payroll. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(9) Public Employee Retirement System (Continued)**

**C. Annual Pension Cost**

For fiscal year 2008-2009, the City's annual pension cost of \$1,280,950 for CalPERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases range from 3.25% to 14.45% for miscellaneous employees, police and fire employees depending on age, service, and type of employment; and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three year period. CalPERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payroll on a closed basis. The amortization period at June 30, 2006 was 15 years for miscellaneous employees, police and fire employees, for prior and current service unfunded liability.

**Three-Year Trend Information for CalPERS**

**Miscellaneous Plan**

Fiscal Year Ending	Annual Pension Percentage of APC		Net Pension Obligation
	Cost (APC)	Contributed	
6/30/07	464,847	100%	-
6/30/08	490,368	100%	-
6/30/09	539,215	100%	-

**Police Plan**

Fiscal Year Ending	Annual Pension Percentage of APC		Net Pension Obligation
	Cost (APC)	Contributed	
6/30/07	327,343	100%	-
6/30/08	340,033	100%	-
6/30/09	366,012	100%	-

**Fire Plan**

Fiscal Year Ending	Annual Pension Percentage of APC		Net Pension Obligation
	Cost (APC)	Contributed	
6/30/07	291,560	100%	-
6/30/08	330,155	100%	-
6/30/09	375,723	100%	-

**CITY OF SANGER  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2009**

**(9) Public Employee Retirement System (Continued)**

**C. Annual Pension Cost (Continued)**

**Schedule of Funding Progress** – The City’s miscellaneous and safety plans became part of the CalPERS Risk Pool for employers with less than 100 active plan members. As part of a cost-sharing multiple-employer defined benefits plan, stand-alone information on the funding progress is not available.

**(10) Deficit Fund Equity**

The following funds had a deficit fund balance as of June 30, 2009:

General Fund	\$	(907,587)
Youth Center Remodel	\$	(101,285)
LLEBG FY 2003	\$	(5,132)
LLEBG FY 2004	\$	(6,059)
PAL Youth Center	\$	(241,931)

The City expects future revenues, assessments, and transfers to cover the above deficits.

**(11) Commitments and Contingencies**

**General Liability**

There are various claims and legal actions pending against the City for which no provision has been made in the financial statements. In the opinion of the City Attorney and City Management, liabilities arising from these claims and legal actions, if any, will not be material to these financial statements.

**Federal Awards and Grants**

The City has received federal grants for specific purposes that are subject to review and audit by the federal government. Although such audits could result in expenditure disallowances under grant terms, any required reimbursements are not expected to be material.

**Going Concern**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles, which contemplate continuation of the City as a going concern. However the City has sustained operating deficits in its governmental and proprietary activities in recent years and faces a declining revenue base for the fiscal year ended June 30, 2010 and perhaps, future years. In addition, the General Fund had a Fund Deficit of approximately \$1 million at June 30, 3009. These factors raise substantial doubt about the City’s ability to continue as a going concern.

In view of these matters, continuation of the City’s operations is dependent upon maximizing revenues and reducing expenditures, along with obtaining external financing. Management believes that actions presently being taken to revise operations and financial requirements will allow the City to continue as a going concern.

**CITY OF SANGER**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2009**

**(11) Subsequent Event**

State Action to Borrow Local Government Property Tax Funds in Fiscal Year 2009-10

On July 28, 2009, legislation was signed into law that enabled the State of California to borrow a portion of the property tax revenue due to be remitted to local governments in fiscal year 2009-10. This action was taken to replace a portion of the shortfall in state revenues associated with current economic conditions.

The amount to be borrowed in 2009-10 from each local government represents approximately 8% of the general levy property taxes received by that local government in fiscal year 2008-09. The California Constitution requires the State to repay the borrowed property tax funds within three years of the borrowing with interest (an annual rate of 2%). The California Constitution prohibits the State from borrowing additional funds from local governments until the first borrowing has been repaid. No more than two borrowings are permitted within a given ten year period under current state law.

Efforts are being made to develop legislation that would authorize the California Statewide Communities Development Authority (CSCDA), a joint powers agency, to issue debt that would be used to provide to participating local governments funds to replace the property tax revenue borrowed by the state. If such debt is issued, it is anticipated that the State would be responsible for repayment of the bonds.

Under the modified accrual basis of accounting, the re-directed property taxes are not permitted to be recognized as revenue in the fund financial statements until the tax revenues (or the substituted funds provided by the planned CSCDA debt issue) are received by the local government (i.e., collected during that local government's "availability period"). In the government-wide financial statements, the property tax revenues are recognized for the year in which they were levied (fiscal year 2009-10) as a receivable to be collected upon the State's repayment of the withheld property taxes).

When adopting its budget for fiscal year 2009-10, the State of California reflected in that budget a shift of a significant portion of tax increment revenue from redevelopment agencies to school districts for fiscal years 2009-10 and 2010-11. The California Redevelopment Association has filed a lawsuit challenging the legality of this tax shift. The outcome of that lawsuit is not certain at this time.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SANGER**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 5,488,700	\$ 5,368,700	\$5,419,892	\$ 51,192
Licenses and permits	204,700	126,700	100,541	(26,159)
Fines and penalties	-	90,700	112,017	21,317
Revenue from use of money and property	-	5,000	-	(5,000)
Charges for services	356,250	350,750	354,075	3,325
Intergovernmental revenues	2,880,200	2,880,200	2,673,209	(206,991)
Fees and other revenues	1,197,600	314,000	489,199	175,199
<b>Total revenues</b>	<u>10,127,450</u>	<u>9,136,050</u>	<u>9,148,933</u>	<u>12,883</u>
<b>EXPENDITURES</b>				
Current				
City council	348,918	312,418	317,596	(5,178)
City Manager	-	2,100,924	2,002,316	98,608
Community services	748,100	732,830	698,535	34,295
Police department	4,407,429	4,316,564	4,350,763	(34,199)
Development services	626,132	640,682	652,005	(11,323)
Public works	1,174,032	1,150,611	1,037,676	112,935
Non-departmental	-	905,764	894,327	11,437
Capital outlay	-	1,132,418	1,204,198	(71,780)
Debt service:				
Principal	-	71,530	-	71,530
Interest	-	22,585	17,283	5,302
<b>Total expenditures</b>	<u>7,304,611</u>	<u>11,386,326</u>	<u>11,174,699</u>	<u>211,627</u>
Excess (deficiency) of revenues over expenditures	<u>2,822,839</u>	<u>(2,250,276)</u>	<u>(2,025,766)</u>	<u>224,510</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sales of property	-	1,300	2,800	1,500
Transfers in	250,000	1,068,500	990,068	(78,432)
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<u>250,000</u>	<u>1,069,800</u>	<u>992,868</u>	<u>(76,932)</u>
<b>Net change in fund balances</b>	<u>3,072,839</u>	<u>(1,180,476)</u>	<u>(1,032,898)</u>	<u>147,578</u>
Fund balances - beginning	<u>125,311</u>	<u>125,311</u>	<u>125,311</u>	<u>-</u>
Fund balances - ending	<u>\$ 3,198,150</u>	<u>\$(1,055,165)</u>	<u>\$ (907,587)</u>	<u>\$ 147,578</u>

**CITY OF SANGER**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**REDEVELOPMENT AGENCY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 1,200,000	\$1,200,000	\$1,862,998	\$ 662,998
Revenue from use of money and property	15,000	89,750	33,192	(56,558)
Fees and other revenues	-	-	58,210	58,210
<b>Total revenues</b>	<u>1,215,000</u>	<u>1,289,750</u>	<u>1,954,400</u>	<u>664,650</u>
<b>EXPENDITURES</b>				
Current				
Development services	597,303	597,304	457,530	139,774
Economic development	527,615	650,137	628,688	21,449
Debt service:				
Principal	365,000	365,000	365,000	-
Interest	169,995	169,995	169,990	5
<b>Total expenditures</b>	<u>1,659,913</u>	<u>1,782,436</u>	<u>1,621,208</u>	<u>161,228</u>
Excess (deficiency) of revenues over expenditures	<u>(444,913)</u>	<u>(492,686)</u>	<u>333,192</u>	<u>825,878</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	209,000	209,000	1,121,569	912,569
Transfers out	(239,175)	(239,175)	(1,121,569)	(882,394)
<b>Total other financing sources and uses</b>	<u>(30,175)</u>	<u>(30,175)</u>	<u>-</u>	<u>30,175</u>
<b>Net change in fund balances</b>	<u>(475,088)</u>	<u>(522,861)</u>	<u>333,192</u>	<u>856,053</u>
Fund balances - beginning	<u>882,428</u>	<u>882,428</u>	<u>882,428</u>	<u>-</u>
Fund balances - ending	<u>\$ 407,340</u>	<u>\$ 359,567</u>	<u>\$ 1,215,620</u>	<u>\$ 856,053</u>

**CITY OF SANGER**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**TRANSPORTATION & STREET MAINTANENCE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget - Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 521,548	\$ 521,548	\$1,017,521	\$ 495,973
Revenue from use of money and property	3,000	3,000	40,241	37,241
Intergovernmental revenues	748,531	748,531	459,108	(289,423)
Total revenues	<u>1,273,079</u>	<u>1,273,079</u>	<u>1,516,870</u>	<u>243,791</u>
<b>EXPENDITURES</b>				
Current				
Public works	-	-	2,261	(2,261)
Capital outlay	948,069	948,069	1,289,153	(341,084)
Total expenditures	<u>948,069</u>	<u>948,069</u>	<u>1,291,414</u>	<u>(343,345)</u>
Excess (deficiency) of revenues over expenditures	<u>325,010</u>	<u>325,010</u>	<u>225,456</u>	<u>(99,554)</u>
Net change in fund balances	325,010	325,010	225,456	(99,554)
Fund balances - beginning	<u>1,572,546</u>	<u>1,572,546</u>	<u>1,572,546</u>	<u>-</u>
Fund balances - ending	<u>\$ 1,897,556</u>	<u>\$ 1,897,556</u>	<u>\$ 1,798,002</u>	<u>\$ (99,554)</u>

**CITY OF SANGER**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**DEVELOPERS FEES FUND**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ -	\$ 168,430	\$ 364,600	\$ 196,170
Total revenues	<u>-</u>	<u>168,430</u>	<u>364,600</u>	<u>196,170</u>
<b>EXPENDITURES</b>				
Current				
Capital outlay	-	168,430	364,600	(196,170)
Total expenditures	<u>-</u>	<u>168,430</u>	<u>364,600</u>	<u>(196,170)</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANGER**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**Budgetary Information**

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 interested 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 non-departmental 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 level.
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, special revenue and enterprise funds. Project length budgets are adopted for the capital projects funds. All budgets are prepared on a basis consistent with generally accepted accounting principles (GAAP), and budgetary comparisons for the 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.

**OTHER SUPPLEMENTAL INFORMATION**

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENT FUNDS  
JUNE 30, 2009**

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes.

*Traffic Congestion Relief Fund*

This fund accounts for the funds received for the Traffic Congestion Relief Act of 2000 approved by Assembly Bill 2928. The purpose of this fund is to relieve traffic congestion, provide additional funding for street and road deferred maintenance, and provide additional transportation and capacity in high growth areas of the state.

*Gas Tax Fund*

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

*Prop 1B*

State Bond Funds used for major street maintenance and improvements.

*Landscape & Lighting Fund*

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 – 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 county wide 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 improvement that address the aging street and road systems. Funding is provided by the county wide 1/2 cent Transportation Sales 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 county wide 1/2 cent Transportation Sales Tax imposed in Fresno County for twenty years.

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENT FUNDS  
JUNE 30, 2009**

*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.

*Traffic Safety Funds*

These funds are used to account for vehicle code fines and forfeitures to be used for traffic control devices, maintenance of equipment, supplies for traffic law enforcement, traffic accident prevention and maintenance and improvement or construction of streets.

*Local Public Safety Funds*

These funds are used to account for the revenues from Proposition 172, a 1993 measure which collects a one-half 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*

*Transportation Equality Act 21*

This fund is used to account for improving the safety due to increasing traffic levels. It protects and enhances the community and the natural environment.

*CAL Grip Gang Prevention*

California Gang Reduction, Intervention and Prevention (GRIP) Program provides State grant funds to cities and community-based organizations for gang prevention, intervention, reentry, education, job training and skills development, family and community services, and suppression activities.

*Tire Derived Grant*

State Targeted Rubberized Asphalt Concrete Incentive Grant funds the use of rubberized asphalt concrete (RAC) in street repair projects.

*Safe Route to School*

State funds from the Safe Route to School Program are used to encourage and enable school children including children with disabilities to walk and bicycle safely to school, includes installation of facilities to enhance walking and bicycling to school.

*Water Infrastructure State Grant*

A State Infrastructure Rehabilitation construction grant to fund the City's water distribution system improvement project. The project's purpose is to reduce and/or eliminate system water losses by replacing and upsizing leaking and failing water lines and gate valves.

*Community Development Block Grant*

Accounts for expenditures for approved projects that have been funded by Federal Community Development Block Grant Funds received through county funding.

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENT FUNDS  
JUNE 30, 2009**

*Area Agency on Ageing*

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 Supplemental Law Enforcement Services Fund (SLESF) provides 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.

*Youth Center Remodel*

State Parks and Recreation grant for the purpose of purchasing and rehabilitating a building and installing park improvements.

*California Seat Belt Compliance*

State Office of Traffic Safety (OTS) California Seat Belt Compliance Campaign program provides funding for a seat belt enforcement campaign.

*Bullet Proof Vest Program*

Federal Bulletproof Vest Partnership Program provides funding for bulletproof vests for law enforcement officers only.

*State Homeland Security*

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

*LLEBG FY 2003*

Federal Office of Justice Programs (OJP) Local Law Enforcement Block Grants (LLEBG) provide funding for projects to reduce crime and improve public safety.

*LLEBG FY 2004*

Federal Office of Justice Programs (OJP) Local Law Enforcement Block Grants (LLEBG) provide funding for projects to reduce crime and improve public safety.

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENT FUNDS  
JUNE 30, 2009**

*Sanger Skate Park*

State Parks and Recreation grant to construct a skate park including a small parking lot , walkways, lighting, landscaping and placement of benches and tables.

*PAL Youth Center*

State Parks and Recreation grant to renovate the Sanger Pal Youth Center.

*DUI Enforcement and Awareness*

State Office of Traffic Safety (OTS) grant provides funding for operations that will focus on DUI offenders to reduce deaths and injuries related to alcohol involved crashes.

*Vehicle Impound Program*

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

*Asset Seizure*

Funds collected from the County for police expenditures. The source of funds is from anti-drug operations that result in assets being seized.

The **Debt Service Funds** are used to account for the accumulation of resources and payment of general obligation bond principal and interest from government resources and special assessment bond principal and interest from special assessment levies with the government is obligated in some manner for the payment.

The Debt Service Funds of the City are listed below:

- 1971 Water Quality Control Bonds
- 1974 Civic Center Bonds
- Improvement District 79-1 Bonds

**Internal Service Funds**

*Reprographics and Data processing Fund*

This fund is used to account for the City's computer information systems which include acquisition, replacement and support services for both hardware and software.

*Equipment Maintenance Fund*

This fund is used to account for bulk gasoline purchases and consumption by the departments of the City.

*Self-Insurance Program Fund*

This fund is used to account for the City's self-insured risks for the Workers' Compensation and Liability programs.

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENT FUNDS  
JUNE 30, 2009**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Nonmajor</u>
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 2,640,880	\$ 36,544	\$ 2,677,424
Cash with fiscal agent	-	314,234	314,234
Receivables			
Accounts	583,275	-	583,275
Intergovernmental	465,147	-	465,147
<b>Total assets</b>	<u><u>\$ 3,689,302</u></u>	<u><u>\$ 350,778</u></u>	<u><u>\$ 4,040,080</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 217,226	\$ -	217,226
Due to other funds	586,667	2,337	589,004
Unearned revenue	26,379	-	26,379
Total liabilities	<u>830,272</u>	<u>2,337</u>	<u>832,609</u>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	2,859,030	-	2,859,030
Debt Service Fund	-	348,441	348,441
Total fund balances	<u>2,859,030</u>	<u>348,441</u>	<u>3,207,471</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 3,689,302</u></u>	<u><u>\$ 350,778</u></u>	<u><u>\$ 4,040,080</u></u>

**CITY OF SANGER**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL GOVERNMENTAL FUNDS**  
**JUNE 30, 2009**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Total Nonmajor</u>
<b>REVENUES</b>			
Taxes	\$ 2,168,660	\$ -	2,168,660
Fines and penalties	10,409	-	10,409
Revenue from use of money and property	33,350	10,596	43,946
Charges for services	7,172	-	7,172
Intergovernmental revenues	<u>1,810,396</u>	<u>-</u>	<u>1,810,396</u>
Total revenues	<u>4,029,987</u>	<u>10,596</u>	<u>4,040,583</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	302,395	-	302,395
Police department	84,547	-	84,547
Fire & emergency services	16,157	-	16,157
Public works	174,565	-	174,565
Capital outlay	<u>1,689,935</u>	<u>-</u>	<u>1,689,935</u>
Total expenditures	<u>2,267,599</u>	<u>-</u>	<u>2,267,599</u>
Excess of revenues over expenditures	<u>1,762,388</u>	<u>10,596</u>	<u>1,772,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(740,068)</u>	<u>-</u>	<u>(740,068)</u>
Total other financing sources and uses	<u>(740,068)</u>	<u>-</u>	<u>(740,068)</u>
Net change in fund balances	1,022,320	10,596	1,032,916
Fund balances - beginning	<u>1,836,710</u>	<u>337,845</u>	<u>2,174,555</u>
Fund balances - ending	<u><u>\$ 2,859,030</u></u>	<u><u>\$ 348,441</u></u>	<u><u>3,207,471</u></u>

**CITY OF SANGER  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2009**

	State Gas Tax	Traffic Congestion Relief Fund	Prop 1B Funding
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 242,727	\$ 98,853	\$ 9,313
Receivables			
Accounts	36,008	51,220	-
Intergovernmental	<u>          -</u>	<u>          -</u>	<u>          -</u>
<b>Total assets</b>	<u><u>\$ 278,735</u></u>	<u><u>\$ 150,073</u></u>	<u><u>\$ 9,313</u></u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 1,610	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	<u>          -</u>	<u>          -</u>	<u>          -</u>
Total liabilities	<u>1,610</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	<u>277,125</u>	<u>150,073</u>	<u>9,313</u>
Total fund balances	<u>277,125</u>	<u>150,073</u>	<u>9,313</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 278,735</u></u>	<u><u>\$ 150,073</u></u>	<u><u>\$ 9,313</u></u>

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Landscape & Lighting Funds	Measure C EXT - Pedestrian	Measure C EXT - Bicycle
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 105,782	\$ 35,285	\$ 14,429
Receivables			
Accounts	-	2,885	778
Intergovernmental	-	-	-
<b>Total assets</b>	<b>\$ 105,782</b>	<b>\$ 38,170</b>	<b>\$ 15,207</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 24,522	\$ -	\$ -
Due to other funds	150	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>24,672</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	81,110	38,170	15,207
<b>Total fund balances</b>	<b>81,110</b>	<b>38,170</b>	<b>15,207</b>
<b>Total liabilities and fund balances</b>	<b>\$ 105,782</b>	<b>\$ 38,170</b>	<b>\$ 15,207</b>

**CITY OF SANGER  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2009**

	Measure C EXT - ADA	Measure C EXT - Street	Measure C EXT - Flexible
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 14,626	\$ 440,127	\$ 475,838
Receivables			
Accounts	468	13,230	12,799
Intergovernmental	-	-	-
<b>Total assets</b>	<u>\$ 15,094</u>	<u>\$ 453,357</u>	<u>\$ 488,637</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	15,094	453,357	488,637
<b>Total fund balances</b>	<u>15,094</u>	<u>453,357</u>	<u>488,637</u>
<b>Total liabilities and fund balances</b>	<u>\$ 15,094</u>	<u>\$ 453,357</u>	<u>\$ 488,637</u>

**CITY OF SANGER  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2009**

	Measure S District Sales Tax	Traffic Safety Funds	Local Public Safety Funds
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 859,789	\$ 196	\$ 361
Receivables			
Accounts	55,100	2,279	16,767
Intergovernmental	-	-	-
<b>Total assets</b>	<b>\$ 914,889</b>	<b>\$ 2,475</b>	<b>\$ 17,128</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 1,360	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>1,360</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	913,529	2,475	17,128
<b>Total fund balances</b>	<b>913,529</b>	<b>2,475</b>	<b>17,128</b>
<b>Total liabilities and fund balances</b>	<b>\$ 914,889</b>	<b>\$ 2,475</b>	<b>\$ 17,128</b>

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Air Quality Projects Funds	Transportation Equity Act 21 Fund	CAL Grip Gang Prevention Grants
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 116,277	\$ -	\$ 11,322
Receivables			
Accounts	3,867	24,891	-
Intergovernmental	-	-	-
<b>Total assets</b>	<b>\$ 120,144</b>	<b>\$ 24,891</b>	<b>\$ 11,322</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	24,891	-
Unearned revenue	-	-	11,322
<b>Total liabilities</b>	<b>-</b>	<b>24,891</b>	<b>11,322</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	120,144	-	-
<b>Total fund balances</b>	<b>120,144</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 120,144</b>	<b>\$ 24,891</b>	<b>\$ 11,322</b>

	Vehicle Impound Program Grant	Tire - Derived Grant	Safe Route to Schools Grant
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 46,944	\$ -	\$ -
Receivables			
Accounts	-	-	-
Intergovernmental	-	-	17,647
<b>Total assets</b>	<b>\$ 46,944</b>	<b>\$ -</b>	<b>\$ 17,647</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 285
Due to other funds	-	-	17,362
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>17,647</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	46,944	-	-
<b>Total fund balances</b>	<b>46,944</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 46,944</b>	<b>\$ -</b>	<b>\$ 17,647</b>

	Water Infrastructure State Grant	Community Development Block Grant	Area Agency on Ageing Grant
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ -	\$ -	\$ 12,654
Receivables			
Accounts	-	260,340	4,935
Intergovernmental	397,300	-	-
<b>Total assets</b>	<b>\$ 397,300</b>	<b>\$ 260,340</b>	<b>\$ 17,589</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 187,723	\$ -
Due to other funds	525	72,617	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>525</b>	<b>260,340</b>	<b>-</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	396,775	-	17,589
<b>Total fund balances</b>	<b>396,775</b>	<b>-</b>	<b>17,589</b>
<b>Total liabilities and fund balances</b>	<b>\$ 397,300</b>	<b>\$ 260,340</b>	<b>\$ 17,589</b>

	Bicycle Lane Striping State Grant	Supp Law Enforcement Grant	Community Facilities District Grant
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 1,424	\$ 20,000	\$ 65,087
Receivables			
Accounts	-	-	-
Intergovernmental	-	50,000	-
<b>Total assets</b>	<b>\$ 1,424</b>	<b>\$ 70,000</b>	<b>\$ 65,087</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ 917
Due to other funds	-	45,029	-
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>45,029</b>	<b>917</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	1,424	24,971	64,170
<b>Total fund balances</b>	<b>1,424</b>	<b>24,971</b>	<b>64,170</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,424</b>	<b>\$ 70,000</b>	<b>\$ 65,087</b>

	Youth Center Remodel Grant	California Seat Belt Compliance Grant	Bullet Proof Vest Program Grant
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ -	\$ 57,374	\$ -
Receivables			
Accounts	68,523	-	4,454
Intergovernmental	-	-	-
<b>Total assets</b>	<b>\$ 68,523</b>	<b>\$ 57,374</b>	<b>\$ 4,454</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	169,808	-	4,454
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>169,808</b>	<b>-</b>	<b>4,454</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	(101,285)	57,374	-
<b>Total fund balances</b>	<b>(101,285)</b>	<b>57,374</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 68,523</b>	<b>\$ 57,374</b>	<b>\$ 4,454</b>

	State Homeland Security Grant	LLEBG FY 2003 Grant	LLEBG FY 2004 Grant
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ -	\$ 2,861	\$ 1,005
Receivables			
Accounts	-	-	-
Intergovernmental	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 2,861</b>	<b>\$ 1,005</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	7,993	7,064
<b>Total liabilities</b>	<b>-</b>	<b>7,993</b>	<b>7,064</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	-	(5,132)	(6,059)
<b>Total fund balances</b>	<b>-</b>	<b>(5,132)</b>	<b>(6,059)</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 2,861</b>	<b>\$ 1,005</b>

	DUI Enforcement and Awareness Grant	Sanger Skate Park Grant	PAL Youth Center Grant
<b>ASSETS</b>			
Cash and investments			
Unrestricted	\$ 8,606	\$ -	\$ -
Receivables			
Accounts	-	21,473	3,258
Intergovernmental	-	-	-
<b>Total assets</b>	<b>\$ 8,606</b>	<b>\$ 21,473</b>	<b>\$ 3,258</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 69	\$ 740	\$ -
Due to other funds	-	6,442	245,189
Unearned revenue	-	-	-
<b>Total liabilities</b>	<b>69</b>	<b>7,182</b>	<b>245,189</b>
<b>Fund balances:</b>			
Unreserved, reported in:			
Special Revenue Fund	8,537	14,291	(241,931)
<b>Total fund balances</b>	<b>8,537</b>	<b>14,291</b>	<b>(241,931)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 8,606</b>	<b>\$ 21,473</b>	<b>\$ 3,258</b>

	Asset Seizure Grant	Total
<b>ASSETS</b>		
Cash and investments		
Unrestricted	\$ -	\$ 2,640,880
Receivables		
Accounts	-	583,275
Intergovernmental	200	465,147
	<u>200</u>	<u>465,147</u>
<b>Total assets</b>	<u>\$ 200</u>	<u>\$ 3,689,302</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities:</b>		
Accounts payable	\$ -	\$ 217,226
Due to other funds	200	586,667
Unearned revenue	-	26,379
	<u>200</u>	<u>830,272</u>
Total liabilities	<u>200</u>	<u>830,272</u>
<b>Fund balances:</b>		
Unreserved, reported in:		
Special Revenue Fund	-	2,859,030
	<u>-</u>	<u>2,859,030</u>
Total fund balances	<u>-</u>	<u>2,859,030</u>
<b>Total liabilities and fund balances</b>	<u>\$ 200</u>	<u>\$ 3,689,302</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	State Gas Tax	Traffic Congestion Relief Fund	Prop 1B Funding
<b>REVENUES</b>			
Taxes	\$ -	\$ 214,975	\$ -
Fines and penalties	-	-	-
Revenue from use of money and property	3,506	756	1,176
Charges for services	-	-	7,172
Intergovernmental revenues	402,413	-	-
Total revenues	<u>405,919</u>	<u>215,731</u>	<u>8,348</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	-	-	-
Fire & emergency services	-	-	-
Public works	1,610	-	-
Capital outlay	-	65,658	347,048
Total expenditures	<u>1,610</u>	<u>65,658</u>	<u>347,048</u>
Excess (deficiency) of revenues over expenditures	<u>404,309</u>	<u>150,073</u>	<u>(338,700)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(379,100)</u>	-	-
Total other financing sources and uses	<u>(379,100)</u>	-	-
Net change in fund balances	25,209	150,073	(338,700)
Fund balances - beginning	<u>251,916</u>	-	<u>348,013</u>
Fund balances - ending	<u>\$ 277,125</u>	<u>\$ 150,073</u>	<u>\$ 9,313</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Landscape & Lighting Funds	Measure C EXT - Pedestrian	Measure C EXT - Bicycle
<b>REVENUES</b>			
Taxes	\$ 291,467	\$ 37,705	\$ 14,997
Fines and penalties	-	-	-
Revenue from use of money and property	-	465	210
Charges for services	-	-	-
Intergovernmental revenues	-	-	-
Total revenues	<u>291,467</u>	<u>38,170</u>	<u>15,207</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	-	-	-
Fire & emergency services	-	-	-
Public works	142,849	-	-
Capital outlay	-	-	-
Total expenditures	<u>142,849</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>148,618</u>	<u>38,170</u>	<u>15,207</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(137,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>(137,000)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	11,618	38,170	15,207
Fund balances - beginning	<u>69,492</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 81,110</u>	<u>\$ 38,170</u>	<u>\$ 15,207</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Measure C EXT - ADA	Measure C EXT - Street	Measure C EXT - Flexible
<b>REVENUES</b>			
Taxes	\$ 7,404	\$ 221,989	\$ 214,586
Fines and penalties	-	-	-
Revenue from use of money and property	281	8,402	9,274
Charges for services	-	-	-
Intergovernmental revenues	-	-	-
Total revenues	<u>7,685</u>	<u>230,391</u>	<u>223,860</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	-	-	-
Fire & emergency services	-	-	-
Public works	-	-	-
Capital outlay	-	-	9,764
Total expenditures	<u>-</u>	<u>-</u>	<u>9,764</u>
Excess (deficiency) of revenues over expenditures	<u>7,685</u>	<u>230,391</u>	<u>214,096</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	7,685	230,391	214,096
Fund balances - beginning	<u>7,409</u>	<u>222,966</u>	<u>274,541</u>
Fund balances - ending	<u>\$ 15,094</u>	<u>\$ 453,357</u>	<u>\$ 488,637</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Measure S District Sales Tax	Traffic Safety Funds	Local Public Safety Funds
<b>REVENUES</b>			
Taxes	\$ 1,065,644	\$ -	\$ 99,893
Fines and penalties	-	10,409	-
Revenue from use of money and property	6,824	-	-
Charges for services	-	-	-
Intergovernmental revenues	-	-	-
Total revenues	<u>1,072,468</u>	<u>10,409</u>	<u>99,893</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	61,650	-	-
Fire & emergency services	16,157	-	-
Public works	-	-	-
Capital outlay	81,132	-	-
Total expenditures	<u>158,939</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>913,529</u>	<u>10,409</u>	<u>99,893</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	(10,000)	(97,500)
Total other financing sources and uses	<u>-</u>	<u>(10,000)</u>	<u>(97,500)</u>
Net change in fund balances	913,529	409	2,393
Fund balances - beginning	<u>-</u>	<u>2,066</u>	<u>14,735</u>
Fund balances - ending	<u>\$ 913,529</u>	<u>\$ 2,475</u>	<u>\$ 17,128</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Air Quality Projects Funds	Transportation Equity Act 21 Fund	CAL Grip Gang Prevention Grants
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fines and penalties	-	-	-
Revenue from use of money and property	-	-	-
Charges for services	-	-	-
Intergovernmental revenues	-	309,506	7,483
Total revenues	<u>-</u>	<u>309,506</u>	<u>7,483</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	-	-	7,483
Fire & emergency services	-	-	-
Public works	-	-	-
Capital outlay	-	309,506	-
Total expenditures	<u>-</u>	<u>309,506</u>	<u>7,483</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-
Fund balances - beginning	<u>120,144</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 120,144</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Vehicle Impound Program Grant	Tire - Derived Grant	Safe Route to Schools Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fines and penalties	-	-	-
Revenue from use of money and property	-	-	-
Charges for services	-	-	-
Intergovernmental revenues	18,712	87,500	25,551
Total revenues	<u>18,712</u>	<u>87,500</u>	<u>25,551</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	-	-	-
Fire & emergency services	-	-	-
Public works	-	-	-
Capital outlay	6,000	87,500	25,551
Total expenditures	<u>6,000</u>	<u>87,500</u>	<u>25,551</u>
Excess (deficiency) of revenues over expenditures	<u>12,712</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	12,712	-	-
Fund balances - beginning	<u>34,232</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 46,944</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Water Infrastructure State Grant	Community Development Block Grant	Area Agency on Ageing Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fines and penalties	-	-	-
Revenue from use of money and property	-	-	-
Charges for services	-	-	-
Intergovernmental revenues	-	347,088	35,136
Total revenues	<u>-</u>	<u>347,088</u>	<u>35,136</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	-	-	-
Fire & emergency services	-	-	-
Public works	-	-	-
Capital outlay	525	347,088	-
Total expenditures	<u>525</u>	<u>347,088</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(525)</u>	<u>-</u>	<u>35,136</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(36,468)
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(36,468)</u>
Net change in fund balances	(525)	-	(1,332)
Fund balances - beginning	<u>397,300</u>	<u>-</u>	<u>18,921</u>
Fund balances - ending	<u>\$ 396,775</u>	<u>\$ -</u>	<u>\$ 17,589</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Bicycle Lane Striping State Grant	Supp Law Enforcement Grant	Community Facilities District Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fines and penalties	-	-	-
Revenue from use of money and property	-	18	-
Charges for services	-	-	-
Intergovernmental revenues	1,424	100,000	347,682
Total revenues	<u>1,424</u>	<u>100,018</u>	<u>347,682</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	302,395
Police department	-	11,296	-
Fire & emergency services	-	-	-
Public works	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>11,296</u>	<u>302,395</u>
Excess (deficiency) of revenues over expenditures	<u>1,424</u>	<u>88,722</u>	<u>45,287</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>-</u>	<u>(80,000)</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>(80,000)</u>	<u>-</u>
Net change in fund balances	1,424	8,722	45,287
Fund balances - beginning	<u>-</u>	<u>16,249</u>	<u>18,883</u>
Fund balances - ending	<u>\$ 1,424</u>	<u>\$ 24,971</u>	<u>\$ 64,170</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Youth Center Remodel Grant	California Seat Belt Compliance Grant	Bullet Proof Vest Program Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fines and penalties	-	-	-
Revenue from use of money and property	-	1,793	-
Charges for services	-	-	-
Intergovernmental revenues	-	3,902	-
Total revenues	<u>-</u>	<u>5,695</u>	<u>-</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	-	-	-
Fire & emergency services	-	-	-
Public works	1,285	-	-
Capital outlay	100,000	-	-
Total expenditures	<u>101,285</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(101,285)</u>	<u>5,695</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(101,285)	5,695	-
Fund balances - beginning	<u>-</u>	<u>51,679</u>	<u>-</u>
Fund balances - ending	<u>\$ (101,285)</u>	<u>\$ 57,374</u>	<u>\$ -</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	State Homeland Security Grant	LLEBG FY 2003 Grant	LLEBG FY 2004 Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fines and penalties	-	-	-
Revenue from use of money and property	-	484	161
Charges for services	-	-	-
Intergovernmental revenues	25,000	-	-
Total revenues	<u>25,000</u>	<u>484</u>	<u>161</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	-	-	-
Fire & emergency services	-	-	-
Public works	-	-	-
Capital outlay	25,000	-	-
Total expenditures	<u>25,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>484</u>	<u>161</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	484	161
Fund balances - beginning	<u>-</u>	<u>(5,616)</u>	<u>(6,220)</u>
Fund balances - ending	<u>\$ -</u>	<u>\$ (5,132)</u>	<u>\$ (6,059)</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	DUI Enforcement and Awareness Grant	Sanger Skate Park Grant	PAL Youth Center Grant
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Fines and penalties	-	-	-
Revenue from use of money and property	-	-	-
Charges for services	-	-	-
Intergovernmental revenues	22,062	48,868	28,069
Total revenues	<u>22,062</u>	<u>48,868</u>	<u>28,069</u>
<b>EXPENDITURES</b>			
Current			
Administrative services	-	-	-
Police department	4,118	-	-
Fire & emergency services	-	-	-
Public works	-	28,821	-
Capital outlay	9,407	5,756	270,000
Total expenditures	<u>13,525</u>	<u>34,577</u>	<u>270,000</u>
Excess (deficiency) of revenues over expenditures	<u>8,537</u>	<u>14,291</u>	<u>(241,931)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	8,537	14,291	(241,931)
Fund balances - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - ending	<u>\$ 8,537</u>	<u>\$ 14,291</u>	<u>\$ (241,931)</u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2009**

	Asset Seizure Grant	Total Current Year
<b>REVENUES</b>		
Taxes	\$ -	\$ 2,168,660
Fines and penalties	-	10,409
Revenue from use of money and property	-	33,350
Charges for services	-	7,172
Intergovernmental revenues	-	1,810,396
Total revenues	-	4,029,987
<b>EXPENDITURES</b>		
Current		
Administrative services	-	302,395
Police department	-	84,547
Fire & emergency services	-	16,157
Public works	-	174,565
Capital outlay	-	1,689,935
Total expenditures	-	2,267,599
Excess (deficiency) of revenues over expenditures	-	1,762,388
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers out	-	(740,068)
Total other financing sources and uses	-	(740,068)
Net change in fund balances	-	1,022,320
Fund balances - beginning	-	1,836,710
Fund balances - ending	\$ -	\$ 2,859,030

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
JUNE 30, 2009**

	1971 Water Quality Control Bonds	1974 Civic Center Bonds	Improvement District 79-1 Bonds	Total Debt Service Funds
<b>ASSETS</b>				
Cash and investments				
Unrestricted	\$ 23,502	\$ 13,042	\$ -	\$ 36,544
Cash with fiscal agent	-	131	314,103	314,234
<b>Total assets</b>	<u>\$ 23,502</u>	<u>\$ 13,173</u>	<u>\$ 314,103</u>	<u>\$ 350,778</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Due to other funds	\$ -	\$ -	\$ 2,337	\$ 2,337
Total liabilities	-	-	2,337	2,337
<b>Fund balances:</b>				
Unreserved, reported in:				
Debt service	23,502	13,173	311,766	348,441
Total fund balances	23,502	13,173	311,766	348,441
<b>Total liabilities and fund balances</b>	<u>\$ 23,502</u>	<u>\$ 13,173</u>	<u>\$ 314,103</u>	<u>\$ 350,778</u>

**CITY OF SANGER  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANES  
 NONMAJOR DEBT SERVICE FUNDS  
 JUNE 30, 2009**

	1971 Water Quality Control Bonds	1974 Civic Center Bonds	Improvement District 79-1 Bonds	Total Current Year
<b>REVENUES</b>				
Revenue from use of money and property	-	-	10,596	10,596
Total revenues	-	-	10,596	10,596
Net change in fund balances	-	-	10,596	10,596
Fund balances - beginning	23,502	13,173	301,170	337,845
Fund balances - ending	<u>\$ 23,502</u>	<u>\$ 13,173</u>	<u>\$ 311,766</u>	<u>348,441</u>

**CITY OF SANGER  
COMBINING BALANCE SHEET  
NONMAJOR INTERNAL SERVICE FUNDS  
JUNE 30, 2009**

	Reprographics and Data Processing	Equipment Maintenance	Self Insurance Program	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 168,962	\$ -	\$ 422,152	\$ 591,114
Receivables (net of allowances)	-	-	1,731	1,731
Inventory	-	17,700	-	17,700
Prepaid items	-	-	287,567	287,567
Total current assets	<u>168,962</u>	<u>17,700</u>	<u>711,450</u>	<u>898,112</u>
Capital assets:				
General property and equipment	483,095	-	-	483,095
Less accumulated depreciation	<u>(461,326)</u>	<u>-</u>	<u>-</u>	<u>(461,326)</u>
Total capital assets (net of accumulated depreciation)	<u>21,769</u>	<u>-</u>	<u>-</u>	<u>21,769</u>
Total noncurrent assets	<u>21,769</u>	<u>-</u>	<u>-</u>	<u>21,769</u>
Total assets	<u><u>\$ 190,731</u></u>	<u><u>\$ 17,700</u></u>	<u><u>\$ 711,450</u></u>	<u><u>\$ 919,881</u></u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 21,096	\$ 23,453	\$ 128,239	\$ 172,788
Deposits	-	-	2,217	2,217
Total current liabilities	<u>21,096</u>	<u>23,453</u>	<u>130,456</u>	<u>175,005</u>
Non-current liabilities:				
Due in more than one year	-	-	193,809	193,809
Total non-current liabilities	<u>-</u>	<u>-</u>	<u>193,809</u>	<u>193,809</u>
Total liabilities	<u>21,096</u>	<u>23,453</u>	<u>324,265</u>	<u>368,814</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	21,769	-	(193,809)	(172,040)
Unrestricted	<u>147,866</u>	<u>(5,753)</u>	<u>580,994</u>	<u>723,107</u>
Total net assets	<u><u>\$ 169,635</u></u>	<u><u>\$ (5,753)</u></u>	<u><u>\$ 387,185</u></u>	<u><u>\$ 551,067</u></u>

**CITY OF SANGER  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANES  
NONMAJOR INTERNAL SERVICE FUNDS  
JUNE 30, 2009**

	Reprographics and Data Processing	Equipment Maintenance	Self Insurance Program	Total
Operating revenues:				
Charges for service	\$ 1,317,291	\$ 279,349	\$ 2,324,410	\$ 3,921,050
Fees and other revenues	-	-	-	-
Total operating revenues	<u>1,317,291</u>	<u>279,349</u>	<u>2,324,410</u>	<u>3,921,050</u>
Operating Expenses:				
Salaries and benefits	1,069,154	-	-	1,069,154
Supplies and services	289,941	260,546	2,299,554	2,850,041
Police department	-	-	-	-
Depreciation expense	11,188	-	-	11,188
General and administrative expense	9,084	-	-	9,084
Total operating expenses	<u>1,379,367</u>	<u>260,546</u>	<u>2,299,554</u>	<u>3,939,467</u>
Operating income (loss)	<u>(62,076)</u>	<u>18,803</u>	<u>24,856</u>	<u>(18,417)</u>
Change in net assets	(62,076)	18,803	4,856	(38,417)
Total net assets, beginning	<u>231,711</u>	<u>(24,556)</u>	<u>382,329</u>	<u>589,484</u>
Total net assets, ending	<u>\$ 169,635</u>	<u>\$ (5,753)</u>	<u>\$ 387,185</u>	<u>\$ 551,067</u>

**CITY OF SANGER  
COMBINING BALANCE SHEET  
FIDUCIARY FUNDS  
JUNE 30, 2009**

	Cash Deposit Trust	Special Police	Payroll Services	Community Facilities District 1 Bonds	Total Trust and Agency Funds
<b>ASSETS</b>					
Cash and short-term investments	\$ 654,707	\$ 9,944	\$ 296,132	\$ 245,441	\$ 1,206,224
Cash with fiscal agent	-	-	-	111,252	111,252
Total assets	<u>\$ 654,707</u>	<u>\$ 9,944</u>	<u>\$ 296,132</u>	<u>\$ 356,693</u>	<u>\$ 1,317,476</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 4,952	\$ -	\$ -	\$ 38	\$ 4,990
Accrued Wages	-	-	294,453	-	294,453
Deposits	649,755	-	1,679	-	651,434
Due to bond holders	-	9,944	-	356,655	366,599
Total liabilities	<u>\$ 654,707</u>	<u>\$ 9,944</u>	<u>\$ 296,132</u>	<u>\$ 356,693</u>	<u>\$ 1,317,476</u>