

City of Kingsburg
California



**Comprehensive Annual
Financial Report
For the Fiscal Year Ended June 30, 2017**

**CITY OF KINGSBURG
CALIFORNIA**

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

Prepared by

Finance Department

**CITY OF KINGSBURG
COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2017**

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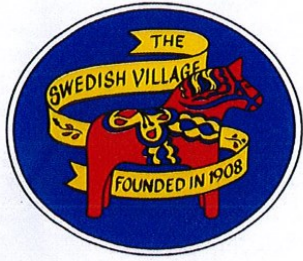
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INTRODUCTORY SECTION

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City of Kingsburg

1401 Draper Street, Kingsburg, CA 93631-1908
(559) 897-5821 (559) 897-5568

January 31, 2018

Honorable Mayor, Members of the City Council, and Citizens of the City of Kingsburg

SUBJECT: Comprehensive Annual Financial Report - June 30, 2017

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Kingsburg (City) for the fiscal year ended June 30, 2017. This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City. Management assumes full responsibility for the completeness and reliability of all information presented in this report. In order to provide a reasonable basis for making these representations, management of the City has established an internal control framework designed both to ensure the assets of the government are protected from loss, theft or misuse, and to ensure adequate accounting data is compiled to allow for the preparation of the financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. As a recipient of federal, state, and local financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure and document compliance with applicable laws and regulations related to the appropriate programs. This internal control structure is subject to periodic evaluation by management.

Price Paige & Company, a firm of licensed certified public accountants approved by the City Council, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2017, were free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Price Paige & Company concluded based upon the audit, that there is reasonable basis for rendering an unqualified ("clean") opinion that the City's financial statements for the fiscal year ended June 30, 2017, were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

In addition, the City may be required to undergo an annual single audit in compliance with provisions of Title 2 U.S. Code of Federal Regulations. The report of the Single Audit is published separately from this CAFR

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found in the financial section of this document, immediately following the report of the independent auditor.

Profile of the City Kingsburg

Located in the central San Joaquin Valley of California, the City of Kingsburg has a rich history as a settlement of Native Americans, a wild west outpost for outlaws and cattlemen, a farming community settled by people of Swedish decent and today as a diverse agricultural base town with a Swedish flair. The first known residents, the Nutununtu tribe, first encountered Europeans in 1773 when the Spanish explorer Pedro Fages explored the area and named the Kings River "Rio de los Santo Reyes" (English translation is "River of the Sainted Kings"). In 1871 Southern Pacific built a train depot in Kingsburg and named it "Kings River Switch". As a small settlement, it went by different names until the postal authorities and the Fresno Weekly Expositor reported the name Kingsburg in 1875. By the late 1870's the first Swedish settlers began to settle in Kingsburg. The Swedish colony mostly consisted of sober, hardworking men who began to replace stock raising with farming, and is thought to put an end to the Wild West atmosphere, which lasted until the as late as the 1910's. In 1908 Kingsburg incorporated and in the same election the citizens voted the saloons out. In 1921 a survey showed that 94% of the population within a 3 mile radius of Kingsburg was of Swedish decent. Kingsburg, known as the Swedish Village, continues to design many of its buildings with Swedish architecture. As a diverse and multicultural town today, Kingsburg's population is now estimated over 12,000 people and is known for farming of grapes and stone fruit. The Kings River brings summer recreation of fishing, boating, jet skiing and rafting. The Kings River Golf and Country Club boasts beautiful views of the river and is a championship 18 hole course. With 18 churches within its 2.8 square miles, Kingsburg is a family friendly safe community that prides itself on civic leadership and community engagement. Kingsburg is centrally located on Highway 99 between San Francisco and Los Angeles with the Sierra Nevada's to the east and the Pacific Coast to the west, all a short drive away.

The City delivers a full range of municipal services which include Police, Fire, Community and Economic Development, Recreation, Park Maintenance, and Public Utilities under the Council- Manager form of government. The City Council meets the first and third Wednesdays of every month. Policy making and legislative authority are vested in the City Council, which consists of a Mayor and four Council Members. The Mayor is a current City Council Member who is elected by the Council and serves a two year term. The Five Council Members are elected and serve four year terms. The City Manager is appointed by the City Council and is responsible for implementing policies and overseeing the day-to-day operations of the City.

The City Council is required to adopt a budget no later than the close of the prior fiscal year. The budget is prepared by fund (e.g. General Fund) and department (e.g. Police). After adoption, departmental adjustments may be done with the approval from the City Manager provided that there is no

change to the fund balance. Budget amendments to increase appropriations may be taken to the City Council for their approval throughout the year.

Local Economy

The local economy has presented significant challenges for the City during the past several years while experiencing one of the most severe national recessions in history. The City's forward thinking leadership, strategic financial planning, cost-cutting measures, and careful allocation of resources enabled it to successfully weather this economic challenge.

The City is experiencing a slow recovery and has seen an increase to property values and sales tax revenues. This gives an indication that the economy is moving in the right direction. California's economic recovery continues to lag behind the nation, with respect to unemployment. While California has experienced some job growth, its current unemployment rate is still at 4.9%. The City is trying to gain traction as it experiences an unemployment rate of 9.40%, with Fresno County at 7.5%. This unemployment rate decline displays a good indication that there may be some job growth as it is essential in the recovery to our economy. FY17 saw the effects of continued economic growth in the business to business sector, while we also experienced the fallout from continued brick and mortar retail closures. Most specifically, one of the City's top sales tax generators, KMART, closed their doors in early April 2017. Given the timing of sales tax payments, the full realization of this closure won't be felt until early in the new fiscal year. We are predicting a 7% decrease in our overall sales tax revenues.

Both revenues and expenditures have been influenced by the uptick in commercial and single family residential building activity. FY18 and beyond we are trending higher for revenues associated with single family residential development. Currently, over 200 new housing starts are being evaluated for annexation and approvals. These build outs would likely take 3-5 years, depending upon market demand.

From a commercial standpoint, the former KMART site has been acquired by a local developer who plans to utilize the site for a new supermarket and headquarters for their State-wide business. The site may also contain other commercial uses as determined by the final developer buildout.

In addition, Downtown is expected to be impacted by development stemming from new upper floor apartments, as well as the demolition and rebuilding of the Stone Hotel (lost to fire in October 2016).

Staff is cautiously optimistic regarding building activity, and understands that the revenues associated are often cyclical with the strength of the economy.

Long Term Financial Planning

The City maintains an annual budget and it serves as the foundation for the City's financial planning and control. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget adopted by the City Council. The level of budgetary control (i.e. the level where the expenditures cannot legally exceed the appropriated amount) is maintained at the departmental level for the General Fund and at the fund level for all other funds. Department heads may

transfer resources within a department as they see fit with the approval of the City Manager. The City Council may amend funds by an affirmative vote at any regular or special City Council Meeting.

The City Council has approved a standard set of financial policies. The fund balance in the General fund shall not be less than 20% of the budgeted general fund appropriations as approved by the City Council as of July 1 of each year. This policy provides increased protection against the uncertain dynamics associated with changes in the local economy.

The City remains focused on managing expenditures and monitoring revenues while keeping restoration in mind. It is with diligence and tenacity that the City strives to meet future goals of economic expansion and fiscal sustainability. The City will also focus on maintaining public safety needs and invest in the maintenance and replacement of aging infrastructure.

Major Achievements and Initiatives

With the financial challenges we've faced, the City has been protective managing operational reserves throughout the current economic downturn. The City continues to work to reduce personnel and benefit costs, along with increase costs of health insurance. Factors impacting local government are the changes to pension contribution rates. The City is currently in a position to make the lump sum payments which reduces the City's overall yearly pension expenditures.

The renovation of the Historic Train Depot brings back the 1923 era. It will be used as an educational museum, serving over 25,000 school kids in the tri-county area.

In 2013, the City committed to a strategic planning process that engaged council members, employees and consultants. The goal of the session was to align all the community has to offer with the vision for its' future. Financial stewardship and planning, economic incentives for growth, and the retention of our employees and succession planning for those who retire were key driving forces for the plan.

Council and staff reinvested in the strategic planning process in 2015, reevaluating core initiatives and examining the overall progress made since 2013. The Council is poised to update again in 2018, setting goals and striving to keep Kingsburg the "Gem of the Valley."

The City has faced challenges but with the City's leadership and resourceful staff it has conquered those challenges and has developed strategies to create efficiencies and realize savings. This has enabled the organization to stay afloat during the economic downturn without severely impacting public services to the community.

Cash Management

The City finance staff focuses on safety, liquidity and yield of investments. The highest priority of cash management and investments is to ensure adequate funds are available to meet the City's obligations and all investments are in safe instruments. Yield, while important, is considered in third priority after safety and liquidity. The City invests in the Local Agency Investment Fund (LAIF) operated by the state for the benefit of local governments.

Awards and Acknowledgments

The City was honored to receive The Government Finance Officers Association Distinguished Budget Award in 2016 for the City's 2016-2017 budget. This award is given to local governments that have prepared budgets that exceed expectations and reflect the guidelines established by the National Advisory Council on State and Local Budgeting and the Government Finance Officers Association (GFOA). The award reflects the commitment of the governing body and staff to meeting the highest principles of governmental budgeting.

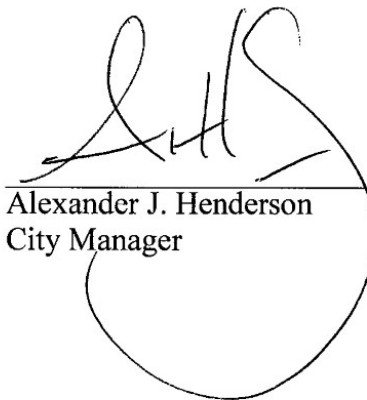
The City received The Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2016. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. The certificate represents a significant accomplishment. This was the second consecutive year that the City of Kingsburg has achieved this prestigious award.

We would like to extend our thanks and appreciation to the City Council for their interest in and suggestions to the financial reporting of the City. The preparation of this CAFR could not have been accomplished without the efforts and dedication of the staff of the City's Finance Department and the auditing firm of Price Paige & Company. We also extend our appreciation to the staff and other personnel from various departments, agencies and authorities who assisted in the preparation of this report.

Respectfully submitted,



Alma Colado
Finance Director



Alexander J. Henderson
City Manager

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Kingsburg
California**

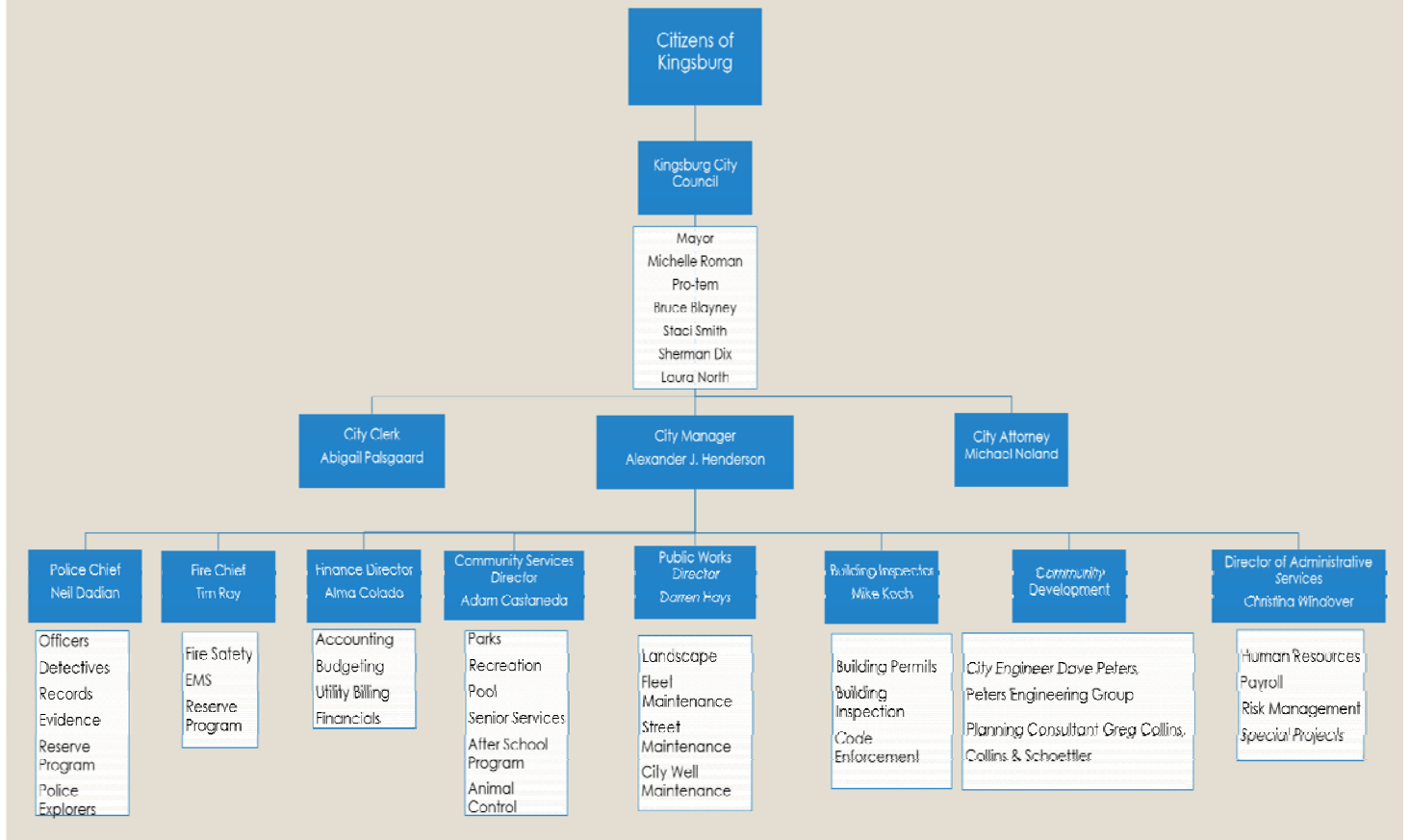
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

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City of Kingsburg Organizational Chart



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**CITY OF KINGSBURG
LIST OF ELECTED AND APPOINTED OFFICIALS
JUNE 30, 2017**

Elected Officials

Mayor
Mayor Pro Tem
Council Member
Council Member
Council Member

Michelle Roman
Bruce Blayne
Laura North
Staci Smith
Sherman Dix

Appointed Officials

City Manager
City Attorney
City Clerk
Director of Administrative Services
Police Chief
Fire Chief
Building Official
Finance Director/City Treasurer

Alexander J. Henderson
Michael Noland
Abigail Palsgaard
Christina Windover
Neil Dadian
Tim Ray
Mike Koch
Alma Colado

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of Kingsburg, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Kingsburg, California (the City), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Kingsburg, California, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows and the respective budgetary comparison for the General Fund and the Local Transportation Special Revenue Fund, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Clovis, CA 93612
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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-11, the proportionate share of net pension liability on page 60, and the schedule of contributions on page 61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2018, on our consideration of the City of Kingsburg's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Price Pange & Company

Clovis, California
January 29, 2018



MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2017

The management of the City of Kingsburg is pleased to present the following discussion and analysis that provides an overview of the financial position and activities of the City of Kingsburg as of and for the year ended June 30, 2017. The discussion should be read in conjunction with the financial statements and accompanying notes to the basic financial statements which follow this section.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the basic financial statements. The report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include the Kingsburg Joint Powers Authority. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Joint Powers Authority, although legally separate, functions for all practical purposes as a department of the City, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund Financial Statements

Fund Financial Statements provide more detailed information about the City's most significant funds, not the City as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State Law or by bond covenants. Management establishes other funds to control and manage money for particular purposes or to show the City is meeting legal responsibilities for using certain taxes, grants, and other money. All the funds of the City can be classified as governmental, proprietary and fiduciary.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Such information is useful in evaluating a governments near-term financing requirements.

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

The City of Kingsburg maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures and changes in fund balances for the General, Local Transportation Funds, Kingsburg Joint Powers Authority, Assessment Districts and Street Projects funds which are considered to be major funds. Data from the other funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for the City's funds. A budgetary comparison schedule has been provided for the General Fund and Local Transportation Funds to demonstrate compliance to this budget and can be found on pages 21-22.

The governmental fund financial statements can be found on pages 17-20 of this report.

Proprietary funds. The City has three enterprise funds, Water, Disposal, and Ambulance, which are used to account for operations that financed and operated in a manner similar to private business enterprises. Enterprise funds are used to report the same functions represented as business-type activities in the government-wide financial statements. The City utilizes enterprise funds to account for those activities that are supported primarily by user charges to external users. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water, disposal, and ambulance, all of which are major funds. The basic proprietary fund financial statements can be found on pages 23-26 of this report.

Fiduciary funds. The City uses fiduciary funds to account for resources held for the benefits of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the City cannot use these funds to finance its operations.

The basic fiduciary fund financial statements can be found on pages 27-28 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of the City's operations and significant accounting policies and provide clarification regarding unique financial information. The notes to the financial basic statements can be found on pages 30-58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 65-71 of this report.

The statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. Statements and schedules can be found on pages 72-81 of this report.

Financial Highlights

Government-wide financial highlights for the fiscal year ended June 30, 2017:

I. Statement of Net Position

Condensed Statement of Net Position

2017	2016	
\$ 37,981,388	\$ 35,783,038	Government-wide total assets at fiscal year ending June 30, 2017 increased by \$2,198,350 which is 5.79% higher than fiscal year ending June 30, 2016.
\$ 14,410,478	\$ 13,905,453	Government-wide total liabilities at fiscal year ending June 30, 2017 increased by \$505,025 which is 3.50% more than fiscal year ending June 30, 2016.
\$ 1,870,060	\$ 375,903	Net of Deferred Outflows/Inflows of Resources - Result of contribution to pension plan in current fiscal year, pension deferrals and loss of refunding of debt.
\$ 25,440,970	\$ 22,253,488	The Net Position (assets less liabilities) at fiscal year ending June 30, 2017 increased by \$3,187,482 which is 12.53% more than fiscal year ending June 30, 2016. The net position includes \$1,870,060 of deferred outflows/inflows of resources.

Statement of Net Position (Detail)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 12,197,883	\$ 11,209,904	\$ (710,430)	\$ (795,854)	\$ 11,487,453	\$ 10,414,050
Capital assets	17,230,865	15,800,586	9,263,070	9,568,402	26,493,935	25,368,988
Total Assets	<u>29,428,748</u>	<u>27,010,490</u>	<u>8,552,640</u>	<u>8,772,548</u>	<u>37,981,388</u>	<u>35,783,038</u>
Deferred Outflows of Resources:						
Total deferred outflows of resources	1,468,344	664,877	800,436	404,310	2,268,780	1,069,187
Liabilities:						
Current and other liabilities	1,010,428	935,867	591,707	693,263	1,602,135	1,629,130
Long-term liabilities	7,714,793	7,291,566	5,093,550	4,984,757	12,808,343	12,276,323
Total Liabilities	<u>8,725,221</u>	<u>8,227,433</u>	<u>5,685,257</u>	<u>5,678,020</u>	<u>14,410,478</u>	<u>13,905,453</u>
Deferred Inflows of Resources:						
Total deferred inflows of resources	219,989	399,170	178,731	294,114	398,720	693,284
Net Position:						
Net investment in capital assets	13,726,605	11,917,893	6,330,963	6,432,895	20,057,568	18,350,788
Restricted	8,540,239	8,917,767	-	-	8,540,239	8,917,767
Unrestricted	(314,962)	(1,786,896)	(2,841,875)	(3,228,171)	(3,156,837)	(5,015,067)
Total Net Position	<u>\$ 21,951,882</u>	<u>\$ 19,048,764</u>	<u>\$ 3,489,088</u>	<u>\$ 3,204,724</u>	<u>\$ 25,440,970</u>	<u>\$ 22,253,488</u>

Of the total net position, \$20,057,568 or 79% is the City's investment in capital assets (e.g. land, buildings and improvements, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding.

The Statement of Net Position reflects a net effect of \$1,870,060 a separate section for deferred outflows of resources (asset) and a deferred inflow of resources (liability) for other pension related deferrals, and loss of refunding of debt.

GASB Statement No. 68 was issued to improve accounting and financial reporting by state and local governments for pensions. The net pension liability amount is \$6,544,358 and is described in Note 10.

Almost all the City's long-term liabilities relate to the acquisition of capital assets. These capital assets are utilized to provide services to citizens and are not available for future spending. The repayment of the debt on these assets must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position amounts to \$8,540,239 or 34% of the total. Restricted net position represents resources that are subject to external restriction imposed by the State on how they may be used.

Unrestricted net position represents resources which may be used to meet the City's ongoing commitments to citizens and creditors. Government activities unrestricted net position is (\$314,962) while the business-type activities account for (\$2,841,875). The City can only use this amount to finance the continuing operations of the water, disposal, ambulance and building fees.

Governmental Activities. Governmental activities account for \$21,951,882 or 87% of the total government-wide net position. This is an increase of \$2,903,118 or 16% over the June 30, 2016 governmental net position ending balance.

Changes in Net Position. Below is a current year recap of the changes in net position. The full statement of Activities can be found on page 15.

	<u>2017</u>
Operating Revenues	\$ 14,776,236
Operating Expenses	11,482,003
Increase in Net Position	<u>3,294,233</u>
Prior Period Adjustment	-
Net Position, Beginning of Year	<u>22,146,737</u>
Net Position, End of Year	<u><u>\$ 25,440,970</u></u>

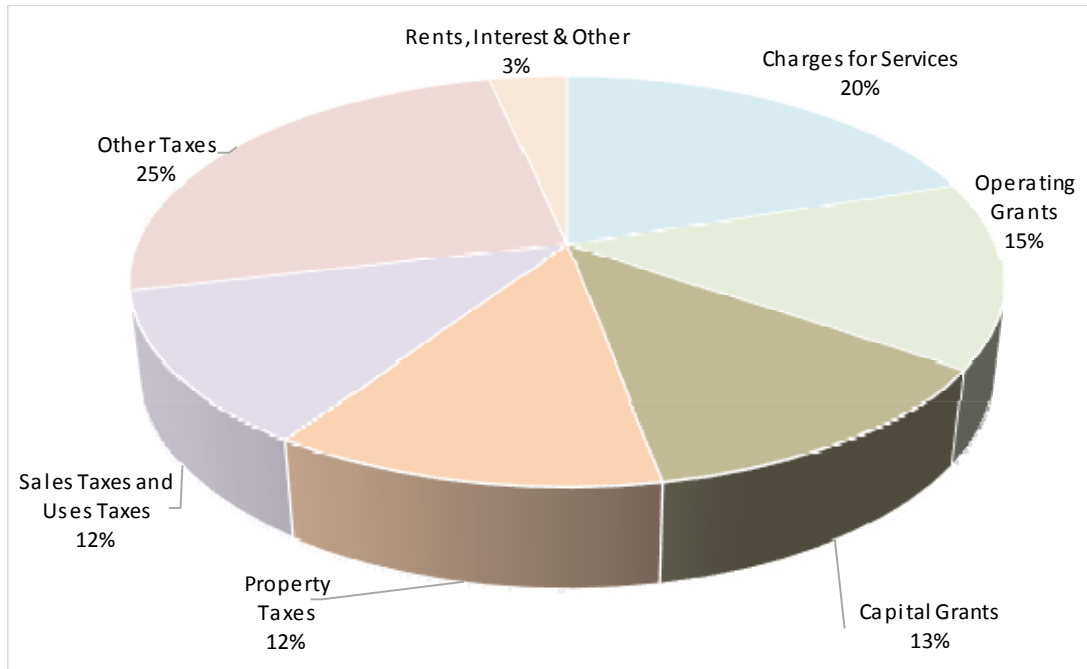
Changes in Net Position (Detail)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,742,760	\$ 703,733	\$ 4,664,727	\$ 4,783,627	\$ 6,407,487	\$ 5,487,360
Operating Grants	1,271,688	1,104,208	1,391,447	899,983	2,663,135	2,004,191
Capital Grants	1,086,239	876,625	-	-	1,086,239	876,625
General Revenues:						
Property Taxes	1,072,835	1,128,016	-	-	1,072,835	1,128,016
Sales Taxes and Uses Taxes	1,051,840	953,113	-	-	1,051,840	953,113
Other Taxes	2,192,494	2,045,537	-	-	2,192,494	2,045,537
Rents, Interest and Other	295,456	324,364	6,750	3,291	302,206	327,655
Total Revenues	8,713,312	7,135,596	6,062,924	5,686,901	14,776,236	12,822,497
EXPENSES						
General Government	1,005,379	810,747	-	-	1,005,379	810,747
Parks and community services	481,177	408,729	-	-	481,177	408,729
Public safety	1,797,401	1,542,352	-	-	1,797,401	1,542,352
Public works	893,071	766,093	-	-	893,071	766,093
Highway and streets	599,999	557,321	-	-	599,999	557,321
Planning and community development	356,258	286,768	-	-	356,258	286,768
Interest	187,158	199,851	-	-	187,158	199,851
Water	-	-	1,924,632	1,536,034	1,924,632	1,536,034
Disposal	-	-	1,940,311	1,854,083	1,940,311	1,854,083
Ambulance	-	-	2,296,617	2,437,389	2,296,617	2,437,389
Total Expenses	5,320,443	4,571,861	6,161,560	5,827,506	11,482,003	10,399,367
Increase (decrease) in Net Position before transfers	3,392,869	2,563,735	(98,636)	(140,605)	3,294,233	2,423,130
Transfers	(383,000)	(783,000)	383,000	783,000	-	-
Increase (decrease) in Net Position	3,009,869	1,780,735	284,364	642,395	3,294,233	2,423,130
Net Position - Beginning (restated)	18,942,013	17,268,029	3,204,724	2,562,329	22,146,737	19,830,358
Net Position - Ending	<u>\$ 21,951,882</u>	<u>\$ 19,048,764</u>	<u>\$ 3,489,088</u>	<u>\$ 3,204,724</u>	<u>\$ 25,440,970</u>	<u>\$ 22,253,488</u>

Total governmental revenues for the year were \$8,713,312 with charges for services comprising of 20% of the total revenue. Taxes, which include property, sales and other taxes, account for \$4,317,169 or 50% of the City's governmental activities revenue.

Total governmental expenses for the year were \$5,320,443. Public Safety accounts for \$1,797,401 or 34% of the total governmental activities expenses, followed by General Government, Public Works, Parks and Community Services and Highway and streets with \$1,005,379, \$893,071, \$481,177 and \$599,999 or 19%, 17%, 9% and 11%, respectively.

Revenues by Source - Governmental Activities

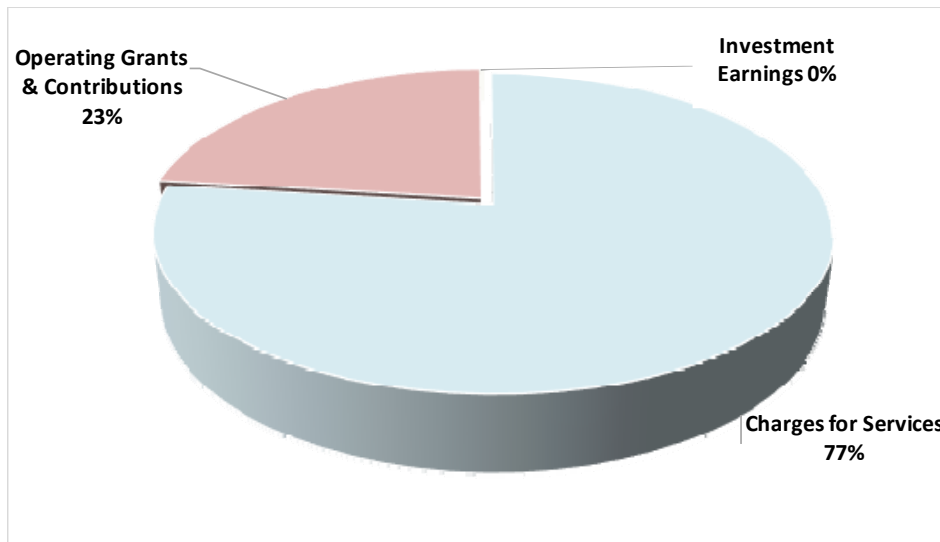


Program revenues which include charges for services, grant revenues and developer capital contributions account for \$4,100,687 or approximately 47% of the total governmental activity revenue. The amounts necessary to fully fund the governmental activity programs are made up by “general” revenues such as taxes, interest and developer fees.

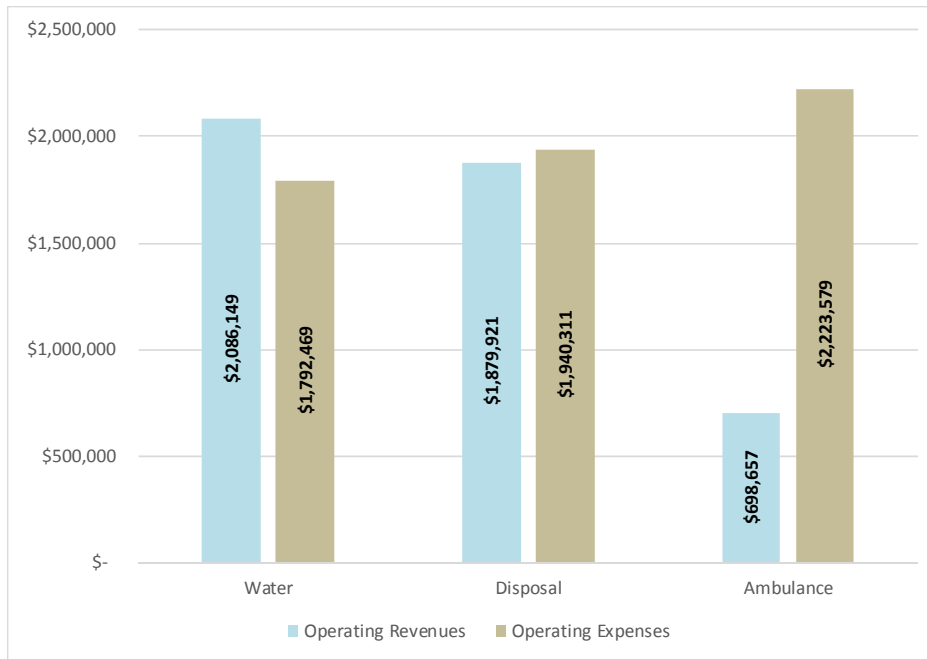
Business-Type Activities

Business-type activities account for \$3,489,088 or 14% of the total government-wide net position. This is an increase of \$284,364 or 9% compared to June 30, 2016. Charges for current services account for \$4,664,727 or 77% of the total business-type activity revenue (excluding transfers).

Revenues by Source - Business-Type Activities



Operating Expenses and Operating Revenues-Business Type Activities



In a review of the chart illustrating Operating Expenses and Operating Revenues, it can be noted that operating revenues exceeded operating expenses in Water by \$293,680. Disposal operating expense exceeded revenue by \$60,390 and Ambulance expenses exceeded operating revenues by approximately \$1,524,922 for fiscal year ending June 30, 2017.

Financial Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The ending fund balance for all governmental funds is \$11,703,113 which is an increase of \$372,062 or 4% when compared to the prior year balance (page 17). Of the total fund balance, \$3,066,168 is unassigned, which is available for spending at the City's discretion, within the limitations of the fund's purpose. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been restricted for the following:

- Capital Improvement projects \$2,526,092
- Circulation improvements 2,048,303
- Debt service reserve 3,345,505
- Public safety programs 45,950
- Low-income housing activities 574,389

The General Fund is the chief operating fund of the City. As of June 30, 2017, the total fund balance of the General Fund was \$3,628,142 with unassigned fund balance of \$3,531,436. The General Fund total fund balance increased \$868,007 or 32% from the previous fiscal year. The unassigned portion, as indicated, is available for spending at the City's discretion. The increase in the General Fund balance indicates that the General Fund had more revenues and transfers in than it had expenditures and transfers out.

Proprietary Funds. As indicated in the description, proprietary funds are enterprise funds. All the City's enterprise funds ended the year with positive unrestricted net position.

General Fund Budgetary Highlights

The Statement of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual on page 21-22 outlines the differences between the budget and actual numbers. The City experienced \$1,083,061 or 25% more total revenues and \$26,618 or 1% increase in total expenditures that the final budget allowed for. Revenues and transfers exceeded expenditures and transfers out and increased the General Fund balance by \$868,007.

Capital Assets and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amounts to \$26,493,935 (net of depreciation). This investment in capital assets includes land, building and improvements, machinery and equipment, and infrastructure.

Major capital additions this year include the following:

- Building Improvements \$ 39,902
- Machinery and Equipment \$375,606
- Construction in Progress (CIP) \$1,949,462

Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 587,014	\$ 587,014	\$ 83,216	\$ 83,216	\$ 670,230	\$ 670,230
Buildings and Improvements	1,848,307	1,959,239	7,268,528	7,526,300	9,116,835	9,485,539
Machinery and Equipment	709,315	736,206	1,911,326	346,804	2,620,641	1,083,010
Construction in Progress	550,964	473,645	-	1,612,082	550,964	2,085,727
Infrastructure	13,535,265	12,044,481	-	-	13,535,265	12,044,481
Total	<u>\$ 17,230,865</u>	<u>\$ 15,800,585</u>	<u>\$ 9,263,070</u>	<u>\$ 9,568,402</u>	<u>\$ 26,493,935</u>	<u>\$ 25,368,987</u>

Additional information on the City's capital assets can be found in Note 6 on pages 45-46.

Long-term Debt. The City's long-term debt as of June 30, 2017 was \$6,540,946 with governmental activities accounting for \$3,608,839 or 56% and business-type activities accounting for \$2,932,107 or 45%.

The City consolidated the PFA Revenue Bond 1991 & 1992 into the PFA Refunding Revenue Bonds Series 2015. This resulted in a historically low interest rate with a net surplus to the City of \$441,078. Additionally, the City also refinanced the 2004 Lease Revenue Bond to the PFA 2015 Lease Revenue Refunding Bond. This bond was rated by Standard & Poors, and was given an A+ rating based on the City's existing financial policies and fund balance strength, and with a low interest rate of 3.25%. The City was able to greatly reduce annual obligations and improve overall cash flow to the Ambulance Fund (enterprise fund), as well as the Fire Capital Facilities Fund.

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
PFA Refunding Revenue Bonds, Series 2015	\$ 1,095,300	\$ 1,262,900	\$ -	\$ -	\$ 1,095,300	\$ 1,262,900
PFA 2015 Lease Revenue Refunding Bonds	2,460,000	2,570,000	-	-	2,460,000	2,570,000
Capital Lease	53,539	68,853	-	-	53,539	68,853
CIEDB Water Loan	-	-	2,167,443	2,257,496	2,167,443	2,257,496
Water Meter Capital Lease	-	-	764,664	878,011	764,664	878,011
Total	<u>\$ 3,608,839</u>	<u>\$ 3,901,753</u>	<u>\$ 2,932,107</u>	<u>\$ 3,135,507</u>	<u>\$ 6,540,946</u>	<u>\$ 7,037,260</u>

Additional information on the City's long-term debt can be found in Note 8 on pages 47-50.

Economic Factors and Next Year's Budgets

As the nation's economy continues to rebound from the recession of 2008, the City has tempered optimism in the form of increased sales tax, property taxes, and the upswing in development (both residential and commercial). Kingsburg's local economy continues to perform well and there are signs of renewed economic activity. Local unemployment, while still trending higher than the national average, remains one of the lowest in the area. Kingsburg continues to strive to find new ways to improve overall economic outlook.

Although the State's economy is strengthening, it's no secret that the State of California is in the midst of one of the worst droughts ever experienced. With record low rainfall and snowpack, Governor Brown has mandated water conservation across the State. With the installation of 1,800 meters on homes built before 1992, Kingsburg has positioned itself to be a leader in water conservation. The City has implemented new watering regulations as well as an incentive program to improve conservation participation City-wide. While the State has amended individual jurisdiction mandates, our citizens have continued to set the standard for conservation efforts.

Other factors impacting local governments include changes to pension contribution rates and the impacts of the Affordable Care Act on the health insurance industry. These two employee benefits must be part of an elongated view in order to carefully evaluate their impacts in the years to come.

Total City-wide revenue budgeted for fiscal year 2017-2018 is \$17,983,357 with expenditures budgeted at \$17,201,573. City-wide capital expenditures are budgeted for \$2,607,419 which will be funded by a variety of funding sources. The 2017-18 budget offers an opportunity to meet the expectations of our citizens through proper allocation of funds.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, City of Kingsburg, 1401 Draper Street, Kingsburg, CA 93631.

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BASIC FINANCIAL STATEMENTS

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

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 5,662,802	\$ 2,605,410	\$ 8,268,212
Restricted cash and investments	144,006	-	144,006
Receivables	704,705	1,489,435	2,194,140
Notes receivable	96,706	-	96,706
Due from Successor Agency	210,000	-	210,000
Land held for low and moderate housing projects	574,389	-	574,389
Internal balances	4,805,275	(4,805,275)	-
Capital assets, not being depreciated	1,137,978	83,216	1,221,194
Capital assets, net of accumulated depreciation	<u>16,092,887</u>	<u>9,179,854</u>	<u>25,272,741</u>
Total assets	<u>29,428,748</u>	<u>8,552,640</u>	<u>37,981,388</u>
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding of debt	86,529	-	86,529
Deferred outflows related to pensions	<u>1,381,815</u>	<u>800,436</u>	<u>2,182,251</u>
Total deferred outflows of resources	<u>1,468,344</u>	<u>800,436</u>	<u>2,268,780</u>
LIABILITIES			
Accounts payable and accrued expenses	474,880	243,397	718,277
Accrued interest payable	39,079	48,316	87,395
Deposits	19,885	-	19,885
Long-term liabilities:			
Due within one year	476,584	299,994	776,578
Due in more than one year	3,413,358	2,850,627	6,263,985
Net pension liability	<u>4,301,435</u>	<u>2,242,923</u>	<u>6,544,358</u>
Total liabilities	<u>8,725,221</u>	<u>5,685,257</u>	<u>14,410,478</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>219,989</u>	<u>178,731</u>	<u>398,720</u>
NET POSITION			
Net investment in capital assets	13,726,605	6,330,963	20,057,568
Restricted for:			
Capital improvement projects	2,526,092	-	2,526,092
Circulation improvements	2,048,303	-	2,048,303
Debt service	3,345,505	-	3,345,505
Public safety programs	45,950	-	45,950
Low-income housing activities	<u>574,389</u>	<u>-</u>	<u>574,389</u>
Total restricted	<u>8,540,239</u>	<u>-</u>	<u>8,540,239</u>
Unrestricted	<u>(314,962)</u>	<u>(2,841,875)</u>	<u>(3,156,837)</u>
Total net position	<u>\$ 21,951,882</u>	<u>\$ 3,489,088</u>	<u>\$ 25,440,970</u>

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

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

FUNCTIONS/PROGRAMS:	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating	Capital	Governmental Activities	Business-Type Activities	Total
			Grants and Contributions	Grants and Contributions			
Primary Government:							
Governmental activities:							
General government	\$ 1,005,379	\$ 5,848	\$ -	\$ -	\$ (999,531)	\$ -	\$ (999,531)
Parks and community services	481,177	203,751	10,890	75,724	(190,812)	-	(190,812)
Public safety	1,797,401	47,916	259,521	-	(1,489,964)	-	(1,489,964)
Public works	893,071	16,428	-	-	(876,643)	-	(876,643)
Highway and streets	599,999	-	998,077	1,010,515	1,408,593	-	1,408,593
Planning and community development	356,258	1,468,817	3,200	-	1,115,759	-	1,115,759
Interest	187,158	-	-	-	(187,158)	-	(187,158)
Total governmental activities	<u>5,320,443</u>	<u>1,742,760</u>	<u>1,271,688</u>	<u>1,086,239</u>	<u>(1,219,756)</u>	<u>-</u>	<u>(1,219,756)</u>
Business-type activities:							
Water	1,924,632	2,086,149	-	-	-	161,517	161,517
Disposal	1,940,311	1,879,921	-	-	-	(60,390)	(60,390)
Ambulance	2,296,617	698,657	1,391,447	-	-	(206,513)	(206,513)
Total business-type activities	<u>6,161,560</u>	<u>4,664,727</u>	<u>1,391,447</u>	<u>-</u>	<u>-</u>	<u>(105,386)</u>	<u>(105,386)</u>
Total primary government	<u>\$ 11,482,003</u>	<u>\$ 6,407,487</u>	<u>\$ 2,663,135</u>	<u>\$ 1,086,239</u>	<u>(1,219,756)</u>	<u>(105,386)</u>	<u>(1,325,142)</u>
General revenues:							
Property taxes					1,072,835	-	1,072,835
Sales and use taxes					1,051,840	-	1,051,840
Franchise taxes					375,520	-	375,520
Special assessments					249,630	-	249,630
Business licenses and transient occupancy taxes					515,696	-	515,696
Motor vehicle in-lieu					1,051,648	-	1,051,648
Investment earnings					205,053	6,750	211,803
Miscellaneous					90,403	-	90,403
Transfers					(383,000)	383,000	-
Total general revenues and transfers					<u>4,229,625</u>	<u>389,750</u>	<u>4,619,375</u>
Change in net position					3,009,869	284,364	3,294,233
Net position - beginning (restated)					<u>18,942,013</u>	<u>3,204,724</u>	<u>22,146,737</u>
Net position - ending					<u>\$ 21,951,882</u>	<u>\$ 3,489,088</u>	<u>\$ 25,440,970</u>

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

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**CITY OF KINGSBURG
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Special Revenue Fund		Debt Service Funds		Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	General	Local Transportation Funds	Kingsburg Joint Powers Authority	Assessment Districts	Street Projects		
ASSETS							
Cash and investments:							
Unrestricted	\$ 908,948	\$ 1,425,196	\$ -	\$ 167,846	\$ 10,755	\$ 3,150,056	\$ 5,662,801
Restricted	-	-	144,006	-	-	-	144,006
Receivables (net of allowance for uncollectibles)	416,394	246,937	-	-	2,778	38,596	704,705
Notes receivable	96,706	-	-	-	-	-	96,706
Land held for low and moderate housing projects	-	-	-	-	-	574,389	574,389
Due from other funds	2,442,585	-	-	-	-	-	2,442,585
Advances to Successor Agency	-	-	210,000	-	-	-	210,000
Advances to other funds	-	-	3,475,000	-	-	-	3,475,000
Total assets	\$ 3,864,633	\$ 1,672,133	\$ 3,829,006	\$ 167,846	\$ 13,533	\$ 3,763,041	\$ 13,310,192
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued expenses	\$ 217,215	\$ 200,174	\$ -	\$ 84	\$ 132	\$ 57,279	\$ 474,884
Deposits	19,276	-	-	-	-	609	19,885
Due to other funds	-	-	483,501	-	-	13,809	497,310
Advances from other funds	-	-	-	615,000	-	-	615,000
Total liabilities	236,491	200,174	483,501	615,084	132	71,697	1,607,079
Fund balances:							
Nonspendable:							
Notes receivable	96,706	-	-	-	-	-	96,706
Restricted:							
Capital improvement projects	-	-	-	-	13,401	2,512,691	2,526,092
Circulation improvements	-	1,471,959	-	-	-	576,344	2,048,303
Debt service	-	-	3,345,505	-	-	-	3,345,505
Public safety programs	-	-	-	-	-	45,950	45,950
Land held for low and moderate housing projects	-	-	-	-	-	574,389	574,389
Unassigned	3,531,436	-	-	(447,238)	-	(18,030)	3,066,168
Total fund balances (deficits)	3,628,142	1,471,959	3,345,505	(447,238)	13,401	3,691,344	11,703,113
Total liabilities and fund balances	\$ 3,864,633	\$ 1,672,133	\$ 3,829,006	\$ 167,846	\$ 13,533	\$ 3,763,041	\$ 13,310,192

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

**CITY OF KINGSBURG
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017**

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$	11,703,113
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		17,230,865
Expenditures relating to issuance of debt were recognized in the governmental funds, but are capitalized and amortized over the life of the debt in the statement of net position.		86,529
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consist of:		
Revenue bonds	(3,537,250)	
Unamortized bond discounts	(53,539)	
Compensated absences	(299,153)	
Net pension liability	(4,301,435)	(8,191,377)
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		
Pension related deferrals are reported as deferred outflows and inflows of resources on the Statement of Net Position.		1,161,826
Interest on long-term debt is reported as an expenditure of the governmental funds when paid because it requires the use of current financial resources; however, accrued interest must be recorded in the government-wide financial statements when incurred.		(39,074)
Net position of governmental activities	\$	21,951,882

CITY OF KINGSBURG
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Fund			Debt Service Funds		Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	General	Local	Kingsburg	Assessment	Street			
		Transportation	Joint Powers			Districts		
	Funds	Authority						
REVENUES								
Taxes	\$ 2,923,263	\$ -	\$ -	\$ 156,698	\$ -	\$ -	\$ -	\$ 3,079,961
Licenses and permits	636,645	-	-	-	-	-	-	636,645
Intergovernmental	1,150,101	664,597	-	-	766,084	718,124	-	3,298,906
Charges for services	384,310	-	-	-	-	-	-	384,310
Fines and penalties	12,677	-	-	-	-	-	-	12,677
Development fees	203,028	-	-	-	-	802,328	-	1,005,356
Interest	7,858	6,238	182,360	-	-	8,597	-	205,053
Other revenue	82,479	-	-	-	-	7,924	-	90,403
Total revenues	5,400,361	670,835	182,360	156,698	766,084	1,536,973		8,713,311
EXPENDITURES								
Current:								
General government	972,276	-	-	-	-	-	-	972,276
Parks and community services	317,205	-	-	-	-	63,553	-	380,758
Public safety	2,055,197	-	-	-	-	-	-	2,055,197
Public works	397,214	-	-	-	-	-	-	397,214
Highway and streets	-	66,617	-	-	-	546,535	-	613,152
Planning and community development	311,654	-	-	-	-	-	-	311,654
Capital outlay	151,329	635,777	-	-	830,382	462,697	-	2,080,185
Debt service:								
Principal	15,314	-	277,600	-	-	-	-	292,914
Interest and fiscal charges	2,165	-	111,592	65,863	-	-	-	179,620
Total expenditures	4,222,354	702,394	389,192	65,863	830,382	1,072,785		7,282,970
Excess (deficiency) of revenues over (under) expenditures	1,178,007	(31,559)	(206,832)	90,835	(64,298)	464,188		1,430,341
OTHER FINANCING SOURCES (USES)								
Transfers in	180,000	-	-	-	69,677	45,000		294,677
Transfers out	(490,000)	(69,677)	-	-	-	(118,000)		(677,677)
Total other financing sources (uses)	(310,000)	(69,677)	-	-	69,677	(73,000)		(383,000)
Change in fund balances	868,007	(101,236)	(206,832)	90,835	5,379	391,188		1,047,341
Fund balances (deficits) - beginning (restated)	2,760,135	1,573,195	3,552,337	(538,073)	8,022	3,300,156		10,655,772
Fund balances (deficits) - ending	\$ 3,628,142	\$ 1,471,959	\$ 3,345,505	\$ (447,238)	\$ 13,401	\$ 3,691,344		\$ 11,703,113

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

**CITY OF KINGSBURG
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, 2017**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ 1,047,341

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are, therefore, added back to fund balance. 2,068,028
Depreciation expense is deducted from the fund balance. (637,750)

Compensated absences expense reported in the statement of activities does not require the use of current financial resources; therefore, it is not reported as an expenditure in the governmental funds. (62,652)

In the statement of activities, interest is accrued on long-term debt; whereas, in governmental funds, interest expenditure is recorded when paid. 2,310

Changes to net pension liability and pension related deferred outflows and inflows of resources do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 309,526

The issuance of long-term debt (e.g., bonds) provides current financial resources to the governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas these amounts are deferred and amortized in the statement of activities. The increases (decreases) for long-term debt and related items are listed below:

Principal payments on long-term debt 292,914
Amortization of the loss on refunding of debts (8,838)
Amortization of bond discounts (1,010)

Change in net position of governmental activities \$ 3,009,869

CITY OF KINGSBURG
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 2,563,370	\$ 2,563,370	\$ 2,923,263	\$ 359,893
Licenses and permits	258,500	518,500	636,645	118,145
Intergovernmental	875,000	875,000	1,150,101	275,101
Charges for services	233,130	233,130	384,310	151,180
Fines and penalties	13,000	13,000	12,677	(323)
Development fees	47,000	47,000	203,028	156,028
Interest	-	-	7,858	7,858
Other revenue	67,300	67,300	82,479	15,179
Total revenues	<u>4,057,300</u>	<u>4,317,300</u>	<u>5,400,361</u>	<u>1,083,061</u>
EXPENDITURES				
Current:				
General government:				
City council	17,246	17,246	19,293	(2,047)
City attorney	92,900	92,900	78,918	13,982
Non-departmental	291,411	361,411	370,785	(9,374)
City manager	181,558	181,558	195,735	(14,177)
City clerk	74,623	79,923	82,350	(2,427)
Finance	122,269	122,269	141,036	(18,767)
Human resources/management assistant	73,872	73,872	84,159	(10,287)
Total general government	<u>853,879</u>	<u>929,179</u>	<u>972,276</u>	<u>(43,097)</u>
Parks and community services:				
Community services	135,974	135,974	124,775	11,199
Pool	158,029	161,202	192,430	(31,228)
Total parks and community services	<u>294,003</u>	<u>297,176</u>	<u>317,205</u>	<u>(20,029)</u>
Public safety:				
Police	2,058,367	2,058,367	2,055,197	3,170
Total public safety	<u>2,058,367</u>	<u>2,058,367</u>	<u>2,055,197</u>	<u>3,170</u>
Public works:				
Public works - administration	46,799	46,799	55,102	(8,303)
Landscape maintenance	237,246	244,746	158,418	86,328
Facility maintenance	44,595	44,595	55,268	(10,673)
Vehicle maintenance	128,576	128,576	128,426	150
Total public works	<u>457,216</u>	<u>464,716</u>	<u>397,214</u>	<u>67,502</u>
Planning and community development	254,319	254,319	311,654	(57,335)
Capital outlay	174,500	174,500	151,329	23,171
Debt service:				
Principal	15,314	15,314	15,314	-
Interest and fiscal charges	2,165	2,165	2,165	-
Total expenditures	<u>4,109,763</u>	<u>4,195,736</u>	<u>4,222,354</u>	<u>(26,618)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,463)</u>	<u>121,564</u>	<u>1,178,007</u>	<u>1,056,443</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	195,544	195,544	180,000	(15,544)
Transfers out	(490,000)	(490,000)	(490,000)	-
Sale of general capital assets	38,292	38,292	-	(38,292)
Total other financing sources (uses)	<u>(256,164)</u>	<u>(256,164)</u>	<u>(310,000)</u>	<u>(53,836)</u>
Change in fund balance	(308,627)	(134,600)	868,007	1,002,607
Fund balance - beginning	2,760,135	2,760,135	2,760,135	-
Fund balance - ending	<u>\$ 2,451,508</u>	<u>\$ 2,625,535</u>	<u>\$ 3,628,142</u>	<u>\$ 1,002,607</u>

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

CITY OF KINGSBURG
STATEMENT OF REVENUE EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
LOCAL TRANSPORTATION FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 388,021	\$ 388,021	\$ 664,597	\$ 276,576
Interest	<u>520</u>	<u>520</u>	<u>6,238</u>	<u>5,718</u>
Total revenues	<u>388,541</u>	<u>388,541</u>	<u>670,835</u>	<u>282,294</u>
EXPENDITURES				
Current:				
Highway and streets	70,800	70,800	66,617	4,183
Capital outlay	<u>710,759</u>	<u>710,759</u>	<u>635,777</u>	<u>74,982</u>
Total expenditures	<u>781,559</u>	<u>781,559</u>	<u>702,394</u>	<u>79,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(393,018)</u>	<u>(393,018)</u>	<u>(31,559)</u>	<u>361,459</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>-</u>	<u>-</u>	<u>(69,677)</u>	<u>(69,677)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(69,677)</u>	<u>(69,677)</u>
Change in fund balance	(393,018)	(393,018)	(101,236)	291,782
Fund balance - beginning	<u>1,573,195</u>	<u>1,573,195</u>	<u>1,573,195</u>	<u>-</u>
Fund balance - ending	<u>\$ 1,180,177</u>	<u>\$ 1,180,177</u>	<u>\$ 1,471,959</u>	<u>\$ 291,782</u>

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

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

	Business-Type Activities			Total Enterprise Funds
	Water	Disposal	Ambulance	
ASSETS				
Current assets:				
Cash and investments	\$ 2,605,410	\$ -	\$ -	\$ 2,605,410
Receivable (net of allowance for uncollectibles)	<u>648,477</u>	<u>172,375</u>	<u>668,583</u>	<u>1,489,435</u>
Total current assets	<u>3,253,887</u>	<u>172,375</u>	<u>668,583</u>	<u>4,094,845</u>
Noncurrent assets:				
Property, plant and equipment, net of accumulated depreciation	<u>5,775,463</u>	<u>13,493</u>	<u>3,474,114</u>	<u>9,263,070</u>
Total noncurrent assets	<u>5,775,463</u>	<u>13,493</u>	<u>3,474,114</u>	<u>9,263,070</u>
Total assets	<u>9,029,350</u>	<u>185,868</u>	<u>4,142,697</u>	<u>13,357,915</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>141,995</u>	<u>63,630</u>	<u>594,811</u>	<u>800,436</u>
Total deferred outflows of resources	<u>141,995</u>	<u>63,630</u>	<u>594,811</u>	<u>800,436</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	61,731	113,508	68,158	243,397
Accrued interest payable	48,316	-	-	48,316
Due to other funds	-	171,276	1,773,999	1,945,275
Compensated absences	33,122	19,952	37,030	90,104
Current portion of long-term debt	<u>209,890</u>	<u>-</u>	<u>-</u>	<u>209,890</u>
Total current liabilities	<u>353,059</u>	<u>304,736</u>	<u>1,879,187</u>	<u>2,536,982</u>
Noncurrent liabilities:				
Long-term debt	2,074,707	-	-	2,074,707
Capital lease payable	647,510	-	-	647,510
Advances from other funds	400,000	-	2,460,000	2,860,000
Compensated absences	14,797	6,859	106,754	128,410
Net pension liability	<u>528,788</u>	<u>236,963</u>	<u>1,477,172</u>	<u>2,242,923</u>
Total noncurrent liabilities	<u>3,665,802</u>	<u>243,822</u>	<u>4,043,926</u>	<u>7,953,550</u>
Total liabilities	<u>4,018,861</u>	<u>548,558</u>	<u>5,923,113</u>	<u>10,490,532</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>48,842</u>	<u>18,863</u>	<u>111,026</u>	<u>178,731</u>
Total deferred inflows of resources	<u>48,842</u>	<u>18,863</u>	<u>111,026</u>	<u>178,731</u>
NET POSITION				
Net investment in capital assets	2,843,356	13,493	3,474,114	6,330,963
Unrestricted	<u>2,260,286</u>	<u>(331,416)</u>	<u>(4,770,745)</u>	<u>(2,841,875)</u>
Total net position (deficit)	<u>\$ 5,103,642</u>	<u>\$ (317,923)</u>	<u>\$ (1,296,631)</u>	<u>\$ 3,489,088</u>

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

**CITY OF KINGSBURG
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Business-Type Activities			Total Enterprise Funds
	Water	Disposal	Ambulance	
OPERATING REVENUES:				
Charges for services	\$ 2,086,149	\$ 1,879,921	\$ 698,657	\$ 4,664,727
Total operating revenue	<u>2,086,149</u>	<u>1,879,921</u>	<u>698,657</u>	<u>\$ 4,664,727</u>
OPERATING EXPENSES:				
Contractual services and utilities	767,746	1,658,267	1,070,921	3,496,934
Personnel services	489,931	239,420	963,229	1,692,580
Supplies and materials	73,026	37,790	53,755	164,571
Depreciation and amortization	<u>461,766</u>	<u>4,834</u>	<u>135,674</u>	<u>602,274</u>
Total operating expenses	<u>1,792,469</u>	<u>1,940,311</u>	<u>2,223,579</u>	<u>5,956,359</u>
Operating income (loss)	<u>293,680</u>	<u>(60,390)</u>	<u>(1,524,922)</u>	<u>(1,291,632)</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	6,750	-	-	6,750
Grants	-	-	1,391,447	1,391,447
Interest and fiscal charges	<u>(132,163)</u>	<u>-</u>	<u>(73,038)</u>	<u>(205,201)</u>
Total nonoperating revenues (expenses)	<u>(125,413)</u>	<u>-</u>	<u>1,318,409</u>	<u>1,192,996</u>
Net income (loss) before transfers	<u>168,267</u>	<u>(60,390)</u>	<u>(206,513)</u>	<u>(98,636)</u>
Transfers in	-	-	542,622	542,622
Transfers out	<u>(159,622)</u>	<u>-</u>	<u>-</u>	<u>(159,622)</u>
Change in net position	8,645	(60,390)	336,109	284,364
Net position (deficits), beginning of year	<u>5,094,997</u>	<u>(257,533)</u>	<u>(1,632,740)</u>	<u>3,204,724</u>
Net position (deficits), end of year	<u>\$ 5,103,642</u>	<u>\$ (317,923)</u>	<u>\$ (1,296,631)</u>	<u>\$ 3,489,088</u>

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

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

	Business-Type Activities			Total Enterprise Funds
	Water	Disposal	Ambulance	
Cash flows from operating activities:				
Receipts from customers and users	\$ 2,346,774	\$ 1,880,906	\$ 645,219	\$ 4,872,899
Payments to suppliers for goods and services	(995,699)	(1,692,357)	(1,083,835)	(3,771,891)
Payments to or on behalf of employees for services	<u>(476,072)</u>	<u>(182,319)</u>	<u>(1,220,384)</u>	<u>(1,878,775)</u>
Net cash provided (used) by operating activities	<u>875,003</u>	<u>6,230</u>	<u>(1,659,000)</u>	<u>(777,767)</u>
Cash flows from noncapital financing activities:				
Transfers to other funds	(159,622)	-	-	(159,622)
Transfers from other funds	-	-	542,622	542,622
Interfund loan repayment	1,811,279	(6,230)	(24,774)	1,780,275
Grants	<u>-</u>	<u>-</u>	<u>1,391,447</u>	<u>1,391,447</u>
Net cash provided (used) by noncapital financing activities	<u>1,651,657</u>	<u>(6,230)</u>	<u>1,909,295</u>	<u>3,554,722</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(119,685)	-	(177,257)	(296,942)
Principal paid on long-term debt	(203,400)	-	-	(203,400)
Interest and fiscal charges	<u>(136,454)</u>	<u>-</u>	<u>(73,038)</u>	<u>(209,492)</u>
Net cash provided (used) by capital and related financing activities	<u>(459,539)</u>	<u>-</u>	<u>(250,295)</u>	<u>(709,834)</u>
Cash flows from investing activities:				
Interest on investments	<u>6,750</u>	<u>-</u>	<u>-</u>	<u>6,750</u>
Net cash provided (used) by investing activities	<u>6,750</u>	<u>-</u>	<u>-</u>	<u>6,750</u>
Increase (decrease) in cash and cash equivalents	2,073,871	-	-	2,073,871
Cash and cash equivalents, July 1	<u>531,539</u>	<u>-</u>	<u>-</u>	<u>531,539</u>
Cash and cash equivalents, June 30	<u>\$ 2,605,410</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,605,410</u>

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

CITY OF KINGSBURG
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(Continued)

	Business-Type Activities			Total Enterprise Funds
	Water	Disposal	Ambulance	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 293,680	\$ (60,390)	\$ (1,524,922)	\$ (1,291,632)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	461,766	4,834	135,674	602,274
Pension expense	94,724	100,759	(17,169)	178,314
Changes in assets, deferred outflows of resources and liabilities:				
(Increase) decrease in accounts receivables, net	260,625	985	(53,438)	208,172
Increase (decrease) in accounts payable and accrued liabilities	(154,927)	3,700	40,841	(110,386)
(Increase) decrease in compensated absences	10,806	3,799	17,012	31,617
(Increase) decrease in deferred outflows of resources related pensions	<u>(91,671)</u>	<u>(47,457)</u>	<u>(256,998)</u>	<u>(396,126)</u>
Net cash provided (used) by operating activities	<u>\$ 875,003</u>	<u>\$ 6,230</u>	<u>\$ (1,659,000)</u>	<u>\$ (777,767)</u>

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

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

	Successor Agency of the Redevelopment Agency Private Purpose Trust
ASSETS	
Cash and investments	\$ 65,216
Other assets	17,266
Total assets	\$ 82,482
LIABILITIES	
Accrued interest payable	\$ 4,838
Deposits	11,750
Advances from the City	210,000
Total liabilities	226,588
NET POSITION (DEFICIT)	
Held in trust	\$ (144,106)

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

**CITY OF KINGSBURG
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Successor Agency of the Redevelopment Agency Private Purpose Trust
ADDITIONS:	
Taxes	\$ <u>200,817</u>
Total additions	<u>200,817</u>
DEDUCTIONS:	
Interest and fiscal charges	<u>17,978</u>
Total deductions	<u>17,978</u>
Change in net position	182,839
Net position (deficit) - beginning	<u>(326,945)</u>
Net position (deficit) - ending	<u>\$ (144,106)</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Kingsburg, California (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting principles. The most significant of the government's accounting principles are described below.

These financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. There is a blended component unit included in these financial statements and it has a June 30 year-end. There are no discretely presented component units included in these financial statements. The following sections further describe the significant policies of the City.

Reporting Entity

The City was incorporated as a general law city in 1908. The City operates under a Council-Manager form of government. The City's major operations include public safety, public works, water and disposal, parks and recreation, building inspection, public improvements, planning and community development, and general administrative services.

The accompanying basic financial statements include the financial activities of the City, the primary government, and its blended component unit, the Kingsburg Joint Powers Authority (KJPA). Financial information for the City and its component units is accounted for in the accompanying financial statements in accordance with principles defining the governmental reporting entity adopted by the GASB. The KJPA was established June 30, 1990 through a Joint Exercise of Powers Agreement. The formation of the joint powers authority was approved by the City Council who is also designated as the Board of Directors for the KJPA. The City Manager is appointed Secretary with the City staff providing all support services. The purpose of the KJPA is solely to provide funds from the sale of revenue bonds to finance or refinance the costs of various projects for the City. The City set up the KJPA to act as a financing/lending type institution only. The KJPA/City legislative meetings are held concurrently. The KJPA is reported as a debt service fund and does not issue separate financial statements.

Basis of Presentation – Fund Accounting

Government-Wide Financial Statements – The statement of net position and the statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's *business-type activities* and for each function of the City's *governmental activities*. Direct expenses are those that are specifically associated with a program or function and, therefore, are included in the program expense reported for individual functions. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Amounts reported as program revenues include: 1) charges to customers or applicant who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Accounting (Continued)

Fund Financial Statements – The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The City reports the following major governmental funds:

The **General Fund** is the general operating fund of the City. It is used for all financial resources except those required legally, or by sound financial management to be accounted for in another fund. Generally, the General Fund is used to account for those traditional governmental services of the City, such as police and fire protection, planning and general administrative services.

The **Local Transportation Fund** accounts for revenues received and expenditures made for use on certain transportation and transit projects within Fresno County. Financing is generated from a one-quarter percent sales and use tax made pursuant to the California Transportation Development Act (TDA). Expenditures of these moneys must be made in accordance with TDA provisions.

The **Kingsburg Public Joint Powers Authority Fund** is used to account for revenues and expenditures of the KPFA Revenue Bonds. Bond proceeds are to be used to finance or refinance the costs of various improvement projects for the City and other public agencies.

The **Assessment Districts Fund** is used to accumulate assessments levied for payment of bonds issued for the Improvement Bonds in Districts No. 1991-1 and No. 1992-1.

The **Street Projects Fund** is used to account for related street construction and maintenance.

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for each major enterprise fund.

The City has three major enterprise funds, the Water, Disposal, and Ambulance, which are used to account for operations that are financed and operated in a manner similar to private business enterprises. In an enterprise fund, the intent of the City Council is that costs (expenses, including depreciation) of providing services to the general public, on a continuing basis, be financed or recovered primarily through user charges.

The City reports the following major enterprise funds:

The **Water Fund** is used to account for financial activity of the water utility system.

The **Disposal Fund** is used to account for the financial activity of the solid waste collection and disposal utility system.

The **Ambulance Fund** is used to account for the financial activity of the ambulance activities.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Accounting (Continued)

Additionally, the City reports the following private-purpose fund type:

The ***Successor Agency of the Redevelopment Agency Private Purpose Trust Fund*** accounts for assets and liabilities of the former redevelopment agency until they are distributed to other units of state and local government as a result of the dissolution of the redevelopment agency.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in the governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Entitlements are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 day of the year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds and the private-purpose trust fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. *Operating revenues*, such as charges for services, result from exchange transactions associated with the principal activity of each fund. *Nonoperating revenues*, such as interest income, state and federal grants, and subsidies, result from nonexchange transactions or ancillary activities. *Operating expenses* include costs for providing services and delivering goods such as administrative expenses and depreciation on capital assets. All other expenses not meeting this definition are reported as *nonoperating expenses*.

Budgetary Information

Budgetary and Budgetary Accounting

Annual budgets are adopted on basis consistent with generally accepted accounting principles for the general fund, special revenue funds, capital funds, debt service funds and enterprise funds.

The City, in establishing the budgetary data reflected in the basic financial statements and supplementary information, utilizes the following procedures:

- 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.
- The City Council reviews the proposed budget at specially scheduled sessions, which are open to the public. The Council also conducts a public hearing on the proposed budget to obtain comments from interest persons.
- Prior to July 1, the budget is legally adopted through passage of an Ordinance.
- The budget is amended during the fiscal year to reflect all transfers and amendments.

The appropriated budget is prepared by fund, department, and account. The City's department heads may make transfers of appropriations within a department. The City Manager is authorized to make budget transfers between departments within funds. All revisions must be reported to the City Council. Transfer of appropriations between funds required the approval of the City Council. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the department level.

All annual appropriations lapse at fiscal year-end to the extent they have not been expended.

The actual results of operations compared to the appropriations adopted by the City Council for budgeted major governmental funds are included in the fund financial statements. The comparisons of actual results with budget for nonmajor funds are presented as supplemental information in the combining schedules.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

Excess of Expenditures over Appropriations

For the year ended June 30, 2017, expenditures exceeded appropriations as follows:

General Fund:

General government:

City council	\$ 2,047
Non-departmental	9,374
City manager	14,177
City clerk	2,427
Finance	18,767
Human resources/management assistant	10,287

Parks and community services:

Pool	31,228
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Public works:

Public works - administration	8,303
Facility maintenance	10,673
Planning and community development	57,335

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and Cash Equivalents – Cash and cash equivalents represent the City’s cash bank accounts including, but not limited to, certificates of deposit, money market funds and cash management pools for reporting purposes in the statement of cash flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the statement of cash flows.

The City maintains a cash and investment pool that is available for use by all funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month-end cash balances in each fund.

Investments of the pool include only those investments authorized by the California Government Code such as United States Treasury securities, agencies guaranteed by the United States Government, registered state warrants, and other investments. Investments primarily consist of deposits in the State of California Local Agency Investment Fund. Investments are stated at cost or amortized cost.

Accounts Receivable – Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. The proprietary funds include a year-end accrual for services through the end of the fiscal year which have not yet been billed. Accounts receivable are reported net of an allowance for uncollectible accounts.

Property Tax Calendar – Fresno County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property taxes are levied in equal installments on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. The lien date is January 1 of each year. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after the year-end. Property taxes on the unsecured roll are due on July 1 and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year-end accrual.

The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum tax of \$1.00 per \$100 of full cash value.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

Due From/To Other Funds – Items classified as due from/to other funds represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

Advances To/From Other Funds – This classification represents noncurrent portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and, therefore, is not available for appropriation.

Land Held for Low and Moderate Housing Projects – Land acquired for future sale are shown as land held for low and moderate housing projects in the accompanying financial statements. Land held for low and moderate housing projects is carried at the lower of cost or net realizable value.

Capital Assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the in the government-wide statement of net position and the proprietary funds' statement of net position. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Capital outlays are recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	10-50 years
Plant system	20-40 years
Machinery and equipment	5-10 years
Infrastructure.....	40 years

Interest Payable – In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental fund-types and proprietary fund-types. In the fund financial statements, proprietary fund-types recognize the interest payable when the liability is incurred.

Long-term Obligations – In the government-wide financial statements, proprietary fund types in the fund financial statements, and private-purpose trust fund statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Initial-issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Offering costs are expensed when incurred. Bonds payable are reported net of the unamortized portion of applicable premium or discount. Deferred amount on refunding are reported as deferred outflows of resources. Bond issuance costs, including underwriters' discount, are expensed when incurred. Amortization of bond premiums or discounts and deferred amounts on refunding are included in interest expense.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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

Unavailable Revenue - In the fund financial statements, unavailable revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unavailable revenue for transactions for which revenues have been earned, but for which funds are not available to meet current financial obligations.

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

Compensated Absences - Accumulated unpaid vacation benefits are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide financial statements as long-term debt. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated at 15 days per year for full-time regular employees. Vacation is accumulated at 12 days per year for full-time regular employees with less than five years of service to a maximum of 25 days per year for full-time regular employees with over 20 years of service with no limit on accrual of unused hours. Upon employment termination, unused sick leave is paid out at 50% for less than 20 years of service and 75% for more than 20 years of service. These amounts are included as liabilities in the government-wide and enterprise fund financial statements.

Net Position - In the government-wide financial statements, net position is classified in the following categories:

Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. 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 position – 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 position – This category presents the net position of assets that do not meet the definition of "net investment in capital assets" or "restricted net position".

When both restricted and unrestricted net position are available, restricted resources are depleted first before the unrestricted resources are used.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

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

- Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact.
- Restricted: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City Council or through the City Council delegating this responsibility to the Finance Director through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the general fund.
- Unassigned: This classification is the residual classification for the general fund and represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. In other governmental funds it includes any negative residual amounts that may exist as a result of expenditures incurred for specific purposes in excess of amounts restricted, committed or assigned to those purposes.

The City would typically use restricted resources first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

Encumbrances – The City does not use encumbrance accounting.

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

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Equity

The following is a summary of deficit fund balances and net position as of June 30, 2017:

Governmental Funds

Major Funds:

Assessment Districts Special Revenue Fund	\$ (447,238)
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Nonmajor Funds:

Senior Center	(18,030)
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Enterprise Funds

Major Funds:

Disposal Enterprise Fund	(317,923)
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Ambulance Enterprise Fund	(1,296,631)
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Fiduciary Fund

Successor Agency of the RDA	<u>(144,106)</u>
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\$ (2,223,928)

The deficit fund balance in the Assessment Districts Fund is due to reclassification of outstanding debt into the fund as an advance. The deficit will be eliminated as resources are obtained from other funds.

The deficit fund balances in the Senior Center, the Disposal Fund, the Ambulance Fund, and the Successor Agency of the RDA Fund are due to operating expenditures exceeding operating revenues. Future revenues are expected to offset these deficits.

NOTE 3 – CASH AND INVESTMENTS

The City pools all of its cash and investments except those funds required to be held by bond trustee or outside fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash is allocated to the various funds on average cash balances. Interest income from cash investments held by bond trustee is credited directly to the related funds.

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

Statement of net position:

Cash and investments - unrestricted	\$ 8,268,212
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Cash and investments - restricted	144,006
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Fiduciary funds:

Cash and investments	<u>65,216</u>
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Total cash and investments	<u>\$ 8,477,434</u>
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**CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments as of June 30, 2017 consist of the following:

Cash on hand	\$	1,450
Deposits with financial institutions		2,473,196
Investments		
Local Agency Investment Fund		5,858,782
Held by Fiscal Agent:		
Money Market Account		144,006
 Total cash and investments	 \$	 <u>8,477,434</u>

Restricted cash and investments of \$144,006 are held in the Kingsburg Joint Powers Authority Debt Service Fund for debt service payments.

Investments Authorized by the California Government Code and the City's Investments Policy

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JSA Pools (other investment pools)	N/A	None	None

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 – CASH AND INVESTMENTS (Continued)

Investments Authorized by Debt Agreements

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker’s Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages its exposure to interest rate risk is by investing funds in liquid, short-term investments which can be converted to cash when necessary to meet disbursement requirements.

Information about the sensitivity of the fair values of the City’s investments to market interest rate fluctuations is provided by the following schedule that shows the distribution of the City’s investments by maturity:

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>				
	<u>Total</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
Local Agency Investment Fund Held by Bond Trustee:	\$ 5,858,782	\$ 5,858,782	\$ -	\$ -	\$ -
Money Market Account	<u>144,006</u>	<u>144,006</u>	-	-	-
Total	<u>\$ 6,002,788</u>	<u>\$ 6,002,788</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

NOTE 3 – CASH AND INVESTMENTS (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required (where applicable) by the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of year-end for each investment type. The column marked “exempt from disclosure” identifies those investment types for which GASB Statement No. 40 does not require disclosure as to credit risk:

Investment Type	Total	Exempt from Disclosure	Rating as of Year-End		
			A-1+	AAAm	Not Rated
Local Agency Investment Fund Held by Bond Trustee:	\$ 5,858,782	\$ -	\$ -	\$ -	\$ 5,858,782
Money Market Account	144,006	-	-	-	144,006
Total	\$ 6,002,788	\$ -	\$ -	\$ -	\$ 6,002,788

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2017, the City did not have any investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk-Deposits

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provisions for deposits:

At June 30, 2017, the carrying amount of the City’s deposits was \$2,474,642. Bank balances before reconciling items were \$2,549,431 at that date, the total amount of which was collateralized or insured 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 cash 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.

According to California law, the fair value of pledged securities with banking institutions must equal at least 110% of the City’s cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

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

NOTE 3 – CASH AND INVESTMENTS (Continued)

Custodial Credit Risk-Investments

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to the City’s indirect investment in securities through the use of mutual funds or government investments pools such as the Local Agency Investment Fund (LAIF).

Investment in State Investment Pool

The City is a voluntary participant in the 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). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment Valuation

The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City’s only investments, which are allocated at fair value, are in a State of California Local Agency Investment Fund (LAIF). LAIF invests in numerous types of investments ranging all levels in the fair value hierarchy. Accordingly, LAIF is not an investment type that can be categorized in any particular level in the fair value hierarchy.

NOTE 4 – RECEIVABLES

Receivables as of June 30, 2017 consisted of the following for the governmental funds:

	General	Local Transportation Fund	Assessment Districts	Street Projects	Other Governmental Funds	Total Governmental Funds
Receivables:						
Taxes	\$ 285,285	\$ -	\$ -	\$ -	\$ 24,225	\$ 309,510
Intergovernmental	<u>131,109</u>	<u>246,937</u>	<u>-</u>	<u>2,778</u>	<u>14,371</u>	<u>395,195</u>
Receivables, net	<u>\$ 416,394</u>	<u>\$ 246,937</u>	<u>\$ -</u>	<u>\$ 2,778</u>	<u>\$ 38,596</u>	<u>\$ 704,705</u>

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

NOTE 4 – RECEIVABLES (Continued)

Receivables as of June 30, 2017 consisted of the following for the proprietary funds:

	<u>Water</u>	<u>Disposal</u>	<u>Ambulance</u>	<u>Total Proprietary Funds</u>
Receivables:				
Accounts	\$ 696,552	\$ 229,110	\$ 1,418,583	\$ 2,344,245
Less: Allowance for doubtful accounts	<u>(48,075)</u>	<u>(56,735)</u>	<u>(750,000)</u>	<u>(854,810)</u>
Receivables, net	<u>\$ 648,477</u>	<u>\$ 172,375</u>	<u>\$ 668,583</u>	<u>\$ 1,489,435</u>

NOTE 5 – INTERFUND ACTIVITIES

Due From/To Other Funds

Due from/to other funds balances as of June 30, 2017 are as follows:

	<u>Due From</u>	<u>Due To</u>
Governmental Funds		
Major Funds:		
General fund	\$ 2,442,585	\$ -
Kingsburg Public Finance Authority Debt Service Fund	-	483,501
Nonmajor Fund:		
Senior Center Special Revenue Fund	-	13,809
Enterprise Funds		
Major Funds:		
Disposal Fund	-	171,276
Ambulance Fund	<u>-</u>	<u>1,773,999</u>
Total	<u>\$ 2,442,585</u>	<u>\$ 2,442,585</u>

The “due from” balances in the funds listed above represents loans made to other funds to cover operating cash deficits and are expected to be collected in the subsequent year.

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

NOTE 5 – INTERFUND ACTIVITIES (Continued)

Advances From/To Other Funds

The Kingsburg Public Finance Authority (KPFA) issued revenue bonds and used the bond proceeds to acquire qualified obligations of the City of Kingsburg and the former Redevelopment Agency of the City of Kingsburg to finance various capital improvements and projects. These advances carry a stated interest rate and have scheduled debt service payments. They are not expected to be repaid within one year. The long-term interfund loan balances as of June 30, 2017 are as follows:

	<u>Advances From</u>	<u>Advances To</u>
Governmental Funds		
Major Funds:		
Kingsburg Public Finance Authority Debt Service Fund	\$ 3,475,000	\$ -
Assessment Districts Debt Service Fund	-	615,000
Enterprise Funds		
Major Funds:		
Ambulance Enterprise Fund	-	2,460,000
Water Enterprise Fund	-	400,000
	<u> </u>	<u> </u>
Total	<u>\$ 3,475,000</u>	<u>\$ 3,475,000</u>

Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2017 is as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds		
Major Funds:		
General Fund	\$ 180,000	\$ 490,000
Local Transportation Funds Special Revenue Fund	-	69,677
Street Projects Capital Projects Fund	69,677	-
Nonmajor Fund:		
Senior Center Special Revenue Fund	45,000	-
COPS Grant Special Revenue Fund	-	100,000
Capital Facilities Capital Projects Fund	-	18,000
Enterprise Funds		
Major Funds:		
Water Enterprise Fund	-	159,622
Ambulance Enterprise Fund	542,622	-
	<u> </u>	<u> </u>
Total	<u>\$ 837,299</u>	<u>\$ 837,299</u>

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

NOTE 5 – INTERFUND ACTIVITIES (Continued)

Interfund Transfers (Continued)

During the fiscal year, the City made the following transfers:

- (1) The general fund transferred \$365,000 to the ambulance enterprise fund, \$45,000 to the senior center special revenue fund, and \$80,000 to the pool fund to provide subsidy to those funds.
- (2) The local transportation funds special revenue fund transferred \$69,677 to the street project capital projects fund for the City's local match for street projects.
- (3) The capital facilities capital projects fund transferred \$18,000 and the water enterprise fund transferred \$159,622 to the ambulance fund for bond payments.
- (4) The COPS grant special revenue fund transferred \$100,000 to the general fund to cover costs of officers reported in general fund expenses.

NOTE 6 – CAPITAL ASSETS

Capital assets activity of the governmental activities for the year ending June 30, 2017 is as follows:

	Balances July 1, 2016	Additions	Deletions	Transfers	Balances June 30, 2017
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 587,014	\$ -		\$ -	\$ 587,014
Construction in progress	<u>473,645</u>	<u>1,949,464</u>	-	<u>(1,872,145)</u>	<u>550,964</u>
Total capital assets, not being depreciated	<u>1,060,659</u>	<u>1,949,464</u>	-	<u>(1,872,145)</u>	<u>1,137,978</u>
Capital assets, being depreciated:					
Buildings and improvements	4,457,595	-	-	-	4,457,595
Infrastructure	14,264,717	-	-	1,872,145	16,136,862
Machinery and equipment	<u>3,214,695</u>	<u>118,566</u>	-	-	<u>3,333,261</u>
Total capital assets, being depreciated	<u>21,937,007</u>	<u>118,566</u>	-	<u>1,872,145</u>	<u>23,927,718</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,498,356)	(110,932)	-	-	(2,609,288)
Infrastructure	(2,220,236)	(381,361)	-	-	(2,601,597)
Machinery and equipment	<u>(2,478,489)</u>	<u>(145,457)</u>	-	-	<u>(2,623,946)</u>
Total accumulated depreciation	<u>(7,197,081)</u>	<u>(637,750)</u>	-	-	<u>(7,834,831)</u>
Total capital assets being depreciated, net	<u>14,739,926</u>	<u>(519,184)</u>	-	<u>1,872,145</u>	<u>16,092,887</u>
Governmental activities capital assets, net	<u>\$ 15,800,585</u>	<u>\$ 1,430,280</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,230,865</u>

Depreciation expense is charged to governmental functions as follows:

Governmental activities:	
General government	\$ 17,607
Parks and community services	53,151
Public safety	136,418
Public works	<u>430,574</u>
Total	<u>\$ 637,750</u>

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 – CAPITAL ASSETS (Continued)

Capital assets activity of the business-type activities for the year ending June 30, 2017 is as follows:

	Balances July 1, 2016	Additions	Deletions	Transfers	Balances June 30, 2017
Business-Type Activities:					
Capital assets, not being depreciated:					
Land	\$ 83,216	\$ -	\$ -	\$ -	\$ 83,216
Construction in progress	<u>1,612,082</u>	<u>-</u>	<u>-</u>	<u>(1,612,082)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>1,695,298</u>	<u>-</u>	<u>-</u>	<u>(1,612,082)</u>	<u>83,216</u>
Capital assets, being depreciated:					
Buildings, improvements and plants	10,998,172	39,902	-	-	11,038,074
Machinery and equipment	<u>2,090,687</u>	<u>257,040</u>	<u>-</u>	<u>1,612,082</u>	<u>3,959,809</u>
Total capital assets, being depreciated	<u>13,088,859</u>	<u>296,942</u>	<u>-</u>	<u>1,612,082</u>	<u>14,997,883</u>
Less accumulated depreciation for:					
Buildings, improvements and plants	(3,471,872)	(297,674)	-	-	(3,769,546)
Machinery and equipment	<u>(1,743,883)</u>	<u>(304,600)</u>	<u>-</u>	<u>-</u>	<u>(2,048,483)</u>
Total accumulated depreciation	<u>(5,215,755)</u>	<u>(602,274)</u>	<u>-</u>	<u>-</u>	<u>(5,818,029)</u>
Total capital assets being depreciated, net	<u>7,873,104</u>	<u>(305,332)</u>	<u>-</u>	<u>1,612,082</u>	<u>9,179,854</u>
Business-type activities capital assets, net	<u>\$ 9,568,402</u>	<u>\$ (305,332)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,263,070</u>

Depreciation expense is charged to business-type functions as follows:

Business-type activities:	
Water	\$ 461,766
Disposal	4,834
Ambulance	<u>135,674</u>
Total	<u>\$ 602,274</u>

NOTE 7 – OPERATING LEASE

The City has a non-cancelable lease for the City's Council Chambers. The lease expires on August 31, 2017. For the fiscal year-end June 30, 2017 rent expense was \$27,513. The lease payments range from \$2,293 to \$2,362 per month.

Future minimum lease payments for the leases are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>
2018	\$ 4,723
	<u>\$ 4,723</u>

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

NOTE 8 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt.

In government fund-types, debt discounts and issuance costs are recognized in the current period. Debt discounts and issuance costs incurred in proprietary funds are deferred and amortized over the term of the debt using the bonds-outstanding method, which approximates the effective interest method. The City's debt activities are summarized below and discussed in detail thereafter:

	Balances July 1, 2016	Additions	Deletions	Balances June 30, 2017	Amounts Due Within One Year
Governmental Activities Long-Term Debt:					
Bonds Payable:					
PFA Refunding Revenue Bonds, Series 2015	\$ 1,262,900	\$ -	\$ (167,600)	\$ 1,095,300	\$ 183,700
PFA 2015 Lease Revenue Refunding Bonds	2,570,000	-	(110,000)	2,460,000	115,000
Unamortized bond discounts	(19,060)	-	1,010	(18,050)	-
Total bonds payable	3,813,840	-	(276,590)	3,537,250	298,700
Capital lease	68,853	-	(15,314)	53,539	15,846
Compensated absences	236,501	199,474	(136,822)	299,153	162,038
Total governmental activities debt	\$ 4,119,194	\$ 199,474	\$ (428,726)	\$ 3,889,942	\$ 476,584
Business-Type Activities Long-Term Debt:					
CIEDB water loan	\$ 2,257,496	\$ -	\$ (90,053)	\$ 2,167,443	\$ 92,736
Water meter capital lease	878,011	-	(113,347)	764,664	117,154
Compensated absences	186,897	117,741	(86,124)	218,514	90,104
Total business-type activities debt	\$ 3,322,404	\$ 117,741	\$ (289,524)	\$ 3,150,621	\$ 299,994
Total long-term debt	\$ 7,441,598	\$ 317,215	\$ (718,250)	\$ 7,040,563	\$ 776,578

The liability for compensated absences will be liquidated by the fund in which the employees' salaries are charged. The governmental activities liability is made up of 93% in the general fund and 7% in the Gas Tax fund.

Long-term debt at June 30, 2017 was comprised of the following individual issues:

Governmental Activities

Kingsburg Joint Powers Authority Refunding Revenue Bonds, Series 2015 – On April 28, 2015, the City issued \$1,439,100 in revenue bonds with interest rate of 2.85% payable semi-annually. The bonds were to refund \$945,000 of outstanding Kingsburg Public Finance Authority Revenue Bonds, Series 1991 and \$1,215,000 of outstanding Kingsburg Public Finance Authority Revenue Bonds, Series 1992. These bonds are payable from assessments on the property owners within the district and are payable from other funds of the City. The principal payments range from \$176,200 to \$250,500 and are due annually through fiscal year 2023. At June 30, 2017 bonds outstanding amount to \$1,095,300.

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

NOTE 8 – LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Annual debt service requirements to maturity for Kingsburg Joint Powers Authority Refunding Revenue Bonds, Series 2015 at June 2017 are as follows:

Fiscal Year Ending	Principal	Interest	Total
2018	\$ 183,700	\$ 28,598	\$ 212,298
2019	178,300	23,440	201,740
2020	162,400	18,585	180,985
2021	161,300	13,972	175,272
2022	159,100	9,406	168,506
2023	250,500	3,570	254,070
Total	<u>\$ 1,095,300</u>	<u>\$ 97,571</u>	<u>\$ 1,192,871</u>

Kingsburg Public Joint Powers Authority 2004 Lease Revenue Bonds, Fire Department Facilities – On August 1, 2004, the City issued \$3,395,000 in revenue bonds to construct a new satellite fire/ambulance station and to remodel the current station. The interest rates range from 2.0% to 5.00% payable semi-annually. These bonds are payable from fees for ambulance services. The principal payments in amounts from \$65,000 to \$205,000 are due annually through 2035. On May 14, 2015, the City issued Kingsburg Joint Powers Authority 2015 Lease Revenue Refunding Bonds, Fire Department Facilities Refunding Project to refund the outstanding amount of \$2,685,000.

Kingsburg Joint Powers Authority 2015 Lease Revenue Refunding Bonds, Fire Department Facilities Refunding Project – On May 14, 2015, the City issued \$2,700,000 in lease revenue bonds with interest rates range from 2.0% to 3.5% payable semi-annually. The bonds were to refund \$2,685,000 of outstanding Kingsburg Public Financing Authority 2004 Lease Revenue Bonds, Fire Department Facilities. These bonds are payable from fees for ambulance services. The principal payments in amounts from \$130,000 to \$180,000 are due annually through fiscal year 2034. At June 30, 2017 bonds outstanding amount to \$2,460,000.

Annual debt service requirements to maturity for Kingsburg Joint Powers Authority 2015 Lease Revenue Refunding Bonds, Fire Department Facilities Refunding Project are as follows:

Fiscal Year Ending	Principal	Interest	Total
2018	\$ 115,000	\$ 70,788	\$ 185,788
2019	120,000	68,438	188,438
2020	125,000	65,988	190,988
2021	125,000	64,738	189,738
2022	130,000	63,488	193,488
2023-2027	695,000	243,188	938,188
2028-2032	795,000	131,394	926,394
2033-2034	355,000	12,513	367,513
	<u>2,460,000</u>	<u>720,535</u>	<u>3,180,535</u>
Unamortized Bonds Discount	<u>(18,050)</u>	<u>-</u>	<u>(18,050)</u>
Total	<u>\$ 2,441,950</u>	<u>\$ 720,535</u>	<u>\$ 3,162,485</u>

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 – LONG-TERM DEBT (Continued)

Governmental Activities (Continued)

Police Vehicles Capital Lease – On August 12, 2015, the City, as Lessee entered into a capital equipment lease/purchase agreement with Leasource Financial Service, Inc., as Lessor, for purchase of two police vehicles. The agreement bears interest at 3.429% with quarterly payments of \$4,370. At June 30, 2017 the capital lease outstanding amounts to \$53,539.

Annual debt service requirements to maturity for the Police Vehicles Capital Lease at June 30, 2017 are as follows:

Fiscal Years ending June 30,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 15,846	\$ 1,633	\$ 17,479
2019	16,396	1,083	17,479
2020	16,965	514	17,479
2021	4,332	38	4,370
	<u>\$ 53,539</u>	<u>\$ 3,268</u>	<u>\$ 56,807</u>

Leased equipment under capital leases in capital assets at June 30, 2017, included the following:

Equipment	\$ 76,442
Less: Accumulated Depreciation	<u>(25,746)</u>
Net	<u>\$ 50,696</u>

Business-Type Activities

CIEDB Water Loan – On August 31, 2004, the City, as purchaser, entered into an installment sale agreement with the California Infrastructure and Economic Development Bank (CIEDB), as seller, of a water system upgrade. As part of the agreement, CIEDB agreed to design, acquire and construct the project for, and sell the project to, the purchaser. In order to implement these provisions, the CIEDB appointed the City as its agent for the purpose of such design, acquisition and construction. The agreement after the 2011 amendment, in the amount not to exceed \$3,147,396, bears interest at 2.98% with semi-annual payments on August 1 and February 1. Under the terms of the agreement, CIEDB issued tax-exempt bonds to be used for the funding of the project. At June 30, 2017, the loan outstanding amounts to \$2,167,444.

Annual debt service requirements for the CIEDB Water Loan are as follows:

Fiscal Year Ending	Principal	Interest	Total
2018	\$ 92,735	\$ 63,208	\$ 155,943
2019	95,499	60,403	155,902
2020	98,345	57,515	155,860
2021	101,276	54,541	155,817
2022	104,294	51,478	155,772
2023-2027	569,984	208,152	778,136
2028-2032	660,124	116,967	777,091
2033-2034	445,186	20,159	465,345
	<u>\$ 2,167,443</u>	<u>\$ 632,423</u>	<u>\$ 2,799,866</u>

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

NOTE 8 – LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

Water Meter Capital Lease – On September 27, 2012, the City, as Lessee entered into a capital equipment lease/purchase agreement with the Government Capital Corporation, as Lessor, for purchase and installation of 1,800 water meters. The agreement bears interest at 3.36% with annual payments of \$142,839 on September 1st. At June 30, 2017 the capital lease outstanding amounts to \$764,664.

Annual debt service requirements for the Water Meter Capital Lease are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 117,154	\$ 25,685	\$ 142,839
2019	121,089	21,749	142,838
2020	125,157	17,682	142,839
2021	129,361	13,478	142,839
2022	133,706	9,133	142,839
2023	138,197	4,642	142,839
	<u>\$ 764,664</u>	<u>\$ 92,369</u>	<u>\$ 857,033</u>

Leased equipment under capital leases in capital assets at June 30, 2017, included the following:

Water meters	\$ 1,660,689
Less: Accumulated Depreciation	<u>(221,425)</u>
Net	<u>\$ 1,439,264</u>

NOTE 9 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has a loss on refunding of debt reported in the government-wide statement of net position. A loss on refunding of debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources for loss on refunding of debt reported in the governmental activities of the government-wide statement of net position are \$86,529.

In addition to the deferred outflows and inflows of resources described above, the City has pension related items that qualify to be reported in these categories. The pension related deferred outflows and inflows of resources are described in detail in Note 10.

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

NOTE 10 – PENSION PLAN

A. General Information about the Pension Plans

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

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

The Plans’ provisions and benefits in effect at June 30, 2017 are summarized as follows:

	Miscellaneous 1st Tier	Miscellaneous PEPRA
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of annual salary	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.250%
Required employer contribution rates	8.377%	6.555%
	Safety - Police 1st Tier	Safety - Police PEPRA
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	11.5%
Required employer contribution rates	16.656%	12.082%
	Safety - Fire 1st Tier	Safety - Fire PEPRA
	Prior to	On or after
Hire date	January 1, 2013	January 1, 2013
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9%	11.50%
Required employer contribution rates	16.656%	12.082%

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

NOTE 10 – PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability was \$381,885 for the fiscal year ended June 30, 2017.

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

The City's contributions to the plan recognized as a part of pension for the ended June 30, 2017 were \$658,448.

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

As of June 30, 2017, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$6,544,358.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015, rolled forward to June 30, 2016, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

Proportion - June 30, 2015	0.0811%
Proportion - June 30, 2016	0.0756%
Change - Increase (Decrease)	-0.0055%

For the year ended June 30, 2017, the City recognized pension expense of \$205,389. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 732,726	\$ -
Changes in assumptions	-	224,255
Differences between actual and expected experience	2,494	32,126
Net differences between project and actual earnings on plan investments	1,122,215	-
Change in employer's proportion	88,636	118,053
Differences between the employer's actual contributions and the employer's proportionate share of contributions	236,180	24,286
Total	\$ 2,182,251	\$ 398,720

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

NOTE 10 – PENSION PLAN (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$732,726 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflow of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ 111,241
2018	121,333
2019	526,559
2020	291,672
2021	-
Thereafter	-

C. Actuarial Assumptions

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

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.30% to 14.20% ⁽¹⁾
Investment Rate of Return	7.5% ⁽²⁾
Mortality	all Funds ⁽³⁾

⁽¹⁾ Depending on age, service and type of employment

⁽²⁾ Net of pension plan investment expenses, including inflation

⁽³⁾ The mortality table was developed based on CalPERS specific data.
The table includes 20 years of mortality improvements using
Society of Actuaries Scale BB

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experiences Study can be found on the CalPERS website.

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

NOTE 10 – PENSION PLAN (Continued)

D. Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the test revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2015.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	<u>100.0%</u>		

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

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

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

NOTE 10 – PENSION PLAN (Continued)

D. Discount Rate (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Discount Rate -1% 6.65%	Current Discount Rate 7.65%	Discount Rate +1% 8.65%
\$ 9,270,679	\$ 6,544,358	\$ 4,299,401

E. Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

F. Payable to the Pension Plan

At June 30, 2017, the City had no payable to report for an outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

NOTE 11 – POST-RETIREMENT HEALTHCARE BENEFITS

The City provides no post-employment benefits for its employees. However, former employees may be maintained on the City’s health insurance programs through the City’s Consolidated Omnibus Budget Reconciliation Act (COBRA) insurance continuation plan.

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omission; injuries to employees and others; natural disaster. The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

The CSJVRMA is a consortium of 54 cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500, et. Seq. The CSJVRMA is governed by a Board of Directors, which meets three times each year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. The financial statements of CSJVRMA can be obtained at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

CITY OF KINGSBURG
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – RISK MANAGEMENT (Continued)

Each member city pays a premium to cover estimated losses for a fiscal year (claims year). Each program year is retrospectively adjusted five years following the end of a program year and annually thereafter until the last claim incurred during a program year is closed and the actuary has determined there is no longer a need for any incurred but not reported reserves. Any net surplus in the City's balance for these years will be refunded to the City, and net deficits will be billed to the City.

Each member city self-insures a portion of each of its claims, which for Kingsburg is the first \$25,000 of each claim (occurrence) in both the liability program and workers' compensation program. If a claim exceeds a member's retained limit, the amount exceeding the retained limit is distributed to the pool layers above the City's retained limit, and that cost is shared amongst the members within the various pool layers.

For the Liability Program, the CSJVRMA's risk sharing pool covers the first \$1,000,000 of each claim. The CSJVRMA purchases excess liability coverage through the California Affiliated Risk Management Authorities (CARMA) for the amount in excess of \$1,000,000. CARMA's risk sharing pool covers the first \$4,000,000 of each claim, and CARMA purchases a combination of reinsurance and excess insurance through AmTrust Financial Group and Colony for a total of \$29,000,000 in coverage.

For the Workers' Compensation Program, the CSJVRMA's risk sharing pool covers the first \$500,000 of each claim. The CSJVRMA purchases excess workers' compensation coverage through the Local Agency Workers' Compensation Excess JPA (LAWCX) for the amount in excess of \$500,000. LAWCX's risk sharing pool covers the first \$5 million of each claim, and LAWCX purchases a combination of reinsurance and excess insurance through CSAC EIA with statutory limits.

There have been no significant changes from the prior year and settlements have not exceeded coverage in any of the prior three years.

The City also purchases various property coverage programs. Deductibles and limits per property type can be obtained from the City Manager or directly from the Authority.

NOTE 13 – CONTINGENCIES

The City is a defendant in various lawsuits and claims. The City attorney anticipates that actual or potential claims against the City, not covered by insurance, would not materially affect the financial position of the City.

The City participates in a number of Federal and State assisted grant programs which are subject to financial and compliance audits. Audits for these programs and the respective findings are to be determined at a future date, and the City expects the amount, if any, of the expenditures which may be disallowed by the granting agency to be immaterial.

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

NOTE 14 – SUCCESSOR AGENCY TRUST FUND

On January 18, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with Assembly Bill 1X26 (the “Bill”) which dissolved all redevelopment agencies in the State of California.

Under the control of an oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution of the redevelopment agency (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

Successor agencies are only allocated revenue in the amount that is necessary to pay estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably for the City.

After the date of the dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Other Assets

The amount reported as "Other Assets" in the Successor Agency Trust Fund consists of the following:

Downtown directional signs	\$ 17,266
	<u>\$ 17,266</u>

Long-term Debt

Long-term debt reported in the Successor Agency Trust Fund at June 30, 2017 was comprised of the following individual issues:

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u> <u>June 30, 2017</u>	<u>Due Within</u> <u>One Year</u>
CIEDB Police Building Loan	\$ 109,591	\$ -	\$ 109,591	\$ -	\$ -
2015 Refunding Revenue Bonds	<u>235,000</u>	<u>-</u>	<u>25,000</u>	<u>210,000</u>	<u>30,000</u>
	<u>\$ 344,591</u>	<u>\$ -</u>	<u>\$ 134,591</u>	<u>\$ 210,000</u>	<u>\$ 30,000</u>

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

NOTE 14 – SUCCESSOR AGENCY TRUST FUND (Continued)

CIEDB Police Building Loan – During the fiscal year 2001/02, the Redevelopment Agency of the City of Kingsburg obtained a loan from the California Infrastructure and Economic Development Bank (CIEDB) to construct a new city police building that may not exceed \$1,287,100. The terms of the note call for annual interest payments at 2.58% through 2017. This loan was paid off during the fiscal year ended June 30, 2017.

Kingsburg RDA Tax Refunding Bonds – The former Kingsburg Redevelopment Agency issued a tax allocation bond payable in annual installments ranging from \$25,000 to \$40,000 with interest payable semi-annually at an average overall rate of 7.9% per annum. At June 30, 2017 the bond outstanding amounts to \$210,000.

Annual debt service requirements to maturity for the Kingsburg RDA Tax Refunding Bonds are as follows:

Fiscal Year Ending	Principal	Interest	Total
2018	\$ 30,000	\$ 15,405	\$ 45,405
2019	30,000	13,035	43,035
2020	35,000	10,467	45,467
2021	35,000	7,702	42,702
2022	40,000	4,740	44,740
2023	<u>40,000</u>	<u>1,580</u>	<u>41,580</u>
Total	<u>\$ 210,000</u>	<u>\$ 52,929</u>	<u>\$ 262,929</u>

NOTE 15 – PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the Capital Facilities Nonmajor Capital Projects Fund and the beginning net position of the governmental activities was understated by \$106,751 due to an unrecorded accounts payable from the 2013-14 fiscal year.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF KINGSBURG
 PROPORTIONATE SHARE OF NET PENSION LIABILITY
 FOR THE YEAR ENDED JUNE 30, 2017
 LAST 10 YEARS***

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Proportion of the net pension liability	0.0890%	0.0811%	0.0811%
Proportionate share of the net pension liability	\$ 5,591,747	\$ 5,568,697	\$ 6,544,355
Covered payroll	\$ 2,539,694	\$ 2,746,794	\$ 2,823,084
Proportionate share of the net pension liability as percentage of covered payroll	220.17%	202.73%	231.82%
Plan fiduciary net position as a percentage of the total pension liability	79.48%	80.20%	75.41%

NOTES TO SCHEDULE:

Change in Benefit Terms: None

Change in Assumptions: None

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

**CITY OF KINGSBURG
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2017
LAST 10 YEARS***

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially required contribution (actuarially determined)	\$ 541,072	\$ 574,035	\$ 658,448	\$ 732,726
Contributions in relation to the actuarially determined contributions	<u>(541,072)</u>	<u>(574,035)</u>	<u>(658,448)</u>	<u>(732,726)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,539,694	\$ 2,746,794	\$ 2,823,084	\$ 2,997,055
Contributions as a percentage of covered-employee payroll	21.30%	20.90%	23.32%	24.45%

*Schedule is intended to show information for ten years. Additional years will be displayed as they become available.

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COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

The **Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Gas Tax Fund - to account for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107 and 2107.5 of the State of California. Expenditures for administration, maintenance and construction must be street related.

Measure C Fund - to account for revenue from the Measure C Tax for street related expenses.

Senior Center Fund - to account for revenue from federal grants and contributions to fund the activities of the senior center services. The services provide recreational, educational, social and nutritional programs to citizens 55 years and older.

COPS Grant Fund - to account for State revenue received from front line law enforcement.

Vehicle Abandonment Fund - to account for the abandoned vehicle abatement program in which the City receives funds from the Council of Fresno County Governments. These funds will be used to abate any abandoned vehicles in the City of Kingsburg

Low and Moderate Income Housing Fund - to administer the housing assets and functions related to the Low and Moderate Income Housing Program retained by the City following the dissolution of the Redevelopment Agency on February 1, 2012. This fund is primarily funded by loan repayment program income generated from the former Redevelopment Agency's housing assets.

CAPITAL PROJECTS FUNDS

The **Capital Projects Funds** are used to account for financial resources that are restricted, committed or assigned to expenditures for the acquisition of land or acquisition and construction of major facilities other than those financed in the proprietary fund types.

Capital Facilities Fund - to account for the AB939 fees received to help the City mediate the cost of growth in the City. These fees are collected from developers to construct facilities related to arterial streets, fire facilities, police facilities, city hall facilities, public works facilities and special recreation facilities.

Sewer Connection Fund - to account for the sewer connection fees from developers. The money is used to construct sewer facilities within the City limits.

Storm Drain Fund - to account for the storm drain improvements, operations and maintenance. The activities of the fund include building new storm drains and obtaining storm drains completed by developers.

Parks and Recreation Fund - to account for the revenue from the construction assessments to be used for acquisition and development of parks and recreation facilities.

Equipment Replacement Fund - to account for the transfer revenues received for the reserve fund to replace equipment in the future.

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS			
Cash and investments			
Unrestricted	\$ 640,717	\$ 2,509,339	\$ 3,150,056
Receivables (net of allowance for uncollectibles)	35,244	3,352	38,596
Land held for low and moderate housing projects	<u>574,389</u>	<u>-</u>	<u>574,389</u>
 Total assets	 <u>\$ 1,250,350</u>	 <u>\$ 2,512,691</u>	 <u>\$ 3,763,041</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expenses	\$ 57,279	\$ -	\$ 57,279
Deposits	609	-	609
Due to other funds	<u>13,809</u>	<u>-</u>	<u>13,809</u>
 Total liabilities	 <u>71,697</u>	 <u>-</u>	 <u>71,697</u>
Fund balances:			
Restricted:			
Capital improvements projects	-	2,512,691	2,512,691
Circulation improvements	576,344	-	576,344
Public safety programs	45,950	-	45,950
Land held for low and moderate housing projects	574,389	-	574,389
Unassigned	<u>(18,030)</u>	<u>-</u>	<u>(18,030)</u>
 Total fund balances	 <u>1,178,653</u>	 <u>2,512,691</u>	 <u>3,691,344</u>
 Total liabilities and fund balances	 <u>\$ 1,250,350</u>	 <u>\$ 2,512,691</u>	 <u>\$ 3,763,041</u>

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ 718,124	\$ -	\$ 718,124
Development fees	-	802,328	802,328
Interest	719	7,878	8,597
Other	<u>7,924</u>	<u>-</u>	<u>7,924</u>
Total revenues	<u>726,767</u>	<u>810,206</u>	<u>1,536,973</u>
EXPENDITURES			
Current:			
Parks and community services	63,553	-	63,553
Highway and streets	546,535	-	546,535
Capital outlay	<u>462,697</u>	<u>-</u>	<u>462,697</u>
Total expenditures	<u>1,072,785</u>	<u>-</u>	<u>1,072,785</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(346,018)</u>	<u>810,206</u>	<u>464,188</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	45,000	-	45,000
Transfers out	<u>(100,000)</u>	<u>(18,000)</u>	<u>(118,000)</u>
Total other financing sources (uses)	<u>(55,000)</u>	<u>(18,000)</u>	<u>(73,000)</u>
Net change in fund balances	(401,018)	792,206	391,188
Fund balances - beginning (restated)	<u>1,579,671</u>	<u>1,720,485</u>	<u>3,300,156</u>
Fund balances - ending	<u>\$ 1,178,653</u>	<u>\$ 2,512,691</u>	<u>\$ 3,691,344</u>

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	<u>Gas Tax</u>	<u>Measure C</u>	<u>Senior Center</u>	<u>COPS Grant</u>
ASSETS				
Cash and investments				
Unrestricted	\$ 385,352	\$ 219,415	\$ -	\$ 19,324
Receivables (net of allowance for uncollectibles)	-	24,577	667	10,000
Land held for low and moderate housing projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 385,352</u>	 <u>\$ 243,992</u>	 <u>\$ 667</u>	 <u>\$ 29,324</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expense	\$ 13,031	\$ 39,969	\$ 4,279	\$ -
Deposits	-	-	609	-
Due to other funds	<u>-</u>	<u>-</u>	<u>13,809</u>	<u>-</u>
 Total liabilities	 <u>13,031</u>	 <u>39,969</u>	 <u>18,697</u>	 <u>-</u>
Fund balances:				
Restricted:				
Circulation improvements	372,321	204,023	-	-
Public safety programs	-	-	-	29,324
Land held for low and moderate housing projects	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(18,030)</u>	<u>-</u>
 Total fund balances (deficit)	 <u>372,321</u>	 <u>204,023</u>	 <u>(18,030)</u>	 <u>29,324</u>
 Total liabilities and fund balances	 <u>\$ 385,352</u>	 <u>\$ 243,992</u>	 <u>\$ 667</u>	 <u>\$ 29,324</u>

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	Vehicle Abandonment	Low and Moderate Income Housing Asset	Total
ASSETS			
Cash and investments			
Unrestricted	\$ 16,626	\$ -	\$ 640,717
Receivables (net of allowance for uncollectibles)	-	-	35,244
Land held for low and moderate housing projects	-	574,389	574,389
 Total assets	\$ 16,626	\$ 574,389	\$ 1,250,350
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued expense	\$ -	\$ -	\$ 57,279
Deposits	-	-	609
Due to other funds	-	-	13,809
 Total liabilities	-	-	71,697
Fund balances:			
Restricted:			
Circulation improvements	-	-	576,344
Public safety programs	16,626	-	45,950
Land held for low and moderate housing projects	-	574,389	574,389
Unassigned	-	-	(18,030)
 Total fund balances (deficit)	16,626	574,389	1,178,653
 Total liabilities and fund balances	\$ 16,626	\$ 574,389	\$ 1,250,350

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Gax Tax</u>	<u>Measure C</u>	<u>Senior Center</u>	<u>COPS Grant</u>
REVENUES				
Intergovernmental	\$ 228,380	\$ 349,530	\$ 10,890	\$ 129,324
Interest	-	717	2	-
Other	-	-	7,924	-
Total revenues	<u>228,380</u>	<u>350,247</u>	<u>18,816</u>	<u>129,324</u>
EXPENDITURES				
Current:				
Parks and community services	-	-	63,553	-
Highway and streets	268,299	278,236	-	-
Capital outlay	-	462,697	-	-
Total expenditures	<u>268,299</u>	<u>740,933</u>	<u>63,553</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(39,919)</u>	<u>(390,686)</u>	<u>(44,737)</u>	<u>129,324</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	45,000	-
Transfers out	-	-	-	(100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>(100,000)</u>
Net change in fund balances	(39,919)	(390,686)	263	29,324
Fund balances (deficit) - beginning	<u>412,240</u>	<u>594,709</u>	<u>(18,293)</u>	<u>-</u>
Fund balances (deficit) - ending	<u>\$ 372,321</u>	<u>\$ 204,023</u>	<u>\$ (18,030)</u>	<u>\$ 29,324</u>

CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017
(Continued)

	Vehicle Abandonment	Low and Moderate Income Housing Asset	Total
REVENUES			
Intergovernmental	\$ -	\$ -	\$ 718,124
Interest	-	-	719
Other	-	-	7,924
	-	-	7,924
Total revenues	-	-	726,767
EXPENDITURES			
Current:			
Parks and community services	-	-	63,553
Highway and streets	-	-	546,535
Capital outlay	-	-	462,697
	-	-	462,697
Total expenditures	-	-	1,072,785
Excess (deficiency) of revenues over (under) expenditures	-	-	(346,018)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	45,000
Transfers out	-	-	(100,000)
	-	-	(55,000)
Total other financing sources (uses)	-	-	(55,000)
Net change in fund balances	-	-	(401,018)
Fund balances (deficit) - beginning	16,626	574,389	1,579,671
Fund balances (deficit) - ending	\$ 16,626	\$ 574,389	\$ 1,178,653

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – GAS TAX FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 245,838	\$ 245,838	\$ 228,380	\$ (17,458)
Total revenues	<u>245,838</u>	<u>245,838</u>	<u>228,380</u>	<u>(17,458)</u>
EXPENDITURES				
Current:				
Highway and streets	<u>250,761</u>	<u>258,261</u>	<u>268,299</u>	<u>(10,038)</u>
Total expenditures	<u>250,761</u>	<u>258,261</u>	<u>268,299</u>	<u>(10,038)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,923)</u>	<u>(12,423)</u>	<u>(39,919)</u>	<u>(27,496)</u>
Change in fund balance	(4,923)	(12,423)	(39,919)	(27,496)
Fund balance - beginning	<u>412,240</u>	<u>412,240</u>	<u>412,240</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ 407,317</u>	<u>\$ 399,817</u>	<u>\$ 372,321</u>	<u>\$ (27,496)</u>

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – MEASURE C FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 360,183	\$ 360,183	\$ 349,531	\$ (10,652)
Interest	<u>1,400</u>	<u>1,400</u>	<u>717</u>	<u>(683)</u>
Total revenues	<u>361,583</u>	<u>361,583</u>	<u>350,248</u>	<u>(11,335)</u>
EXPENDITURES				
Current:				
Highway and streets	213,000	213,000	278,236	(65,236)
Capital outlay	<u>340,000</u>	<u>425,000</u>	<u>462,697</u>	<u>(37,697)</u>
Total expenditures	<u>553,000</u>	<u>638,000</u>	<u>740,933</u>	<u>(102,933)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(191,417)</u>	<u>(276,417)</u>	<u>(390,685)</u>	<u>(114,268)</u>
Change in fund balance	(191,417)	(276,417)	(390,685)	(114,268)
Fund balance - beginning	<u>594,708</u>	<u>594,708</u>	<u>594,708</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ 403,291</u>	<u>\$ 318,291</u>	<u>\$ 204,023</u>	<u>\$ (114,268)</u>

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – SENIOR CENTER FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 8,000	\$ 8,000	\$ 10,890	\$ 2,890
Interest	-	-	2	2
Other revenue	<u>6,800</u>	<u>6,800</u>	<u>7,924</u>	<u>1,124</u>
Total revenues	<u>14,800</u>	<u>14,800</u>	<u>18,816</u>	<u>4,016</u>
EXPENDITURES				
Current:				
Community services	<u>60,312</u>	<u>60,312</u>	<u>63,553</u>	<u>(3,241)</u>
Total expenditures	<u>60,312</u>	<u>60,312</u>	<u>63,553</u>	<u>(3,241)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,512)</u>	<u>(45,512)</u>	<u>(44,737)</u>	<u>775</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Total other financing sources (uses)	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>-</u>
Change in fund balance	(512)	(512)	263	775
Fund balance (deficit) - beginning	<u>(18,293)</u>	<u>(18,293)</u>	<u>(18,293)</u>	<u>-</u>
Fund balance (deficit) - ending	<u>\$ (18,805)</u>	<u>\$ (18,805)</u>	<u>\$ (18,030)</u>	<u>\$ 775</u>

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND – COPS GRANT FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 129,324	\$ 29,324
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>129,324</u>	<u>29,324</u>
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>100,000</u>	<u>129,324</u>	<u>29,324</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in fund balance	-	-	29,324	29,324
Fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,324</u>	<u>\$ 29,324</u>

**CITY OF KINGSBURG
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017**

	<u>Capital Facilities</u>	<u>Sewer Connection</u>	<u>Storm Drain</u>	<u>Parks and Recreation</u>
ASSETS				
Cash and investments:				
Unrestricted	\$ 1,184,339	\$ 1,026,427	\$ 27,022	\$ 246,121
Receivables (net of allowance for uncollectibles)	<u>1,730</u>	<u>1,348</u>	<u>28</u>	<u>246</u>
 Total assets	 <u>\$ 1,186,069</u>	 <u>\$ 1,027,775</u>	 <u>\$ 27,050</u>	 <u>\$ 246,367</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -
 Total liabilities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Fund balances:				
Restricted:				
Capital improvements	<u>1,186,069</u>	<u>1,027,775</u>	<u>27,050</u>	<u>246,367</u>
 Total fund balances	 <u>1,186,069</u>	 <u>1,027,775</u>	 <u>27,050</u>	 <u>246,367</u>
 Total liabilities and fund balances	 <u>\$ 1,186,069</u>	 <u>\$ 1,027,775</u>	 <u>\$ 27,050</u>	 <u>\$ 246,367</u>

**CITY OF KINGSBURG
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2017**

	Equipment Replacement	Total
ASSETS		
Cash and investments:		
Unrestricted	\$ 25,430	\$ 2,509,339
Receivables (net of allowance for uncollectibles)	-	3,352
Total assets	\$ 25,430	\$ 2,512,691
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued expenses	\$ -	\$ -
Total liabilities	-	-
Fund balances:		
Restricted:		
Capital improvements	25,430	2,512,691
Total fund balances	25,430	2,512,691
Total liabilities and fund balances	\$ 25,430	\$ 2,512,691

**CITY OF KINGSBURG
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Capital Facilities</u>	<u>Sewer Connection</u>	<u>Storm Drain</u>	<u>Parks and Recreation</u>
REVENUES				
Development fees	\$ 656,834	\$ 61,158	\$ 8,612	\$ 75,724
Interest	<u>3,832</u>	<u>3,348</u>	<u>159</u>	<u>539</u>
Total revenues	<u>660,666</u>	<u>64,506</u>	<u>8,771</u>	<u>76,263</u>
EXPENDITURES				
Current:				
Planning and community development	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>660,666</u>	<u>64,506</u>	<u>8,771</u>	<u>76,263</u>
OTHER FINANCING SOURCES/(USES)				
Transfers out	<u>(18,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(18,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	642,666	64,506	8,771	76,263
Fund balances - beginning (restated)	<u>543,403</u>	<u>963,269</u>	<u>18,279</u>	<u>170,104</u>
Fund balances - ending	<u>\$ 1,186,069</u>	<u>\$ 1,027,775</u>	<u>\$ 27,050</u>	<u>\$ 246,367</u>

**CITY OF KINGSBURG
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017**

	Equipment Replacement	Total
REVENUES		
Development fees	\$ -	\$ 802,328
Interest	-	7,878
Total revenues	-	810,206
EXPENDITURES		
Current:		
Planning and community development	-	-
Total expenditures	-	-
Excess (deficiency) of revenues over (under) expenditures	-	810,206
OTHER FINANCING SOURCES/(USES)		
Transfers out	-	(18,000)
Total other financing sources (uses)	-	(18,000)
Net change in fund balances	-	792,206
Fund balances - beginning	25,430	1,720,485
Fund balances - ending	\$ 25,430	\$ 2,512,691

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
NONMAJOR CAPITAL PROJECTS FUND – CAPITAL FACILITIES
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES				
Development fees	\$ 18,000	\$ 18,000	\$ 656,834	\$ 638,834
Interest	<u>250</u>	<u>250</u>	<u>3,832</u>	<u>3,582</u>
Total revenues	<u>18,250</u>	<u>18,250</u>	<u>660,666</u>	<u>642,416</u>
EXPENDITURES				
Current:				
Planning and community development	<u>-</u>	<u>106,751</u>	<u>-</u>	<u>106,751</u>
Total expenditures	<u>-</u>	<u>106,751</u>	<u>-</u>	<u>106,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,250</u>	<u>(88,501)</u>	<u>660,666</u>	<u>749,167</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(18,000)</u>	<u>(18,000)</u>	<u>(18,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(18,000)</u>	<u>(18,000)</u>	<u>(18,000)</u>	<u>-</u>
Change in fund balances	250	(106,501)	642,666	749,167
Fund balance - beginning (restated)	<u>543,403</u>	<u>543,403</u>	<u>543,403</u>	<u>-</u>
Fund balance - ending	<u>\$ 543,653</u>	<u>\$ 436,902</u>	<u>\$ 1,186,069</u>	<u>\$ 749,167</u>

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND – KINGSBURG JOINT POWERS AUTHORITY
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Interest	\$ 106,642	\$ 106,642	\$ 182,360	\$ 75,718
Total revenues	<u>106,642</u>	<u>106,642</u>	<u>182,360</u>	<u>75,718</u>
EXPENDITURES				
Debt service:				
Principal	277,600	277,600	277,600	-
Interest and fiscal charges	<u>117,642</u>	<u>117,642</u>	<u>111,592</u>	<u>6,050</u>
Total expenditures	<u>395,242</u>	<u>395,242</u>	<u>389,192</u>	<u>6,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(288,600)</u>	<u>(288,600)</u>	<u>(206,832)</u>	<u>81,768</u>
Change in fund balance	(288,600)	(288,600)	(206,832)	81,768
Fund balance - beginning	<u>3,552,337</u>	<u>3,552,337</u>	<u>3,552,337</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,263,737</u>	<u>\$ 3,263,737</u>	<u>\$ 3,345,505</u>	<u>\$ 81,768</u>

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
MAJOR DEBT SERVICE FUND – ASSESSMENT DISTRICTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Taxes	\$ 156,698	\$ 153,594	\$ 156,698	\$ 3,104
Interest	<u>220</u>	<u>220</u>	<u>-</u>	<u>(220)</u>
Total revenues	<u>156,918</u>	<u>153,814</u>	<u>156,698</u>	<u>2,884</u>
EXPENDITURES				
Debt service:				
Interest and fiscal charges	<u>71,576</u>	<u>71,576</u>	<u>65,863</u>	<u>5,713</u>
Total expenditures	<u>71,576</u>	<u>71,576</u>	<u>65,863</u>	<u>5,713</u>
Excess (deficiency) of revenues over (under) expenditures	<u>85,342</u>	<u>82,238</u>	<u>90,835</u>	<u>8,597</u>
Change in fund balance	85,342	82,238	90,835	8,597
Fund balance - beginning	<u>(538,073)</u>	<u>(538,073)</u>	<u>(538,073)</u>	<u>-</u>
Fund balance - ending	<u>\$ (452,731)</u>	<u>\$ (455,835)</u>	<u>\$ (447,238)</u>	<u>\$ 8,597</u>

CITY OF KINGSBURG
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL
MAJOR CAPITAL PROJECTS FUND – STREET PROJECTS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,478,240	\$ 1,478,240	\$ 766,084	\$ (712,156)
Total revenues	<u>1,478,240</u>	<u>1,478,240</u>	<u>766,084</u>	<u>(712,156)</u>
EXPENDITURES				
Capital outlay	<u>1,533,440</u>	<u>1,538,348</u>	<u>830,382</u>	<u>707,966</u>
Total expenditures	<u>1,533,440</u>	<u>1,538,348</u>	<u>830,382</u>	<u>707,966</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,200)</u>	<u>(60,108)</u>	<u>(64,298)</u>	<u>(4,190)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>55,200</u>	<u>55,200</u>	<u>69,677</u>	<u>14,477</u>
Total other financing sources (uses)	<u>55,200</u>	<u>55,200</u>	<u>69,677</u>	<u>14,477</u>
Change in fund balance	-	(4,908)	5,379	10,287
Fund balance - beginning	<u>8,022</u>	<u>8,022</u>	<u>8,022</u>	<u>-</u>
Fund balance - ending	<u>\$ 8,022</u>	<u>\$ 3,114</u>	<u>\$ 13,401</u>	<u>\$ 10,287</u>

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STATISTICAL SECTION

STATISTICAL SECTION

This part of the **City of Kingsburg's** comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents

Financial Trends: These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity: These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity: These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information: These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information: These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF KINGSBURG
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	FISCAL YEARS									
	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
<u>Governmental Activities</u>										
Net investment in capital assets	\$ 8,017,304	\$ 11,886,855	\$ 8,123,873	\$ 9,531,019	\$ 7,581,429	\$ 8,175,220	\$ 8,958,525	\$ 11,010,739	\$ 11,917,893	\$ 13,726,605
Restricted	6,165,407	6,736,534	6,452,053	11,059,895	9,856,824	9,783,215	9,678,997	8,593,486	8,917,767	8,540,239
Unrestricted	(3,006,118)	(4,079,014)	53,274	(4,466,456)	(363,909)	(217,842)	248,329	(2,336,196)	(1,786,896)	(314,962)
Total Net Assets	<u>\$ 11,176,593</u>	<u>\$ 14,544,375</u>	<u>\$ 14,629,200</u>	<u>\$ 16,124,458</u>	<u>\$ 17,074,344</u>	<u>\$ 17,740,593</u>	<u>\$ 18,885,851</u>	<u>\$ 17,268,029</u>	<u>\$ 19,048,764</u>	<u>\$ 21,951,882</u>
<u>Business-type Activities</u>										
Net investment in capital assets	\$ 2,203,672	\$ 2,775,532	\$ 2,854,661	\$ 2,372,093	\$ 5,948,959	\$ 5,660,682	\$ 6,408,380	\$ 6,998,393	\$ 6,432,895	\$ 6,330,963
Unrestricted	1,668,171	564,687	(40,196)	(487,859)	(4,285,183)	(4,142,048)	(4,624,256)	(4,436,064)	(3,228,171)	(2,841,875)
Total Net Assets	<u>\$ 3,871,843</u>	<u>\$ 3,340,219</u>	<u>\$ 2,814,465</u>	<u>\$ 1,884,234</u>	<u>\$ 1,663,776</u>	<u>\$ 1,518,634</u>	<u>\$ 1,784,124</u>	<u>\$ 2,562,329</u>	<u>\$ 3,204,724</u>	<u>\$ 3,489,088</u>
<u>Total Primary Government</u>										
Net investment in capital assets	\$ 10,220,976	\$ 14,662,387	\$ 10,978,534	\$ 11,903,112	\$ 13,530,388	\$ 13,835,902	\$ 15,366,905	\$ 18,009,132	\$ 18,350,788	\$ 20,057,568
Restricted	6,165,407	6,736,534	6,452,053	11,059,895	9,856,824	9,783,215	9,678,997	8,593,486	8,917,767	8,540,239
Unrestricted	(1,337,947)	(3,514,327)	13,078	(4,954,315)	(4,649,092)	(4,359,890)	(4,375,927)	(6,772,260)	(5,015,067)	(3,156,837)
Prior Period Adjustment *										
Total Net Assets	<u>\$ 15,048,436</u>	<u>\$ 17,884,594</u>	<u>\$ 17,443,665</u>	<u>\$ 18,008,692</u>	<u>\$ 18,738,120</u>	<u>\$ 19,259,227</u>	<u>\$ 20,669,975</u>	<u>\$ 19,830,358</u>	<u>\$ 22,253,488</u>	<u>\$ 25,440,970</u>

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

EXPENSES:	FISCAL YEARS									
	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
Governmental activities:										
General Government	\$ 970,944	\$ 1,422,598	\$ 986,048	\$ 876,365	\$ 1,022,861	\$ 732,573	\$ 699,807	\$ 933,367	\$ 810,747	\$ 1,005,379
Parks and recreation	506,872	437,309	405,799	410,779	344,004	317,664	387,003	430,240	408,729	481,177
Public Safety	2,221,432	2,357,378	2,339,186	2,461,622	1,635,259	1,816,354	1,927,391	1,785,462	1,542,352	1,797,401
Highway and streets	-	-	1,159,915	-	-	454,231	434,677	380,773	766,093	893,071
Public Works	1,030,220	1,371,584	-	969,681	1,153,597	735,781	778,900	814,979	557,321	599,999
Tax pass-through	90,346	98,925	309,854	223,174	-	-	-	-	286,768	356,258
Planning and community development	877,522	1,242,569	505,680	836,351	334,737	166,881	104,243	189,723	-	-
Interest	666,892	694,204	652,223	628,210	550,981	416,929	437,404	300,066	199,851	187,158
Total governmental activities	<u>6,364,228</u>	<u>7,624,567</u>	<u>6,358,705</u>	<u>6,406,182</u>	<u>5,041,439</u>	<u>4,640,413</u>	<u>4,769,425</u>	<u>4,834,610</u>	<u>4,571,861</u>	<u>5,320,443</u>
Business-type activities:										
Water	1,183,042	1,463,183	1,194,063	1,551,128	1,748,110	1,890,846	1,886,697	1,716,307	1,536,034	1,924,632
Disposal	1,201,854	1,302,719	1,303,646	1,306,541	1,647,144	1,668,555	1,697,655	1,810,815	1,854,083	1,940,311
Ambulance	2,726,309	2,868,610	2,771,018	2,774,232	1,568,302	1,524,414	1,649,811	1,705,874	2,437,389	2,296,617
Building fee	342,914	242,267	134,575	131,387	50,680	47,184	66,880	113,451	-	-
Total business-type activities	<u>5,454,119</u>	<u>5,876,779</u>	<u>5,403,302</u>	<u>5,763,288</u>	<u>5,014,236</u>	<u>5,130,999</u>	<u>5,301,043</u>	<u>5,346,447</u>	<u>5,827,506</u>	<u>6,161,560</u>
Total primary government expenses	<u>\$ 11,818,347</u>	<u>\$ 13,501,346</u>	<u>\$ 11,762,007</u>	<u>\$ 12,169,470</u>	<u>\$ 10,055,675</u>	<u>\$ 9,771,412</u>	<u>\$ 10,070,468</u>	<u>\$ 10,181,057</u>	<u>\$ 10,399,367</u>	<u>\$ 11,482,003</u>
PROGRAM REVENUES:										
Governmental activities:										
Charges for services	\$ 1,017,262	\$ 679,813	\$ 290,801	\$ 284,192	\$ 287,035	\$ 409,626	\$ 713,585	\$ 562,899	\$ 703,733	\$ 1,742,760
Operating Grants	1,027,696	843,969	769,318	1,307,475	1,157,695	1,061,521	1,303,802	1,191,204	1,104,208	1,271,688
Capital Grants	560,619	4,336,357	750,906	1,011,768	1,134,825	792,635	284,076	1,189,281	876,625	1,086,239
Total governmental activities	<u>2,605,577</u>	<u>5,860,139</u>	<u>1,811,025</u>	<u>2,603,435</u>	<u>2,579,555</u>	<u>2,263,782</u>	<u>2,301,463</u>	<u>2,943,384</u>	<u>2,684,566</u>	<u>4,100,687</u>
Business-type activities:										
Charges for services	5,252,373	4,955,333	5,014,257	4,899,415	4,090,957	4,158,866	4,598,066	6,663,662	4,783,627	4,664,727
Operating Grants	17,150	12,015	5,000	-	-	-	203,192	199,462	899,983	1,391,447
Capital Grants	-	678,427	-	-	-	-	203,192	199,462	-	-
Total business-type activities	<u>5,269,523</u>	<u>5,645,775</u>	<u>5,019,257</u>	<u>4,899,415</u>	<u>4,090,957</u>	<u>4,158,866</u>	<u>5,004,450</u>	<u>7,062,586</u>	<u>5,683,610</u>	<u>6,056,174</u>
Total primary government program revenue	<u>\$ 7,875,100</u>	<u>\$ 11,505,914</u>	<u>\$ 6,830,282</u>	<u>\$ 7,502,850</u>	<u>\$ 6,670,512</u>	<u>\$ 6,422,648</u>	<u>\$ 7,305,913</u>	<u>\$ 10,005,970</u>	<u>\$ 8,368,176</u>	<u>\$ 10,156,861</u>

Source: City of Kingsburg Finance Department

CITY OF KINGSBURG
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Continued)

	FISCAL YEARS									
	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017
Net (expense)/revenue:										
Governmental activities	\$ (3,758,651)	\$ (1,764,428)	\$ (4,547,680)	\$ (3,802,747)	\$ (2,461,884)	\$ (2,376,631)	\$ (2,467,962)	\$ (1,891,226)	\$ (1,887,295)	\$ (1,219,756)
Business-type activities	<u>(184,596)</u>	<u>(231,004)</u>	<u>(384,045)</u>	<u>(863,873)</u>	<u>(923,279)</u>	<u>(972,133)</u>	<u>(296,593)</u>	<u>1,716,139</u>	<u>(143,896)</u>	<u>(105,386)</u>
Total primary government (expenses) revenue, net	<u>\$ (3,943,247)</u>	<u>\$ (1,995,432)</u>	<u>\$ (4,931,725)</u>	<u>\$ (4,666,620)</u>	<u>\$ (3,385,163)</u>	<u>\$ (3,348,764)</u>	<u>\$ (2,764,555)</u>	<u>\$ (175,087)</u>	<u>\$ (2,031,191)</u>	<u>\$ (1,325,142)</u>
General Revenues										
Governmental Activities:										
Taxes:										
Property taxes	\$ 1,453,278	\$ 1,623,852	\$ 1,496,745	\$ 1,515,714	\$ 1,105,258	\$ 880,544	\$ 877,251	\$ 891,467	\$ 1,128,016	\$ 1,072,835
Sales and use taxes	876,867	848,350	787,542	857,746	986,848	894,327	1,123,783	1,195,203	953,113	1,051,840
Franchise taxes	318,131	343,475	325,929	335,279	324,743	332,448	329,884	227,745	371,609	375,520
Other taxes	205,333	-	-	159,425	-	-	-	-	-	-
Special assessments	443,079	270,140	235,732	740,898	269,198	265,045	284,800	227,861	243,108	249,630
Business licenses and transient occupancy taxes	180,484	171,233	170,335	304,558	319,203	343,694	409,513	421,535	471,331	515,696
Motor vehicle in-lieu	902,398	885,886	856,757	881,333	839,275	829,356	852,912	890,591	959,489	1,051,648
Investment earnings	625,061	541,216	459,546	436,021	384,396	372,519	294,378	281,981	190,689	205,053
Miscellaneous	-	-	154,555	-	143,316	172,589	123,042	160,211	133,675	90,403
Gain/Loss on sale of capital assets	-	127,286	-	-	-	-	-	1,113,000	-	-
Extraordinary item-RDA dissolution	-	-	-	-	(224,517)	-	-	-	-	-
Transfers	<u>292,000</u>	<u>320,772</u>	<u>145,364</u>	<u>67,031</u>	<u>(688,126)</u>	<u>(826,055)</u>	<u>(794,705)</u>	<u>(1,126,357)</u>	<u>(783,000)</u>	<u>(383,000)</u>
Total governmental activities	<u>5,296,631</u>	<u>5,132,210</u>	<u>4,632,505</u>	<u>5,298,005</u>	<u>3,459,594</u>	<u>3,264,467</u>	<u>3,500,858</u>	<u>4,283,237</u>	<u>3,668,030</u>	<u>4,229,625</u>
Business-type activities:										
Investment earnings	61,340	20,152	3,655	673	-	936	1,081	1,321	3,291	6,750
Miscellaneous	-	-	-	-	787	826,055	-	-	-	-
Transfers	<u>(292,000)</u>	<u>(320,772)</u>	<u>(145,364)</u>	<u>(67,031)</u>	<u>702,034</u>	<u>-</u>	<u>794,705</u>	<u>1,126,357</u>	<u>783,000</u>	<u>383,000</u>
Total business-type activities	<u>(230,660)</u>	<u>(300,620)</u>	<u>(141,709)</u>	<u>(66,358)</u>	<u>702,821</u>	<u>826,991</u>	<u>795,786</u>	<u>1,127,678</u>	<u>786,291</u>	<u>389,750</u>
Changes in net position:										
Governmental activities	\$ 1,537,980	\$ 3,367,782	\$ 84,825	\$ 1,495,258	\$ 997,710	\$ 887,836	\$ 1,032,896	\$ 2,392,011	\$ 1,780,735	\$ 3,009,869
Business-type activities	<u>(415,256)</u>	<u>(531,624)</u>	<u>(525,754)</u>	<u>(930,231)</u>	<u>(220,458)</u>	<u>(145,142)</u>	<u>499,193</u>	<u>2,843,817</u>	<u>642,395</u>	<u>284,364</u>
Total primary government	<u>\$ 1,122,724</u>	<u>\$ 2,836,158</u>	<u>\$ (440,929)</u>	<u>\$ 565,027</u>	<u>\$ 777,252</u>	<u>\$ 742,694</u>	<u>\$ 1,532,089</u>	<u>\$ 5,235,828</u>	<u>\$ 2,423,130</u>	<u>\$ 3,294,233</u>

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED BASIS OF ACCOUNTING)**

	FISCAL YEARS									
	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011 (1)</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
General Fund:										
Unreserved	\$ 876,343	\$ 725,455	\$ 583,520	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable	-	-	-	-	-	-	-	162,769	130,397	96,706
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	633,792	1,086,800	1,232,012	1,461,498	2,443,302	2,629,738	3,531,436
Total General Fund	<u>\$ 876,343</u>	<u>\$ 725,455</u>	<u>\$ 583,520</u>	<u>\$ 633,792</u>	<u>\$ 1,086,800</u>	<u>\$ 1,232,012</u>	<u>\$ 1,461,498</u>	<u>\$ 2,606,071</u>	<u>\$ 2,760,135</u>	<u>\$ 3,628,142</u>
All Other Governmental Funds:										
Reserved	\$ 6,165,407	\$ 6,736,534	\$ 6,452,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved reported in:										
Special revenue funds	818,872	929,836	1,124,069	-	-	-	-	-	-	-
Capital project funds	3,467,772	2,450,422	2,374,357	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	3,957,000	-
Restricted	-	-	-	11,059,895	9,856,824	9,783,215	9,678,997	8,593,486	4,621,378	8,540,239
Unassigned	-	-	-	(1,256,922)	(1,937,912)	(1,646,087)	(1,108,285)	(809,095)	(1,150,379)	(465,268)
Total all other governmental funds	<u>\$ 10,452,051</u>	<u>\$ 10,116,792</u>	<u>\$ 9,950,479</u>	<u>\$ 9,802,973</u>	<u>\$ 7,918,912</u>	<u>\$ 8,137,128</u>	<u>\$ 8,570,712</u>	<u>\$ 7,784,391</u>	<u>\$ 7,427,999</u>	<u>\$ 8,074,971</u>

Source: City of Kingsburg Finance Department

Notes:

(1) The City of Kingsburg implemented GASB 54 in the fiscal year ended June 30, 2011.

**CITY OF KINGSBURG
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED BASIS OF ACCOUNTING)**

	FISCAL YEARS									
	<u>2007-2008</u>	<u>2008-2009</u>	<u>2009-2010</u>	<u>2010-2011</u>	<u>2011-2012</u>	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>
REVENUES										
Taxes	\$ 3,271,840	\$ 3,257,050	\$ 3,016,283	\$ 3,754,195	\$ 2,952,582	\$ 2,626,639	\$ 2,874,558	\$ 2,806,079	\$ 2,978,556	\$ 3,079,961
Licenses and permits	902,502	886,144	857,066	884,223	840,982	972,680	1,004,639	1,050,552	334,854	636,645
Intergovernmental revenue	1,588,315	1,228,363	1,281,343	2,153,377	1,250,400	1,945,310	1,988,815	2,685,956	2,965,168	3,298,906
Charges for services	241,195	290,645	241,165	246,903	254,067	261,621	331,805	358,346	326,563	384,310
Fines and penalties	62,730	51,040	49,327	34,399	31,262	28,912	24,930	14,854	18,693	12,677
Development fees	713,232	337,870	238,881	165,866	134,788	132,633	393,690	206,034	229,372	1,005,356
Interest	625,061	541,216	459,546	436,021	384,398	372,522	294,376	281,982	190,689	205,053
Other revenue	205,333	127,286	154,555	159,425	145,219	174,619	123,834	170,895	133,675	90,403
Total revenues	<u>7,610,208</u>	<u>6,719,614</u>	<u>6,298,166</u>	<u>7,834,409</u>	<u>5,993,698</u>	<u>6,514,936</u>	<u>7,036,647</u>	<u>7,574,698</u>	<u>7,177,570</u>	<u>8,713,311</u>
EXPENDITURES										
Current:										
General Government	957,895	1,109,904	919,421	876,907	547,042	647,725	754,204	630,146	726,070	972,276
Parks and community services	445,524	395,848	343,924	353,173	339,590	314,095	339,903	374,605	351,214	380,758
Public Safety	2,082,416	2,231,947	2,282,362	2,347,346	1,531,296	1,724,612	1,830,589	1,805,649	1,919,580	2,055,197
Public Works	899,622	1,187,619	910,635	900,665	904,472	429,704	453,140	461,645	438,132	397,214
Tax pass-through	90,346	98,925	309,854	223,174	153,500	-	-	-	-	-
Highway and streets	-	-	-	-	-	438,270	433,283	372,677	574,122	613,152
Planning and community development	877,522	1,242,569	505,680	626,137	191,037	166,744	104,194	189,215	315,118	311,654
Capital outlay	297,200	281,494	451,133	1,708,283	1,552,710	840,407	1,069,364	1,633,605	1,297,259	2,080,185
Debt service:										
Principal	340,176	292,595	370,082	327,641	715,272	265,000	265,000	5,190,000	317,349	292,914
Interest and fiscal charges	680,698	685,632	658,687	635,348	543,079	498,896	441,557	478,100	163,665	179,620
Bond issuance costs	-	-	-	-	-	-	-	268,580	-	-
Total expenditures	<u>6,671,399</u>	<u>7,526,533</u>	<u>6,751,778</u>	<u>7,998,674</u>	<u>6,477,998</u>	<u>5,325,453</u>	<u>5,691,234</u>	<u>11,404,222</u>	<u>6,102,509</u>	<u>7,282,970</u>
Excess of revenues Over (under) Expenditures	<u>938,809</u>	<u>(806,919)</u>	<u>(453,612)</u>	<u>(164,265)</u>	<u>(484,300)</u>	<u>1,189,483</u>	<u>1,345,413</u>	<u>(3,829,524)</u>	<u>1,075,061</u>	<u>1,430,341</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	1,540,710	1,700,890	1,606,277	1,359,147	1,325,075	425,271	337,833	230,168	499,805	294,677
Transfers out	(1,248,710)	(1,380,118)	(1,460,913)	(1,292,116)	(2,013,201)	(1,251,326)	(1,132,538)	(1,356,525)	(1,282,805)	(677,677)
Capital lease	-	-	-	-	-	-	-	-	80,000	-
Total other financing sources (uses)	<u>292,000</u>	<u>320,772</u>	<u>145,364</u>	<u>67,031</u>	<u>(688,126)</u>	<u>(826,055)</u>	<u>(794,705)</u>	<u>(1,126,357)</u>	<u>(703,000)</u>	<u>(383,000)</u>
EXTRAORDINARY ITEM										
RDA dissolution	-	-	-	-	(738,672)	-	-	-	-	-
Net changes in fund balances	<u>\$ 1,230,809</u>	<u>\$ (486,147)</u>	<u>\$ (308,248)</u>	<u>\$ (97,234)</u>	<u>\$ (1,911,098)</u>	<u>\$ 363,428</u>	<u>\$ 550,708</u>	<u>\$ (4,955,881)</u>	<u>\$ 372,061</u>	<u>\$ 1,047,341</u>
Debt service as a percentage of noncapital expenditures	16.02%	13.50%	16.33%	15.31%	25.55%	17.03%	15.29%	60.76%	10.01%	9.08%

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST FISCAL YEAR**

Fiscal Year	Real Property		Personal Property		Exemption Real Property	Net	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		Assessed Value	Estimated Actual Value
2008	\$ 672,697,399	\$ 672,697,399	\$ 28,043,759	\$ 28,043,759	\$ 13,759,500	\$ 686,981,658	\$ 700,741,158
2009	678,619,346	678,619,346	20,985,090	20,985,090	13,528,500	686,075,936	699,604,436
2010	649,058,313	649,058,313	31,718,450	31,718,450	13,524,000	667,252,763	680,776,763
2011	650,856,115	650,856,115	33,850,530	33,850,530	13,385,800	671,320,845	684,706,645
2012	657,011,437	657,011,437	31,508,270	31,508,270	13,192,500	675,327,207	688,519,707
2013	645,899,699	645,899,699	34,245,120	34,245,120	12,790,300	667,354,519	680,144,819
2014	671,443,117	671,443,117	28,981,580	28,981,580	12,806,700	687,617,997	700,424,697
2015	701,662,334	701,662,334	29,990,240	29,990,240	12,499,900	719,152,674	731,652,574
2016	877,189,470	877,189,470	50,748,640	50,748,640	12,285,700	915,652,410	927,938,110
2017	947,962,408	947,962,408	68,868,920	68,868,920	11,904,300	1,004,927,028	1,016,831,328

Source: Fresno County Auditor/Controller

**CITY OF KINGSBURG
 ASSESSED VALUE OF TAXABLE PROPERTY
 LAST FISCAL YEAR**

Fiscal Year	Residential	Commercial	Industrial		Unsecured	Less Tax-	Taxable	Total	Estimated Actual	Factor of
End	Property	Property	Property	Other Property	Property	Exempt	Assessed Value	Direct Tax	Taxable Value (2)	Assessed
						Property		Rate (1)		Value (2)
2015-16	\$ 582,190,330	\$ 85,031,813	\$ 126,348,774	\$ 95,564,481	\$ 50,732,000	\$ 24,283,128	\$ 915,584,270	1.146164	\$ 1,026,218,679	1.12083
2016-17	648,069,132	121,712,507	155,223,530	34,710,051	68,825,940	23,725,212	1,004,815,948	1.102830	1,142,033,614	1.13656

Source: Muni Services, LLC.

2015-16 is the City's first CAFR publication, therefore prior year data availability is limited.

Other property includes state unitary in the amount of \$39,659.

(1) Total Direct Tax Rate is represented by TRA 6-000.

(2) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

Based on these calculations a factor was extrapolated and applied to current assessed values.

**CITY OF KINGSBURG
TAX REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS**

Fiscal Year	Property	Sales	Franchise	Motor Vehicle	Other Taxes	Total
2007-2008	\$ 1,453,278	\$ 876,867	\$ 318,131	\$ 902,398	\$ 623,563	\$ 4,174,237
2008-2009	1,623,852	848,350	343,475	885,886	441,373	4,142,936
2009-2010	1,496,745	787,542	325,929	856,757	406,067	3,873,040
2010-2011	1,515,714	857,746	335,279	881,333	1,045,456	4,635,528
2011-2012	1,105,258	986,848	324,743	839,275	588,401	3,844,525
2012-2013	880,544	894,327	332,448	829,356	608,739	3,545,414
2013-2014	877,251	1,123,783	329,884	852,912	694,313	3,878,143
2014-2015	891,467	1,195,203	227,745	890,591	649,396	3,854,402
2015-2016	1,128,016	953,113	371,609	959,489	714,439	4,126,666
2016-2017	1,072,835	1,051,840	375,520	1,051,648	765,326	4,317,169

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TWO FISCAL YEARS**

	<u>2015-2016</u>	<u>2016-2017</u>
Basic City and County Levy		
FRESNO CO LIBRARY	0.017500	0.017500
KINGSBURG CEMETARY	0.013880	0.013880
KINGSBURG HOSPITAL	0.043010	0.043010
CONSOLIDATED MOSQ	0.008160	0.008160
KINGSBURG ELEM	0.168810	0.168810
KINGSBURG HIGH	0.166870	0.166870
STATE CENTER COMM	0.051700	0.051700
SCH EQUALIZATION	0.029850	0.029850
CITY OF KINGSBURG	0.167150	0.167150
FRESNO COUNTY	<u>0.333070</u>	<u>0.333070</u>
TOTAL	1.000000	1.000000
Override Assessments		
STATE CC 2012 REF	0.002534	0.002562
KINGSBURG JUES 16 REF	0.000000	0.016346
KINGSBURG 2004 BD	0.009346	0.010330
KINGSBURG 2006 REF	0.018620	0.005576
KNGSBG HS 06 S08	0.009596	0.001722
KINGSBURG HI 16 REF	0.000000	0.027752
KINGSBURG HI 98	0.030944	0.027536
KINGSBURG 2006	0.015854	0.000000
KINGSBURG 2013 REF	0.025900	0.000000
KINGSBURG HI 14A	0.027840	0.005088
ST COL 2002 2007A	0.000108	0.001724
ST COLL 02 S 09A	0.000448	0.000482
ST COLL 02 S 09B	0.000834	0.000540
STATE CCC 15 REF	<u>0.004140</u>	<u>0.003172</u>
TOTAL	<u>0.146164</u>	<u>0.102830</u>
TOTAL TAX RATE	<u>1.146164</u>	<u>1.102830</u>

Source: Fresno County Auditor/Controller data, MuniServices, LLC.
2015-16 is the City's first CAFR publication, therefore prior year data availability is limited.
TRA 6-000 is represented for this report.

*In 1978, California voters enacted Proposition 13 which held property taxes to 1% of the assessed value. Taxing entities do not impose mileage rates but instead receive a share of the total 1% tax.

**CITY OF KINGSBURG
PRINCIPAL PROPERTY TAXPAYER
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2016-17		2007-08	
	Taxable Value	Percent of Total City Taxable Value	Taxable Value	Percent of Total City Taxable Value
	(\$)	(%)	(\$)	(%)
Guardian Industries Corp	\$ 80,188,691	7.98%	\$ -	0.00%
Sun Maid Raisin Growers Of Cal	71,344,112	7.10%	-	0.00%
Sacramento Container	23,154,800	2.30%	-	0.00%
Central California Sheets	16,553,400	1.65%	-	0.00%
Dbd Kingsburg	12,303,640	1.22%	-	0.00%
Jbbbs Llc	8,015,929	0.80%	-	0.00%
Superb Hospitality Llc	7,482,685	0.74%	-	0.00%
Kingsburg Marion Villas LP	6,052,842	0.60%	-	0.00%
Emster Xii Llc	6,000,000	0.60%	6,000,000	0.87%
Kings View Lp	5,740,480	0.57%	5,791,868	0.84%
Calico Kingsburg LLC	5,400,000	0.54%	-	0.00%
Vie Del Company	5,158,331	0.51%	-	0.00%
Plt Kingsburg Llc	5,156,700	0.51%	-	0.00%
Alves George J Louise N L Trus	4,947,828	0.49%	-	0.00%
Rmp Properties Llc	3,678,262	0.37%	-	0.00%
Shahbazian John Linda Trustees	3,659,791	0.36%	2,316,165	0.34%
Kingsburg Investments Llc	3,512,334	0.35%	-	0.00%
Gong Billy Kwock Trustee	3,242,286	0.32%	3,387,831	0.49%
Kat Prop Llc	2,915,143	0.29%	-	0.00%
Public Properties Inc.	2,767,551	0.28%	1,449,700	0.21%
Kingsburg Sterling LLC	2,719,073	0.27%	-	0.00%
Wiebe Abe Ann Trustees	2,683,234	0.27%	-	0.00%
Park Kingsburg	2,525,930	0.25%	2,845,800	0.41%
Foster Poultry Farms	2,430,999	0.24%	1,529,187	0.22%
Satterberg Estates Llc	2,419,128	0.24%	5,280,183	0.77%
Del Monte Manufacturing Inc	-	0.00%	26,911,930	3.92%
Filper Corp	-	0.00%	10,883,200	1.58%
Interra Vision Llc	-	0.00%	4,830,340	0.70%
Abs Nocal Investor LLC	-	0.00%	4,545,100	0.66%
Silgan Containers Mfg. Corp	-	0.00%	3,955,600	0.58%
Vbw Investments	-	0.00%	2,332,332	0.34%
Longs Drug Stores California I	-	0.00%	2,232,729	0.33%
Gianulias Vasio	-	0.00%	2,189,840	0.32%
Canzoneri Richard M Norma G Tr	-	0.00%	2,092,397	0.30%
Comcast of Fresno Inc.	-	0.00%	2,045,649	0.30%
Scarpace Mary S Life Estate	-	0.00%	2,040,000	0.30%
Henderson Ez Storage L P	-	0.00%	1,896,192	0.28%
McKenney Troy A & Debra A	-	0.00%	1,866,600	0.27%
Schuil Richard E & Necia L	-	0.00%	1,854,163	0.27%
Patel Kantilal & Indiraben	-	0.00%	1,580,336	0.23%
Serpa Matilda D Trustee	-	0.00%	1,460,535	0.21%
Kingsburg Business Park Llc	-	0.00%	1,401,819	0.20%
Total Top 25 Taxpayers	\$ 290,053,169	28.87%	\$ 102,719,496	14.96%
Total Taxable Value	\$ 1,004,815,948	100.00%	\$ 686,712,396	100.00%

Source: Fresno County Assessor data, MuniServices, LLC

**CITY OF KINGSBURG
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Current Tax Levies	Current Tax Collections	Percent of Current Taxes	Delinquent Tax Collections	Total Tax Collections
2007-2008	\$ 1,826,366	\$ 1,826,366	100%	-	\$ 1,826,366
2008-2009	1,806,151	1,806,151	100%	-	1,806,151
2009-2010	1,727,274	1,727,274	100%	-	1,727,274
2010-2011	1,752,265	1,752,265	100%	-	1,752,265
2011-2012	1,772,100	1,772,100	100%	-	1,772,100
2012-2013	1,805,714	1,805,714	100%	-	1,805,714
2013-2014	1,847,084	1,847,084	100%	-	1,847,084
2014-2015	2,105,664	2,105,664	100%	-	2,105,664
2015-2016	1,916,057	1,916,057	100%	-	1,916,057
2016-2017	2,198,316	2,198,316	100%	-	2,198,316

Source: Fresno County Auditor/Controller

Notes: (1) Revenue and Taxation Code Sections 7401 through 4717 provide for an alternative method of distribution of tax levies and collections known as the Teeter Plan. Fresno County distributes 100% of the current secured roll to the City of Kingsburg.

**CITY OF KINGSBURG
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business Type Activities		Total Primary Government	Percentage of Estimate Actual Value of Taxable Property (1)
	Tax Allocation Bonds	CIEDB Police Bldg Loan	Capital Leases	Lease Revenue Bonds	Water Meter Capital Lease	CIEDB Water Loan		
2008	\$ 3,860,000	\$ 884,103	\$ -	\$ 3,200,000	\$ -	\$ 1,201,876	\$ 9,145,979	1.33%
2009	3,720,000	796,508	-	3,135,000	-	1,633,506	9,285,014	1.35%
2010	3,510,000	706,426	-	3,065,000	-	2,463,085	9,744,511	1.46%
2011	3,345,000	613,785	-	2,968,393	-	2,670,144	9,597,322	1.43%
2012	2,800,000	-	-	2,894,777	-	2,592,390	8,287,167	1.23%
2013	2,610,000	-	-	2,821,161	-	2,512,316	7,943,477	1.19%
2014	2,425,000	-	-	2,742,545	1,093,774	2,429,858	8,691,177	1.26%
2015	1,439,100	-	-	2,679,930	987,674	2,344,942	7,451,646	1.04%
2016	1,262,900	-	68,853	2,570,000	878,011	2,257,496	7,037,260	0.77%
2017	1,095,300	-	53,539	2,441,950	764,664	2,167,443	6,522,896	0.65%

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

Source: City of Kingsburg Financial Report
(1) See the schedule of Assessed and Actual Value of Property.

**CITY OF KINGSBURG
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Debt Outstanding			Total Assessed Property Value	Population	Percent of Actual Taxable Value of Property	Per Capita
	General Fund Debt Outstanding	Less Amounts Available in Debt Service Fund	Total				
2008	\$ 7,944,103	\$ 292,595	\$ 7,651,508	\$ 686,981,658	11,427	1.11%	\$ 670
2009	7,651,508	327,640	7,323,868	686,075,936	11,504	1.07%	637
2010	7,281,426	327,640	6,953,786	667,252,763	11,509	1.04%	604
2011	6,927,178	350,272	6,576,906	671,320,845	11,536	0.98%	570
2012	5,694,777	235,000	5,459,777	675,327,207	11,590	0.81%	471
2013	5,431,161	270,000	5,161,161	667,354,519	11,685	0.77%	442
2014	5,167,545	270,000	4,897,545	687,617,997	11,711	0.71%	418
2015	4,119,030	306,200	3,812,830	719,152,674	12,101	0.53%	315
2016	3,901,753	277,600	3,624,153	915,652,410	12,101	0.40%	299
2017	3,590,789	144,006	3,446,783	1,004,927,028	12,338	0.34%	279

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2017**

	Total Debt 6/30/2017	% Applicable	City's Share of Debt 6/30/2016
OVERLAPPING TAX AND ASSESSMENT DEBT:			
State Center Community College District	\$ 89,195,000	1.314%	\$ 1,172,022
Selma Unified School District	26,434,541	5.885%	1,555,673
Kingsburg Joint Union High School District	21,615,715	49.847%	10,774,785
Kingsburg Elementary Charter School District	14,268,247	64.943%	9,266,228
City of Kingsburg 1915 Act Bonds	615,000	100.000%	<u>615,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 23,383,708
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Fresno County General Fund Obligations	\$ 46,400,000	1.435%	\$ 665,840
Fresno County Pension Obligation Bonds	330,122,749	1.435%	4,737,261
Selma Unified School District Certificates of Participation	15,506,261	5.885%	912,543
Kingsburg Elementary Charter School District Certificates of Participation	6,184,706	64.943%	4,016,534
City of Kingsburg General Fund Obligations	2,460,000	100.000%	<u>2,460,000</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 12,792,178
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 210,000	100.000%	\$ 210,000
TOTAL DIRECT DEBT			\$ 3,590,789
TOTAL OVERLAPPING DEBT			\$ 32,795,097
COMBINED TOTAL DEBT			\$ 36,385,886 (2)

(1) The percentage of overlapping debt applicable to the City is estimated using taxable assessed property value. Applicable percentage were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the City divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease

Ratios to 2016-17 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.30%
Total Direct Debt (\$2,570,000)	0.24%
Combined Total Debt	3.58%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$127,751,480):

Total Overlapping Tax Increment Debt	0.16%
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AB:(\$500)

Source: Muni Services, LLC

**CITY OF KINGSBURG
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2017**

ASSESSED VALUATION	
Assessed Value	\$ 1,004,927,028
Add back exempt property	<u>11,904,300</u>
Total Assessed Value	<u><u>1,016,831,328</u></u>
LEGAL BONDED DEBT LIMIT	
(15% OF ASSESSED VALUE)	
	152,524,699
AMOUNT OF DEBT SUBJECT TO LIMIT:	
Total Bonded debt	3,537,250
Less Tax Allocation Bonds not subject to limit	<u>-</u>
Amount Subject to limit	<u><u>3,537,250</u></u>
LEGAL BONDED DEBT MARGIN	<u><u>\$ 148,987,449</u></u>

Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2008	\$ 105,111,174	\$ 3,200,000	\$ 101,911,174	3.14%
2009	104,940,665	3,135,000	101,805,665	3.08%
2010	102,116,514	3,065,000	99,051,514	3.09%
2011	102,705,997	2,995,000	99,710,997	3.00%
2012	103,277,956	2,920,000	100,357,956	2.91%
2013	102,021,723	2,845,000	99,176,723	2.87%
2014	105,063,705	2,845,000	102,218,705	2.78%
2015	109,747,886	2,765,000	106,982,886	2.58%
2016	139,190,717	2,570,000	136,620,717	1.88%
2017	152,524,699	3,537,250	148,987,449	2.37%

Source: Fresno County Auditor/Controller

**CITY OF KINGSBURG
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (4)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (3)	County Population (1)
2015-2016	12,101	318,852,032	26,349	34.7	3,438	10.2%	10.4%	984,541
2016-2017	12,338	333,693,548	27,046	34.7	3,391	9.4%	9.6%	995,975

Source: MuniServices, LLC, U.S. Census Bureau, 2010 American Community Survey.

2015-16 is the City's first CAFR publication, therefore prior year data availability is limited.

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

1.) Population projections are provided by the California Department of Finance Projections.

2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

4.) Median Age reflects the U.S. Census data estimation table.

**Student Enrollment reflects the total number of students enrolled in Kingsburg Elementary Charter and Kingsburg Joint Union High.

**CITY OF KINGSBURG
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Business Name	2016-2017	
	Number of Employees	Percent of Total Employment (%)
Kingsburg Elementary Charter School District*	353	6.09%
Guardians Industries Corporation	264	4.55%
Kingsburg Care Ctr**	107	1.84%
Jensen Mcclarty Llc	100	1.72%
Save Mart	70	1.21%
Cornerstone Cold Storage	60	1.03%
Kings River Union School District	51	0.88%
City of Kingsburg	49	0.84%
Nutrius	46	0.79%
Cencal Cnc Inc	42	0.72%
Total Top 10 Employers	1,142	19.67%
Total City Labor Force (1)	5,800	

Source: MuniServices, LLC.

2015-16 is the City's first CAFR publication, therefore prior year data availability is limited.

Results based on direct correspondence with City's local businesses.

*Includes FT, Substitutes and Coaches

**Includes FT and on-call

(1) Total City Labor Force provided by EDD Labor Force Data.

**CITY OF KINGSBURG
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Function/Programs	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Activities										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.44
City Clerk	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Services	7.30	4.30	4.10	4.10	3.85	3.85	3.85	3.85	3.85	7.27
Human Resource	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Police Department	22.00	22.00	22.00	18.00	18.00	18.00	18.00	18.00	18.00	18.07
Planning & Development	1.75	1.00	1.25	1.50	0.25	0.25	0.55	0.55	1.35	2.00
Public Works	4.66	4.38	4.38	3.03	3.03	3.03	3.03	3.03	3.03	3.00
Total Governmental Activities	44.71	40.68	40.73	35.63	34.13	34.13	34.43	34.43	35.23	39.78
Business-Type-Activities										
Water	6.80	6.68	5.93	5.83	5.83	5.83	5.83	5.83	5.83	4.00
Solid Waste	2.77	2.65	2.15	2.05	2.05	2.05	2.05	2.05	2.05	2.00
Ambulance/Fire	11.20	12.15	11.10	9.50	9.50	9.20	9.50	12.50	12.50	11.70
Building Permit	3.25	0.90	0.90	0.65	0.65	0.65	0.65	1.35	-	-
Total Business Type Activities	24.02	22.38	20.08	18.03	18.03	17.73	18.03	21.73	20.38	17.70
Full Time Employees	68.73	63.06	60.81	53.66	52.16	51.86	52.46	56.16	55.61	57.48

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
# of calls for service	18,984	18,735	18,702	17,246	15,644	17,424	19,109	12,736	8,125	9,840
# of arrests	276	422	512	458	427	361	370	369	276	383
# of traffic citations	503	1,008	1,029	881	532	502	655	293	302	657
Fire										
# of fire calls	392	415	408	399	317	380	509	598	441	622
# of EMS calls	1,584	1,535	1,440	1,522	1,613	1,450	1,594	1,651	1,285	1,768
# of inspections	8	12	6	6	6	14	10	8	6	10
Parks and Recreation										
# of recreation classes	5	5	5	5	5	5	5	5	5	5
# of facility rentals	329	279	351	308	276	278	304	341	303	251
Public Works										
# of street miles maintained	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50	50.00
# of Facilities sq ft maintained	67,078	67,078	67,078	67,078	67,078	67,078	67,078	67,078	67,078	67,078
Utilities:										
# of utility accounts	3,438	3,505	3,523	3,548	3,446	3,589	3,602	3,607	3,614	3,666
Water Production volume (in millions)	1,080.60	1,447.20	1,136.20	1,245.30	1,240.30	1,343.70	1,129.00	837.50	805.24	980.18
Planning and Building										
# of building permits	309	228	259	270	255	241	233	388	310	416
# of planning applications	44	28	32	34	20	32	34	27	14	40
# of code complaints	-	-	-	-	-	-	-	30	50	14

Source: City of Kingsburg Finance Department

**CITY OF KINGSBURG
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Public Utilities:										
Streets (miles)	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50	47.50	50.00
Community Services:										
Parks	8	8	8	8	8	8	8	9	9	9
Utilities:										
Water Wells	8	8	8	8	8	8	8	8	8	8

Source: City of Kingsburg Finance Department