

CITY OF CERES, CALIFORNIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2016



Prepared by:

Suzanne Dean
Finance Director

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City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

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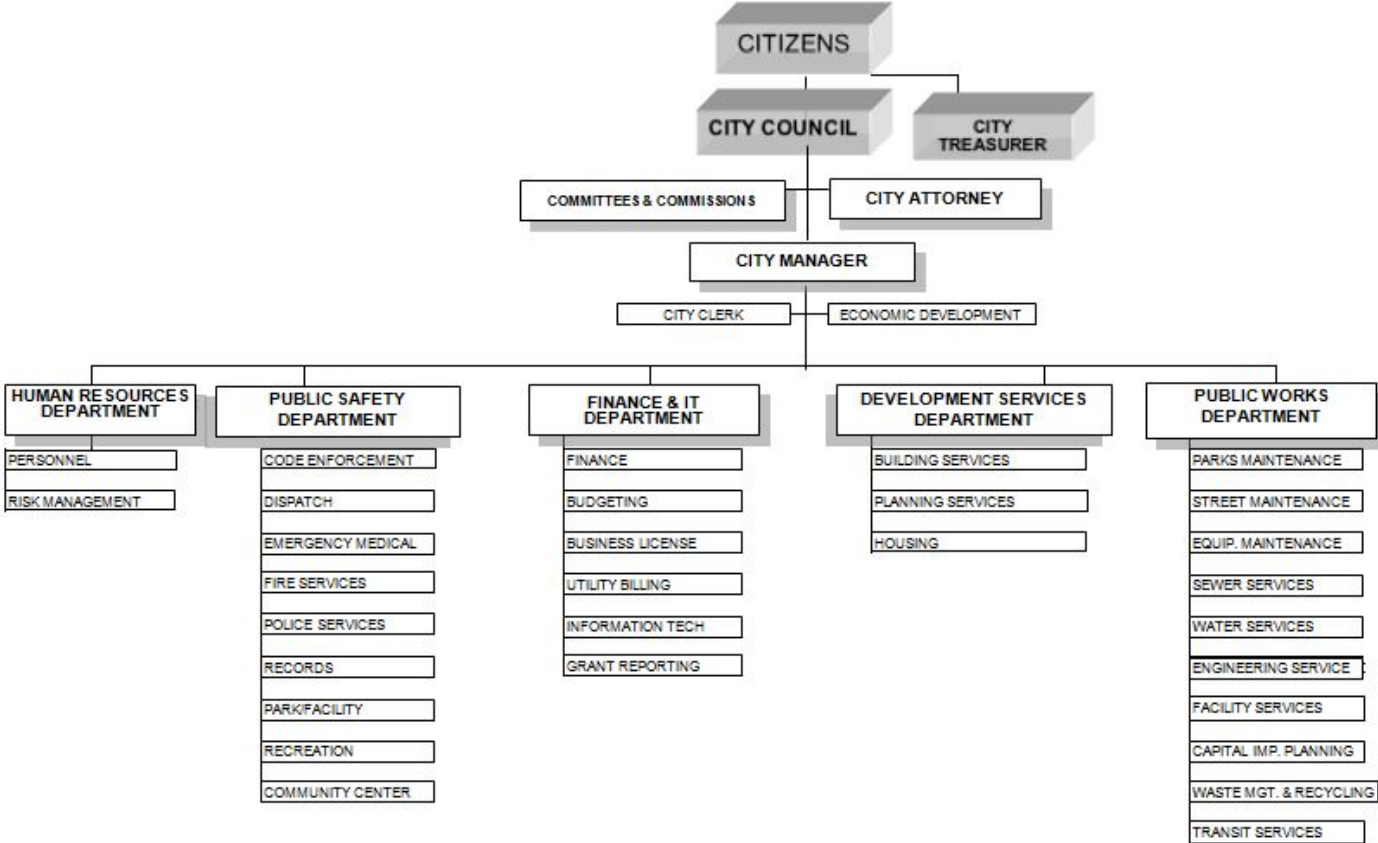
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City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Organization Chart

CITY OF CERES
ORGANIZATION CHART



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City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

List of Officials

CITY COUNCIL

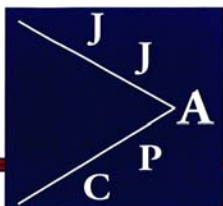
- Chris Vierra, Mayor
- Mike Kline, Vice Mayor
- Ken Lane
- Bret Durossette
- Linda Ryno

CITY OFFICIALS

- Toby E. Wells, P.E., City Manager
- Suzanne Dean, Finance Director
- Harry Herbert, City Treasurer
- Diane Nayares-Perez, City Clerk
- Tom Hallinan, City Attorney

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and budgetary comparison information of the City of Ceres, California (City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and budgetary comparison information of the City of Ceres, California, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-16, the Schedule of Employer Contributions on page 94, and the Schedule of Changes in Net Pension Liability and Related Ratios on page 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and 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 section has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2017 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance and is included in the City's Single Audit Report.

March 7, 2017

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis

This section provides a narrative overview and analysis of the financial activities of the City of Ceres (City) for the fiscal year ended June 30, 2016. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- ◆ As of June 30, 2016, total assets of the City exceeded its liabilities by \$130,206,315 (net position). The portion of net position that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position) is \$29,093,192. There are currently \$4,135,424 of net position that are restricted and may only be used for a specific purpose. The remaining \$96,977,699 is the net investment in capital assets.
- ◆ As of June 30, 2016, the City's Governmental Activities reported combined net position of \$95,029,601 of that, \$9,956,963 is unrestricted.
- ◆ As of June 30, 2016, the City's governmental funds reported combined ending fund balances of \$19,263,599. Approximately 89% of this total amount (\$17.1 million) is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been set aside for a specific purpose due to a law, regulation, or Council action or it is not part of available, spendable resources. Of the remaining balance, \$734,127 is committed as a "general fund reserve" for economic uncertainties and anticipated future short-term structural deficits.
- ◆ Capital assets in the governmental activities, net of depreciation, increased to \$81,471,481 from \$78,817,217, which includes \$25,983,801 of infrastructure per the requirements of GASB 34. This increase is attributed to the addition of in City vehicles and the completion of several infrastructure projects.

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is in two major parts:

- 1) **Introductory section**, which includes general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements, and supplementary information, which includes Combining and Individual Fund Financial Statements and Schedules.

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the City's financial activities and financial position.

The Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and all its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each the City's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, economic development, public safety, animal control, engineering, community events, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

The Government-wide Financial Statements, Continued

- ◆ ***Business-type activities*** – All the City's enterprise activities are reported here, including Water, Sewer, and STANCOG. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

Fund Financial Statements

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

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the Governmental Fund Financial Statements is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the City for the year, and may change from year to year as a result of changes in the pattern of the City's activities.

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

For the fiscal year ended June 30, 2016, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ Street Expansion Special Revenue Fund
- ◆ HOME Program Grants Special Revenue Fund
- ◆ CDBG Grants Special Revenue Fund

PROPRIETARY FUNDS:

- ◆ Water Enterprise Fund
- ◆ Sewer Enterprise Fund
- ◆ STANCOG Enterprise Fund

Proprietary funds. The City maintains Enterprise-type and internal service proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water, Sewer, and STANCOG activities. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. Internal service funds present operations for services provided within the government. Internal service funds are maintained for equipment, information technology, risk management, and building maintenance activities. The proprietary fund financial statements provide separate information for the all of the enterprise operations and a combined total for the internal service funds, which are consolidated into governmental activities at the government-wide statement level.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 45–92 of this report.

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 102-155 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

In the case of the City, assets exceeded liabilities by \$130,206,315 as of June 30, 2016.

The Summary of Net Position as of June 30, 2016, and 2015, follows:

	Summary of Net Position					
	2016			2015		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Current and other assets	\$ 26,641,473	\$ 22,973,976	\$ 49,615,449	\$ 30,940,518	\$ 19,819,397	\$ 50,759,915
Noncurrent assets	89,068,827	26,961,286	116,030,113	86,119,391	26,571,707	112,691,098
Total assets	<u>115,710,300</u>	<u>49,935,262</u>	<u>165,645,562</u>	<u>117,059,909</u>	<u>46,391,104</u>	<u>163,451,013</u>
Deferred outflows: Pension Plan	4,214,661	653,488	4,868,149	2,820,012	436,393	3,256,405
Total assets and deferred outflows	119,924,961	50,588,750	170,513,711	119,879,921	46,827,497	166,707,418
Current and other liabilities	4,827,559	1,533,849	6,361,408	4,229,436	2,337,982	6,567,418
Long-term liabilities	17,661,588	13,509,675	31,171,263	13,797,398	13,367,626	27,165,024
Total liabilities	<u>22,489,147</u>	<u>15,043,524</u>	<u>37,532,671</u>	<u>18,026,834</u>	<u>15,705,608</u>	<u>33,732,442</u>
Deferred inflows: Pension Plan	2,406,213	368,512	2,774,725	6,100,130	943,517	7,043,647
Total liabilities and deferred inflows	24,895,360	15,412,036	40,307,396	24,126,964	16,649,125	40,776,089
Net position:						
Net investment in capital assets	80,937,214	16,040,485	96,977,699	78,284,945	15,359,715	93,644,660
Restricted	4,135,424	-	4,135,424	4,900,000	-	4,900,000
Unrestricted	9,956,963	19,136,229	29,093,192	12,568,012	14,818,657	27,386,669
Total net position	<u>\$ 95,029,601</u>	<u>\$ 35,176,714</u>	<u>\$ 130,206,315</u>	<u>\$ 95,752,957</u>	<u>\$ 30,178,372</u>	<u>\$ 125,931,329</u>

Restricted net position decreased by \$764,576 due to decreased revenue in the BEGIN Grant, State Gas Tax and Transportation Development Act funds. These decreased revenues are committed to projects by the City Council.

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2016, and 2015, follows:

	2016			2015		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,435,814	\$ 17,558,575	\$ 19,994,389	\$ 2,416,350	\$ 16,773,468	\$ 19,189,818
Grants and contributions:						
Operating	8,105,858	-	8,105,858	10,281,205	-	10,281,205
Capital	-	-	-	-	-	-
General revenues:						
Property taxes and assessments	5,250,612	-	5,250,612	4,969,916	-	4,969,916
Sales and use tax	7,237,322	-	7,237,322	6,794,824	-	6,794,824
Utility users tax	809,937	-	809,937	820,714	-	820,714
Other taxes	465,794	-	465,794	406,428	-	406,428
State motor vehicle in-lieu tax	421,412	-	421,412	395,194	-	395,194
Use of money and property	95,050	126,242	221,292	76,278	208,604	284,882
Total revenues	<u>24,821,799</u>	<u>17,684,817</u>	<u>42,506,616</u>	<u>26,160,909</u>	<u>16,982,072</u>	<u>43,142,981</u>
Expenses:						
Governmental activities:						
General government	3,381,438	-	3,381,438	521,924	-	521,924
Public safety	16,710,213	-	16,710,213	18,239,195	-	18,239,195
Engineering and transportation	1,749,339	-	1,749,339	1,836,896	-	1,836,896
Public works	2,204,449	-	2,204,449	1,168,215	-	1,168,215
Community services	966,751	-	966,751	1,106,032	-	1,106,032
Economic development	413,986	-	413,986	206,741	-	206,741
Interest and fiscal charges	118,979	-	118,979	118,979	-	118,979
Business-type activities:						
Water	-	5,087,772	5,087,772	-	5,146,790	5,146,790
Sewer	-	6,542,924	6,542,924	-	6,035,285	6,035,285
STANCOG	-	1,055,779	1,055,779	-	1,015,365	1,015,365
Total expenses	<u>25,545,155</u>	<u>12,686,475</u>	<u>38,231,630</u>	<u>23,197,982</u>	<u>12,197,440</u>	<u>35,395,422</u>
Excess (Deficiency) of revenues over expenditures before transfers	<u>(723,356)</u>	<u>4,998,342</u>	<u>4,274,986</u>	<u>2,962,927</u>	<u>4,784,632</u>	<u>7,747,559</u>
Change in net position	(723,356)	4,998,342	4,274,986	2,962,927	4,784,632	7,747,559
Net position:						
Beginning of year	95,752,957	30,178,372	125,931,329	109,818,231	28,027,520	137,845,751
Adjustments	-	-	-	(17,028,201)	(2,633,780)	(19,661,981)
Beginning of year, as adjusted	<u>95,752,957</u>	<u>30,178,372</u>	<u>125,931,329</u>	<u>92,790,030</u>	<u>25,393,740</u>	<u>118,183,770</u>
End of year	<u>\$ 95,029,601</u>	<u>\$ 35,176,714</u>	<u>\$ 130,206,315</u>	<u>\$ 95,752,957</u>	<u>\$ 30,178,372</u>	<u>\$ 125,931,329</u>

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$42,506,616 for the fiscal year ended June 30, 2016. Approximately 48% of the City's key revenues are generated from three major sources.

The following discusses variances in key revenues from the prior fiscal year:

- 1. Sales Tax.** Annual receipts remained flat with a decrease of less than 1%. This slight decrease is attributed to general lag in economic recovery.
- 2. Property Tax.** Annual receipts increase by 8%, due to an increase in the assessed values and increased sale of foreclosed homes.
- 3. Grants and Contributions – Governmental Activities Operating.** The decrease in Governmental operating grants and contributions was mainly due to street, road, and community enhancement operating grants for maintenance and operations that were available to the City.

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Governmental and business-type activity expenses of the City for the year totaled \$38,231,630. Governmental activity expenses totaled \$25,545,155 or 67% of total expenses. Business-type activities incurred \$12,686,475 of expenses during the fiscal year. Public safety costs represented 65% of total governmental activities expenses, which represented the largest single expense for governmental activities.

Governmental Activities

The following table shows the cost of each of the City’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2016, and 2015, are as follows:

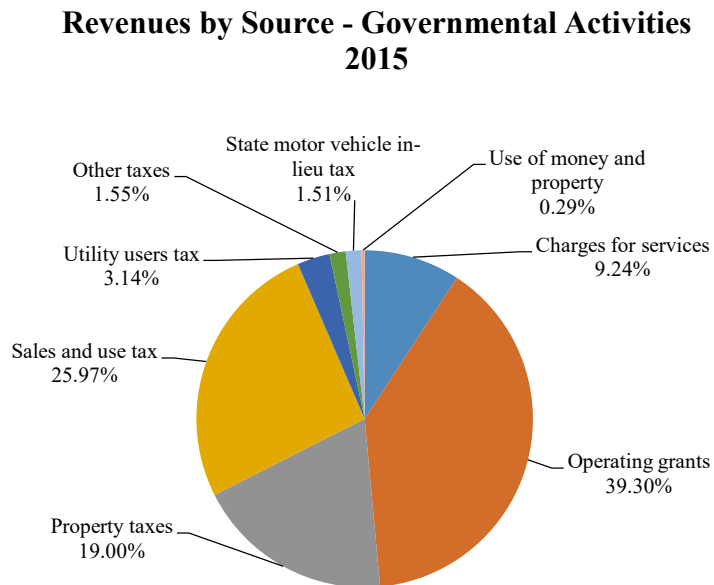
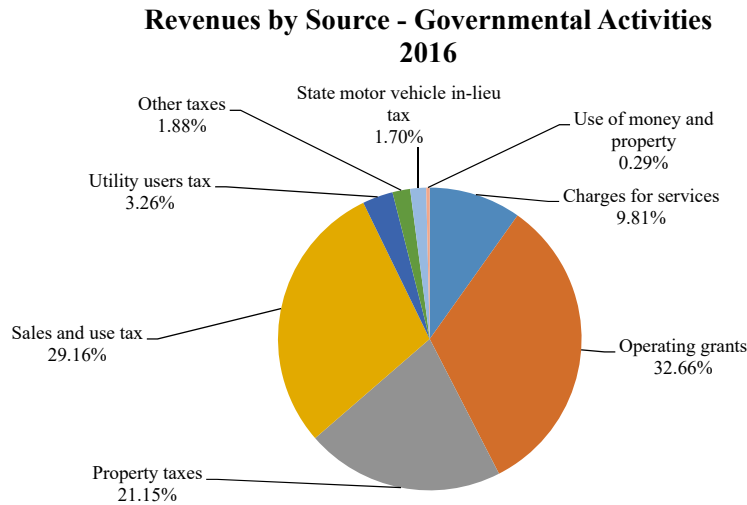
	2016		2015	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 3,381,438	\$ (1,897,783)	\$ 521,924	\$ (1,045,353)
Public safety	16,710,213	(11,477,520)	18,239,195	13,324,064
Engineering and transportation	1,749,339	(50,314)	1,836,896	(1,205,164)
Public works	2,204,449	(1,179,200)	1,168,215	(455,243)
Community services	966,751	(63,352)	1,106,032	(137,049)
Economic development	413,986	(216,335)	206,741	(99,807)
Interest and fiscal charges	118,979	(118,979)	118,979	118,979
Total	<u>\$ 25,545,155</u>	<u>\$ (15,003,483)</u>	<u>\$ 23,197,982</u>	<u>\$ 10,500,427</u>

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues by source for the fiscal years ended June 30, 2016, and 2015, are as follows:



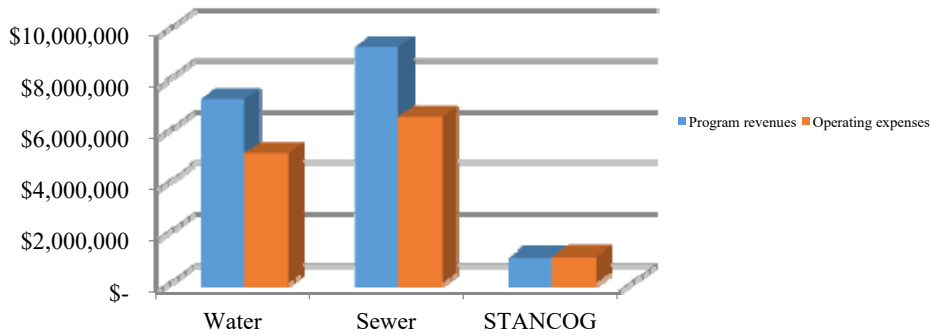
City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management’s Discussion and Analysis, Continued

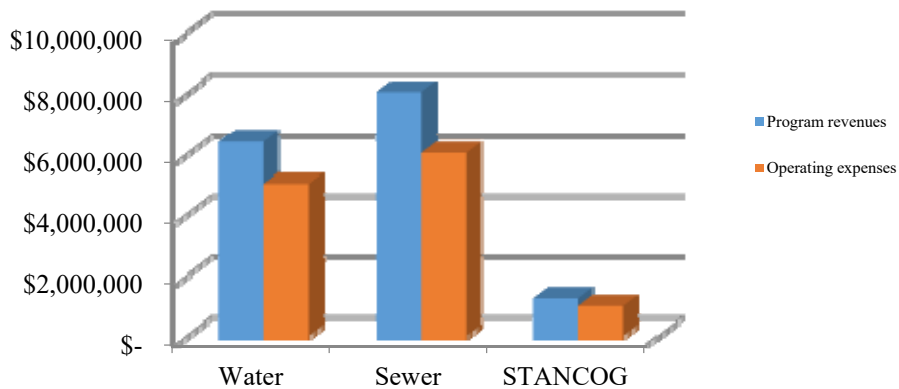
GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type activities. Business-type activities increased the City’s net position to \$35,176,714. The City has three business-type activities: Water, Sewer, and STANCOG. Water accounts for 44%, Sewer accounts for 52% of total business-type activity revenue, and STANCOG accounts for 4%. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2016, and 2015, are as follows:

**Expenses and Program Revenues
 Business-type Activities
 2016**



**Expenses and Program Revenues
 Business-type Activities
 2015**

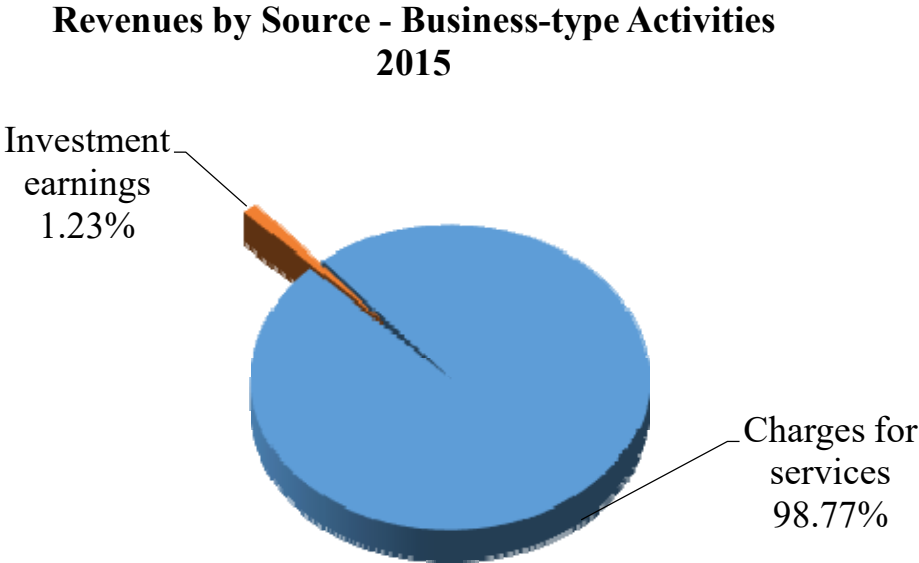
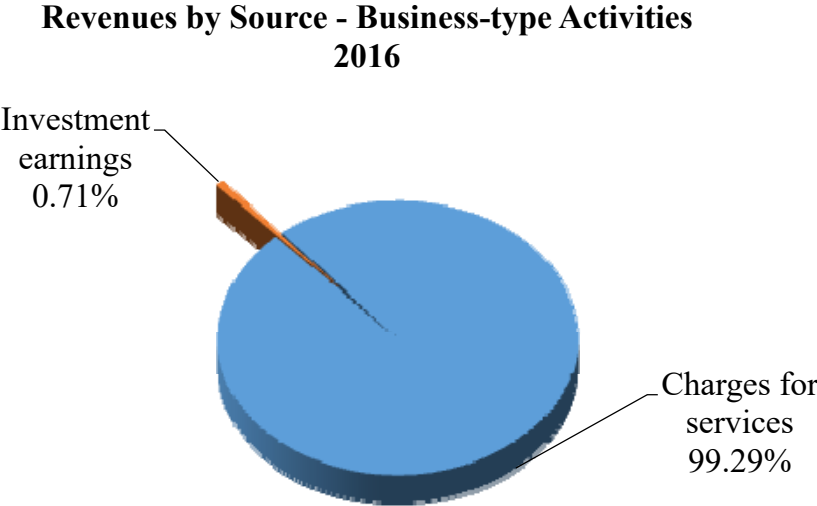


City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The revenues by source for the business-type activities for the fiscal years ended June 30, 2016, and 2015, are as follows:



City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

The City of Ceres uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

Governmental funds. The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2016, the City's governmental funds reported combined fund balances of \$19,263,599. This is a decrease of \$4,949,369 or 20% over last year. The decrease was mainly due to the continued structural deficit in the General Fund. The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2016, General Fund unassigned fund balance totaled \$5,103,656 with \$80,348 reported as committed and \$15,060 as nonspendable.

Community Development Block Grant (CDBG) money is available to cities for a variety of community enhancement activities. In the fiscal year ended June 30, 2016, the majority of this money was used to provide first time home buyers assistance and home rehabilitation for low-income residents.

Proprietary funds. The City's proprietary funds net position increased by \$4,998,342 in the fiscal year ended June 30, 2016. This was primarily due to the completion of several major water and sewer capital projects. Factors concerning the finances of the three proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The difference between the final budget and actual revenues reflects a negative of \$233,685. This was mainly due to a decrease in Motor Vehicle In-Lieu, Utility Users Tax, Business License Taxes and the Secured Property Tax.

The difference between the total original budget and the total final amended budget was a decrease of \$285,845. Actual expenditures were \$959,333 under budget (approximately 5% of budget).

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

The City’s net investment in capital assets for its governmental and business type activities as of June 30, 2016, amount to \$108,432,767. This net investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 13,865,519	\$ 12,536,956	\$ 1,783,812	\$ 1,783,812	\$ 15,649,331	\$ 14,320,768
Buildings and improvements	39,489,373	34,488,524	16,508,173	15,060,003	55,997,546	49,548,527
Machinery and equipment	2,132,788	1,718,026	548,141	819,999	2,680,929	2,538,025
Infrastructure	25,983,801	30,073,711	8,121,160	8,907,893	34,104,961	38,981,604
Total	\$ 81,471,481	\$ 78,817,217	\$ 26,961,286	\$ 26,571,707	\$ 108,432,767	\$ 105,388,924

Major capital asset events during the year included: Completion of the Whitmore Avenue Interchange Landscape project, Safe Routes to School project, and the Fleet Maintenance building Expansion projects.

More detail of the capital assets and current activity can be found in the notes to the financial statements on pages 51 and 52 for significant accounting policies and Note 5 on page 65 for other capital asset information.

Economic Outlook

The national economy grew modestly during 2015-2016. The national unemployment rate declined to 4.9%, the lowest rate since 2008. This trend is not expected to continue. The local economy has shown very little improvement during the past year. The local job market remains anemic making it difficult for improvement in other economic areas. Real Estate prices have stabilized and prices are increasing. The state overall has shown an increase in revenue which in turn has resulted in small amounts of revenue being returned to cities. The end of the “Triple Flip” in 2015-2016 gave cities back their sales tax revenue and has improved cash flow.

The City’s major General Fund revenue sources are sales tax and property taxes. Both of these revenue sources are affected by the continuing economic state. We are estimating sales tax revenue to increase by 7% in fiscal year 2016–2017. Also, in fiscal year 2016-2017, we are estimating property tax revenue to increase by 6%.

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

Management's Discussion and Analysis, Continued

Requests for Information

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact Suzanne Dean, Finance Director, 2720 Second Street, Ceres, CA 95307, or visit the City's web page at www.ci.ceres.ca.us/.

BASIC FINANCIAL STATEMENTS

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City of Ceres, California
Statement of Net Position
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 22,347,709	\$ 21,176,317	\$ 43,524,026
Cash and investments with trustee/fiscal agent	-	838,867	838,867
Receivables:			
Accounts receivable	4,285,154	958,792	5,243,946
Prepaid items	8,610	-	8,610
Total current assets	26,641,473	22,973,976	49,615,449
Noncurrent assets:			
Advances to fiduciary activities	531,494	-	531,494
Loans receivable	7,065,852	-	7,065,852
Capital assets:			
Nondepreciable	13,865,519	1,783,812	15,649,331
Depreciable	67,605,962	25,177,474	92,783,436
Total noncurrent assets	89,068,827	26,961,286	116,030,113
Total assets	115,710,300	49,935,262	165,645,562
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	4,214,661	653,488	4,868,149
Total deferred outflows of resources	4,214,661	653,488	4,868,149
Total assets and deferred outflows	119,924,961	50,588,750	170,513,711
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,314,343	830,381	3,144,724
Deposits payable	2,373,473	292,184	2,665,657
Intergovernmental payable	139,743	-	139,743
Unearned revenue	-	50,713	50,713
Interest payable	-	57,803	57,803
Current portion of long-term debt	-	302,768	302,768
Total current liabilities	4,827,559	1,533,849	6,361,408
Noncurrent liabilities:			
Long-term liabilities:			
Compensated absences	1,582,373	369,275	1,951,648
Due after one year	-	10,920,801	10,920,801
Liability for claims	1,747,786	-	1,747,786
Net pension obligation	14,331,429	2,219,599	16,551,028
Total noncurrent liabilities	17,661,588	13,509,675	31,171,263
Total liabilities	22,489,147	15,043,524	37,532,671
DEFERRED INFLOWS OF RESOURCES			
Pension Plan	2,406,213	368,512	2,774,725
Total liabilities and deferred inflows of resources	24,895,360	15,412,036	40,307,396
NET POSITION			
Net investment in capital assets	80,937,214	16,040,485	96,977,699
Restricted	4,135,424	-	4,135,424
Unrestricted	9,956,963	19,136,229	29,093,192
Total net position	95,029,601	35,176,714	130,206,315
Total liabilities, deferred inflows, and net position	\$ 119,924,961	\$ 50,588,750	\$ 170,513,711

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

City of Ceres, California
Statement of Activities
For the year ended June 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,381,438	\$ 271,688	\$ 1,211,967	\$ -
Public safety	16,710,213	563,319	4,669,374	-
Engineering and Transportation	1,749,339	458,706	1,240,319	-
Public works	2,204,449	428,724	596,525	-
Community services	966,751	713,377	190,022	-
Economic development	413,986	-	197,651	-
Interest and fiscal charges	118,979	-	-	-
Total governmental activities	<u>25,545,155</u>	<u>2,435,814</u>	<u>8,105,858</u>	<u>-</u>
Business-type activities:				
Water	5,087,772	7,255,770	-	-
Sewer	6,542,924	9,271,154	-	-
STANCOG	1,055,779	1,031,651	-	-
Total business-type activities	<u>12,686,475</u>	<u>17,558,575</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 38,231,630</u>	<u>\$ 19,994,389</u>	<u>\$ 8,105,858</u>	<u>\$ -</u>

General revenues:

- Taxes:
 - Property taxes, levied for general purposes
 - Sales and use tax
 - Utility users tax
 - Other taxes
- Intergovernmental:
 - State motor vehicle in-lieu tax (MVLF)
- Use of money and property
- Total general revenues
- Transfers
 - Total general revenues and transfers
- Change in net position
- Net position:
 - Beginning of year
 - Net position - Ending

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (1,897,783)	\$ -	\$ (1,897,783)
(11,477,520)	-	(11,477,520)
(50,314)	-	(50,314)
(1,179,200)	-	(1,179,200)
(63,352)	-	(63,352)
(216,335)	-	(216,335)
(118,979)	-	(118,979)
<u>(15,003,483)</u>	<u>-</u>	<u>(15,003,483)</u>
-	2,167,998	2,167,998
-	2,728,230	2,728,230
-	(24,128)	(24,128)
-	<u>4,872,100</u>	<u>4,872,100</u>
<u>(15,003,483)</u>	<u>4,872,100</u>	<u>(10,131,383)</u>
5,250,612	-	5,250,612
7,237,322	-	7,237,322
809,937	-	809,937
465,794	-	465,794
421,412	-	421,412
95,050	126,242	221,292
<u>14,280,127</u>	<u>126,242</u>	<u>14,406,369</u>
-	-	-
<u>14,280,127</u>	<u>126,242</u>	<u>14,406,369</u>
(723,356)	4,998,342	4,274,986
95,752,957	30,178,372	125,931,329
<u>\$ 95,029,601</u>	<u>\$ 35,176,714</u>	<u>\$ 130,206,315</u>

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FUND FINANCIAL STATEMENTS
MAJOR FUNDS

Fund	Description
Governmental Funds:	
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
Street Expansion Special Revenue	Accounts for fees collected from developers to be used to widen streets due to the traffic impact of their projects.
Home Program Grants Special Revenue	Accounts for activities related to housing and the related Home Program funding.
CDBG Grants Special Revenue	Accounts for activities related to housing and the related CDBG funding.

City of Ceres, California
Balance Sheet
Governmental Funds
June 30, 2016

	Major Funds			
	General Fund	Street Expansion Special Revenue	Home Program Grants Special Revenue	CDBG Grants Special Revenue
ASSETS				
Cash and investments	\$ 5,467,399	\$ 3,862,912	\$ 169,692	\$ 502,441
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	6,153	7,679	-	373
Intergovernmental	-	-	-	-
Loans receivable	-	-	6,199,195	518,774
Other receivable	3,570,024	-	-	2,262
Due from other funds	6,970	2,595,039	-	-
Advances to Former Redevelopment Agencies				
Private Purpose Trust	531,494	-	-	-
Prepaid items	8,610	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 9,590,650	\$ 6,465,630	\$ 6,368,887	\$ 1,023,850
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,538,960	\$ 25,483	\$ 15,178	\$ 6,060
Deposits payable	2,318,359	-	-	-
Intergovernmental payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	3,857,319	25,483	15,178	6,060
Deferred inflows: Unavailable revenue	534,267	-	6,199,195	518,774
Total liabilities and deferred inflows	4,391,586	25,483	6,214,373	524,834
Fund balances:				
Nonspendable:				
Petty cash	6,450	-	-	-
Prepaid items	8,610	-	-	-
Restricted reported in:				
Special revenue funds	-	-	154,514	499,016
Committed	80,348	103,536	-	-
Assigned reported in:				
Special revenue funds	-	6,336,611	-	-
Unassigned (deficit), reported in:				
General fund	5,103,656	-	-	-
Special revenue funds	-	-	-	-
Total fund balances	5,199,064	6,440,147	154,514	499,016
Total liabilities and fund balances	\$ 9,590,650	\$ 6,465,630	\$ 6,368,887	\$ 1,023,850

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

Nonmajor Governmental Funds	Totals
\$ 9,734,990	\$ 19,737,434
-	-
526,873	526,873
11,264	25,469
-	-
882,150	7,600,119
159,648	3,731,934
140,760	2,742,769
-	531,494
-	8,610
-	-
<u>\$ 11,455,685</u>	<u>\$ 34,904,702</u>

\$ 665,287	\$ 2,250,968
55,114	2,373,473
139,743	139,743
<u>2,742,533</u>	<u>2,742,533</u>
<u>3,602,677</u>	<u>7,506,717</u>
<u>882,150</u>	<u>8,134,386</u>
<u>4,484,827</u>	<u>15,641,103</u>
-	6,450
-	8,610
3,481,894	4,135,424
239,698	423,582
6,173,071	12,509,682
-	5,103,656
<u>(2,923,805)</u>	<u>(2,923,805)</u>
<u>6,970,858</u>	<u>19,263,599</u>
<u>\$ 11,455,685</u>	<u>\$ 34,904,702</u>

City of Ceres, California
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2016

Total fund balances - total governmental funds \$ 19,263,599

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 80,132,171

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.

Compensated absences	\$ (1,467,149)	
Net pension obligation	<u>(14,331,429)</u>	(15,798,578)

Governmental funds notes receivable from various loan programs are deferred under the current financial resources measurement focus. The notes receivable are recognized in the government-wide Statement of Net Position under the accrual basis of accounting. 7,600,119

Pension obligations result in deferred outflows and inflows of resources associated with actuarial value of contributions, assets, and liabilities		
Deferred outflows	4,214,661	
Deferred inflows	<u>(2,406,213)</u>	1,808,448

Internal services funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the internal service funds are:

Current assets	2,611,153	
Noncurrent assets	1,339,310	
Accounts payable and accrued liabilities	(63,611)	
Long-term liabilities	<u>(1,863,010)</u>	<u>2,023,842</u>

Net position of governmental activities \$ 95,029,601

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

City of Ceres, California

Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position

Governmental Activities

June 30, 2016

	Governmental Funds Balance Sheet	Reclassifications	Internal Service Funds	Changes in GAAP	Statement of Net Position
ASSETS					
Current assets:					
Cash and investments	\$ 19,737,434	\$ -	\$ 2,610,275	\$ -	\$ 22,347,709
Receivables:					
Accounts	-	-	-	-	-
Taxes	526,873	-	-	-	526,873
Interest	25,469	-	878	-	26,347
Intergovernmental	-	-	-	-	-
Other receivable	3,731,934	-	-	-	3,731,934
Due from other funds	2,742,769	(2,742,769)	-	-	-
Prepaid items	8,610	-	-	-	8,610
Total current assets	26,773,089	(2,742,769)	2,611,153	-	26,641,473
Noncurrent assets:					
Advances to(from) fiduciary activities	531,494	-	-	-	531,494
Loans/Notes receivable	7,600,119	-	-	(534,267)	7,065,852
Capital assets, net	-	-	1,339,310	80,132,171	81,471,481
Total noncurrent assets	8,131,613	-	1,339,310	79,597,904	89,068,827
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows: Pension Plan	-	-	-	4,214,661	4,214,661
Total assets and deferred outflows of resources	\$ 34,904,702	\$ (2,742,769)	\$ 3,950,463	\$ 83,812,565	\$ 119,924,961
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,250,968	\$ -	\$ 63,375	\$ -	\$ 2,314,343
Deposits payable	2,373,473	-	-	-	2,373,473
Intergovernmental payable	139,743	-	-	-	139,743
Due to other funds	2,742,533	(2,742,769)	236	-	-
Total current liabilities	7,506,717	(2,742,769)	63,611	-	4,827,559
Noncurrent liabilities:					
Long-term debt:					
Advances from other funds	-	-	-	-	-
Compensated absences	-	-	115,224	1,467,149	1,582,373
Liability for claims	-	-	1,747,786	-	1,747,786
Net pension obligation	-	-	-	14,331,429	14,331,429
Total noncurrent liabilities	-	-	1,863,010	15,798,578	17,661,588
Total liabilities	7,506,717	(2,742,769)	1,926,621	15,798,578	22,489,147
Deferred inflows: Grants	7,600,119	-	-	(7,600,119)	-
Deferred inflows: Unavailable revenue	534,267	-	-	(534,267)	-
Deferred inflows: Pension plan	-	-	-	2,406,213	2,406,213
Total liabilities and deferred inflows	15,641,103	(2,742,769)	1,926,621	10,070,405	24,895,360
FUND BALANCES/NET POSITION					
Fund balances:					
Nonspendable	15,060	(15,060)	-	-	-
Restricted	4,135,424	(4,135,424)	-	-	-
Committed	423,582	(423,582)	-	-	-
Assigned	12,509,682	(12,509,682)	-	-	-
Unassigned	2,179,851	(2,179,851)	-	-	-
Net position:					
Net investment in capital assets	-	-	1,339,310	79,597,904	80,937,214
Restricted	-	-	-	4,135,424	4,135,424
Unrestricted	-	19,263,599	684,532	(9,991,168)	9,956,963
Total fund balances/ net position	19,263,599	-	2,023,842	73,742,160	95,029,601
Total liabilities, deferred inflows, and net position	\$ 34,904,702	\$ (2,742,769)	\$ 3,950,463	\$ 83,812,565	\$ 119,924,961

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

City of Ceres, California
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2016

	Major Funds			
	General Fund	Street Expansion Special Revenue	Home Program Grants Special Revenue	CDBG Grants Special Revenue
REVENUES:				
Property and other taxes	\$ 13,862,282	\$ -	\$ -	\$ -
Licenses and permits	1,359,169	-	-	-
Fines, forfeitures and penalties	213,542	-	-	-
Charges for services	766,804	-	-	-
Intergovernmental	993,410	239,525	56,668	183,144
Use of money and property	102,185	27,196	-	1,161
Other revenues	356,052	216	6,908	6,441
Total revenues	17,653,444	266,937	63,576	190,746
EXPENDITURES:				
Current:				
General government	1,409,027	-	-	-
Public safety	15,012,249	-	-	-
Engineering and Transportation	114,556	2,307	-	-
Public works	161,282	-	-	-
Community services	2,055,613	-	-	-
Economic development	-	-	99,178	142
Capital outlay	79,762	1,771,564	-	145,365
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	18,832,489	1,773,871	99,178	145,507
REVENUES OVER (UNDER) EXPENDITURES	(1,179,045)	(1,506,934)	(35,602)	45,239
OTHER FINANCING SOURCES (USES):				
Transfers in	530,000	-	-	-
Transfers out	(35,949)	-	-	-
Total other financing sources (uses)	494,051	-	-	-
Net change in fund balances	(684,994)	(1,506,934)	(35,602)	45,239
FUND BALANCES:				
Beginning of year	5,884,058	7,947,081	190,116	453,777
End of year	\$ 5,199,064	\$ 6,440,147	\$ 154,514	\$ 499,016

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

Other Governmental Funds		Totals
\$ 4,741,097	\$ 18,603,379	
-	1,359,169	
88,813	302,355	
516,709	1,283,513	
1,204,007	2,676,754	
37,177	167,719	
59,293	428,910	
<u>6,647,096</u>	<u>24,821,799</u>	
10,521	1,419,548	
3,139,411	18,151,660	
1,632,476	1,749,339	
10,937	172,219	
733,921	2,789,534	
243,199	342,519	
3,030,679	5,027,370	
<u>118,979</u>	<u>118,979</u>	
<u>8,920,123</u>	<u>29,771,168</u>	
<u>(2,273,027)</u>	<u>(4,949,369)</u>	
35,949	565,949	
<u>(530,000)</u>	<u>(565,949)</u>	
<u>(494,051)</u>	<u>-</u>	
<u>(2,767,078)</u>	<u>(4,949,369)</u>	
<u>9,737,936</u>	<u>24,212,968</u>	
<u>\$ 6,970,858</u>	<u>\$ 19,263,599</u>	

City of Ceres, California

Reconciliation of Fund Basis Statements to Government-wide Statement of Activities

For the year ended June 30, 2016

Functions/Programs	Fund Based Totals	Debt/Compensated Absences	Deferred Revenue	Depreciation	Capital Asset (Additions)/Retirements	Pension Plan	Internal Service Funds	Government-wide Totals
Governmental activities:								
General government	\$ 1,419,548	\$ 14,566	\$ (260,949)	\$ 2,237,883	\$ (190,938)	(644,156)	\$ 805,484	\$ 3,381,438
Public safety	18,151,660	-	-	45,247	-	(1,486,694)	-	16,710,213
Engineering and Transportation	1,749,339	-	-	-	-	-	-	1,749,339
Public works	172,219	-	-	2,032,230	-	-	-	2,204,449
Community services	2,789,534	-	-	32,851	(1,855,634)	-	-	966,751
Economic development	342,519	-	-	71,467	-	-	-	413,986
Capital outlay	5,027,370	-	-	-	(5,027,370)	-	-	-
Debt service/Interest	118,979	-	-	-	-	-	-	118,979
Total governmental activities	\$ 29,771,168	\$ 14,566	\$ (260,949)	\$ 4,419,678	\$ (7,073,942)	\$ (2,130,850)	\$ 805,484	\$ 25,545,155

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

City of Ceres, California

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, 2016

Net change in fund balances - total governmental funds	\$ (4,949,369)
---	-----------------------

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital asset purchases capitalized	\$ 6,883,004	
Capital asset adjustment	190,938	
Depreciation expense	<u>(4,419,678)</u>	2,654,264

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	(14,566)	
Change in pension expense	<u>2,130,850</u>	2,116,284

Deferred Inflows related to the notes receivables in the governmental fund are reversed to reduce the expenditures of loan payments in the Government-Wide Financial Statements.

Deferred inflows		260,949
------------------	--	---------

Internal services funds are used by management to charge the costs of certain activities, such as risk management, to individual funds. The change in net position of the Internal Service Funds (\$791,132) is included in the governmental activities in the government-wide Statement of Net Position less amounts due to changes in capital assets \$14,352 reported above for capital assets.

	<u>(805,484)</u>
--	------------------

Change in net position of governmental activities

\$ (723,356)

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

City of Ceres, California
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget to Actual - General Fund and Major Special Revenue Funds
For the year ended June 30, 2016

	General Fund			
	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Property and other taxes	\$ 14,128,222	\$ 14,128,222	\$ 13,862,282	\$ (265,940)
Licenses and permits	1,529,750	1,529,750	1,359,169	(170,581)
Fines, forfeitures and penalties	243,000	243,000	213,542	(29,458)
Charges for services	798,500	798,500	766,804	(31,696)
Intergovernmental	750,525	979,957	993,410	13,453
Use of money and property	107,700	107,700	102,185	(5,515)
Other revenues	100,000	100,000	356,052	256,052
Total revenues	17,657,697	17,887,129	17,653,444	(233,685)
EXPENDITURES:				
Current:				
General government	1,344,437	1,345,037	1,409,027	(63,990)
Public safety	15,533,091	15,699,512	15,012,249	687,263
Engineering and Transportation	176,248	192,089	114,556	77,533
Public works	155,508	158,508	161,282	(2,774)
Community services	2,296,693	2,307,519	2,055,613	251,906
Capital outlay	-	89,157	79,762	9,395
Total expenditures	19,505,977	19,791,822	18,832,489	959,333
REVENUES OVER (UNDER) EXPENDITURES	(1,848,280)	(1,904,693)	(1,179,045)	725,648
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	20,000	20,000	-	(20,000)
Transfers in	530,000	530,000	530,000	-
Transfers out	(37,803)	(37,803)	(35,949)	1,854
Total other financing sources (uses)	512,197	512,197	494,051	(18,146)
Net change in fund balances	(1,336,083)	(1,392,496)	(684,994)	707,502
FUND BALANCES:				
Beginning of year	5,884,058	5,884,058	5,884,058	-
End of year	\$ 4,547,975	\$ 4,491,562	\$ 5,199,064	\$ 707,502

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

Street Expansion Special Revenue Fund

Budgeted Amounts		Actual	Variance w/Final
Original	Final		Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
100,000	100,000	239,525	139,525
21,000	21,000	27,196	6,196
-	-	216	216
<u>121,000</u>	<u>121,000</u>	<u>266,937</u>	<u>145,937</u>
-	-	-	-
-	-	-	-
20,000	20,009	2,307	17,702
-	-	-	-
-	-	-	-
<u>1,500,000</u>	<u>2,599,341</u>	<u>1,771,564</u>	<u>827,777</u>
<u>1,520,000</u>	<u>2,619,350</u>	<u>1,773,871</u>	<u>845,479</u>
<u>(1,399,000)</u>	<u>(2,498,350)</u>	<u>(1,506,934)</u>	<u>991,416</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(1,399,000)</u>	<u>(2,498,350)</u>	<u>(1,506,934)</u>	<u>991,416</u>
<u>7,947,081</u>	<u>7,947,081</u>	<u>7,947,081</u>	<u>-</u>
<u>\$ 6,548,081</u>	<u>\$ 5,448,731</u>	<u>\$ 6,440,147</u>	<u>\$ 991,416</u>

(continued)

City of Ceres, California

Statement of Revenues, Expenditures, and Changes in Fund Balances -

Budget to Actual - General Fund and Major Special Revenue Funds, Continued

For the year ended June 30, 2016

	Home Program Grants Special Revenue Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
REVENUES:				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	82,671	82,671	56,668	(26,003)
Use of money and property	-	-	-	-
Other revenues	-	-	6,908	6,908
Total revenues	82,671	82,671	63,576	(19,095)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Engineering and Transportation	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
Economic development	98,971	98,971	99,178	(207)
Capital outlay	-	-	-	-
Total expenditures	98,971	98,971	99,178	(207)
REVENUES OVER (UNDER) EXPENDITURES	(16,300)	(16,300)	(35,602)	(19,302)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(16,300)	(16,300)	(35,602)	(19,302)
FUND BALANCES (DEFICIT):				
Beginning of year	190,116	190,116	190,116	-
End of year	<u>\$ 173,816</u>	<u>\$ 173,816</u>	<u>\$ 154,514</u>	<u>\$ (19,302)</u>

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

CDBG Grants Special Revenue Fund

Budgeted Amounts		Actual	Variance w/Final
Original	Final		Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
223,400	468,387	183,144	(285,243)
800	800	1,161	361
5,400	5,400	6,441	1,041
<u>229,600</u>	<u>474,587</u>	<u>190,746</u>	<u>(283,841)</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
302,270	302,270	142	302,128
223,000	363,000	145,365	217,635
<u>525,270</u>	<u>665,270</u>	<u>145,507</u>	<u>519,763</u>
<u>(295,670)</u>	<u>(190,683)</u>	<u>45,239</u>	<u>235,922</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(295,670)</u>	<u>(190,683)</u>	<u>45,239</u>	<u>235,922</u>
<u>453,777</u>	<u>453,777</u>	<u>453,777</u>	<u>-</u>
<u>\$ 158,107</u>	<u>\$ 263,094</u>	<u>\$ 499,016</u>	<u>\$ 235,922</u>

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PROPRIETARY FUNDS

Fund	Description
Major Funds:	
Water	Accounts for the operation of the City's water utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
Sewer	Accounts for the operation of the City's sewer utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
STANCOG	Accounts for local transportation funds restricted to transit, street, pedestrian, and bike purposes funded through passenger fares.

City of Ceres, California

Statement of Net Position

Proprietary Funds

June 30, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	STANCOG	Totals	Totals
Current assets:					
Cash and investments	\$ 7,039,295	\$ 13,179,286	\$ 957,736	\$ 21,176,317	\$ 2,610,275
Cash and investments with trustee/fiscal agent	307,972	530,895	-	838,867	-
Accounts receivable (net of uncollectible)	351,839	503,200	78,537	933,576	-
Interest receivable	8,374	15,704	1,138	25,216	878
Total current assets	7,707,480	14,229,085	1,037,411	22,973,976	2,611,153
Property, plant and equipment	22,157,980	23,558,194	712,374	46,428,548	5,226,615
Less accumulated depreciation	(8,500,997)	(10,695,407)	(270,858)	(19,467,262)	(3,887,305)
Property, plant, and equipment, net	13,656,983	12,862,787	441,516	26,961,286	1,339,310
Total assets	21,364,463	27,091,872	1,478,927	49,935,262	3,950,463
Deferred outflows: Pension Plan	318,279	324,320	10,889	653,488	-
Total assets and deferred outflows	\$ 21,682,742	\$ 27,416,192	\$ 1,489,816	\$ 50,588,750	\$ 3,950,463
LIABILITIES AND NET POSITION					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 217,916	\$ 468,254	\$ 144,211	\$ 830,381	\$ 63,375
Deposits payable	292,184	-	-	292,184	-
Unearned revenue	50,713	-	-	50,713	-
Interest payable	23,457	34,346	-	57,803	-
Due to other funds	-	-	-	-	236
Current portion of long-term debt	123,695	179,073	-	302,768	-
Total current liabilities	707,965	681,673	144,211	1,533,849	63,611
Long-term liabilities:					
Compensated absences	200,860	168,415	-	369,275	115,224
Due after one year	4,000,293	6,920,508	-	10,920,801	-
Liability for claims	-	-	-	-	1,747,786
Net pension obligation	1,077,766	1,102,055	39,778	2,219,599	-
Total long-term liabilities	5,278,919	8,190,978	39,778	13,509,675	1,863,010
Total liabilities	5,986,884	8,872,651	183,989	15,043,524	1,926,621
Deferred inflows: Pension Plan	169,788	184,453	14,271	368,512	-
Total liabilities and deferred inflows	6,156,672	9,057,104	198,260	15,412,036	1,926,621
Net Position:					
Net investment in capital assets	9,656,690	5,942,279	441,516	16,040,485	1,339,310
Unrestricted	5,869,380	12,416,809	850,040	19,136,229	684,532
Total net position	15,526,070	18,359,088	1,291,556	35,176,714	2,023,842
Total liabilities, deferred inflows, and net position	\$ 21,682,742	\$ 27,416,192	\$ 1,489,816	\$ 50,588,750	\$ 3,950,463

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

City of Ceres, California

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the year ended June 30, 2016

	Business-type Activities - Enterprise Funds			Totals 2016	Governmental
	Water	Sewer	STANCOG		Activities -
					Internal Service Funds
				Totals	
				2016	
OPERATING REVENUES:					
Charges for services	\$ 6,241,893	\$ 9,008,580	\$ 84,918	\$ 15,335,391	\$ -
Interdepartmental charges	-	-	-	-	4,865,127
Other operating	1,013,877	262,574	946,733	2,223,184	168,237
Total operating revenues	7,255,770	9,271,154	1,031,651	17,558,575	5,033,364
OPERATING EXPENSES:					
Salaries and benefits	1,917,774	1,787,718	57,977	3,763,469	1,682,649
Contractual and other services	521,262	2,337,357	925,402	3,784,021	198,212
Materials and supplies	713,666	270,064	2,681	986,411	670,686
Depreciation and amortization	794,655	625,328	66,908	1,486,891	329,768
Other operating costs	939,440	1,174,269	2,811	2,116,520	2,961,632
Total operating expenses	4,886,797	6,194,736	1,055,779	12,137,312	5,842,947
OPERATING INCOME (LOSS)	2,368,973	3,076,418	(24,128)	5,421,263	(809,583)
NONOPERATING REVENUES (EXPENSES):					
Investment income	24,003	46,554	3,218	73,775	-
Gain on sale of assets	27,000	25,467	-	52,467	18,451
Interest and debt service expenses	(200,975)	(348,188)	-	(549,163)	-
Total non-operating revenues	(149,972)	(276,167)	3,218	(422,921)	18,451
CHANGE IN NET POSITION	2,219,001	2,800,251	(20,910)	4,998,342	(791,132)
NET POSITION:					
Beginning of year	13,307,069	15,558,837	1,312,466	30,178,372	2,814,974
End of year	\$ 15,526,070	\$ 18,359,088	\$ 1,291,556	\$ 35,176,714	\$ 2,023,842

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

City of Ceres, California

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2016

	Business-type Activities - Enterprise Funds			Governmental	
				Activities -	
	Water	Sewer	STANCOG	Internal Service Funds	
			Totals 2016	Totals 2016	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 4,865,127
Cash receipts from customers	7,290,038	9,220,648	1,109,376	17,620,062	-
Cash payments to suppliers for goods and services	(2,781,290)	(4,143,699)	(856,927)	(7,781,916)	(1,277,802)
Cash payments to employees for services	(1,914,251)	(1,818,408)	(57,977)	(3,790,636)	(1,682,055)
Cash receipts (payments) for loss claims	-	-	-	-	(1,518,557)
Net cash used by operating activities	2,594,497	3,258,541	194,472	6,047,510	386,713
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers received (paid)	-	-	-	-	(109,492)
Changes in pension obligations	(164,752)	(164,091)	(2,850)	(331,693)	-
Net cash provided by noncapital financing activities	(164,752)	(164,091)	(2,850)	(331,693)	(109,492)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
(Acquisition) Disposal and construction of capital assets	(829,238)	(980,008)	(14,758)	(1,824,004)	(325,668)
Interest paid	(200,975)	(348,188)	-	(549,163)	-
Payments on long-term debt	(100,260)	(172,170)	-	(272,430)	-
Net cash (used) by capital and related financing activities	(1,130,473)	(1,500,366)	(14,758)	(2,645,597)	(325,668)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income received	19,148	38,071	2,571	59,790	(393)
Net cash provided by investing activities	19,148	38,071	2,571	59,790	(393)
Net increase (decrease) in cash and cash equivalents	1,318,420	1,632,155	179,435	3,130,010	(48,840)
CASH AND CASH EQUIVALENTS:					
Beginning of year	6,028,847	12,078,026	778,301	18,885,174	2,659,115
End of year	<u>\$ 7,347,267</u>	<u>\$ 13,710,181</u>	<u>\$ 957,736</u>	<u>\$ 22,015,184</u>	<u>\$ 2,610,275</u>
Presentation in Statement of Net Position:					
Cash and investments	\$ 7,039,295	\$ 13,179,286	\$ 957,736	\$ 21,176,317	\$ 2,610,275
Cash and investments with trustee/fiscal agent	307,972	530,895	-	838,867	-
Total cash and investments	<u>\$ 7,347,267</u>	<u>\$ 13,710,181</u>	<u>\$ 957,736</u>	<u>\$ 22,015,184</u>	<u>\$ 2,610,275</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:					
Operating income (loss)	\$ 2,368,973	\$ 3,076,418	\$ (24,128)	\$ 5,421,263	\$ (809,583)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:					
Depreciation and amortization	794,655	625,328	66,908	1,486,891	329,768
(Increase) decrease in current assets:					
Accounts receivable	(37,803)	(50,506)	77,725	(10,584)	-
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	(606,922)	(362,009)	73,967	(894,964)	(25,380)
Deposits payable	72,355	-	-	72,355	-
Unearned revenue	(284)	-	-	(284)	-
Compensated absences	3,523	(30,690)	-	(27,167)	594
Increase (decrease) in claims liability	-	-	-	-	891,314
Net cash used by operating activities	2,594,497	3,258,541	194,472	6,047,510	386,713

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2016.

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

City of Ceres, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2016

	Successor Agencies Private Purpose Trust Funds	Westpointe Assessment District Debt Service Agency Fund
ASSETS		
Current assets:		
Cash and investments	\$ 1,152,424	\$ 603,799
Cash and investments with trustee/fiscal agent	9,347,193	289,955
Accounts receivable	-	360,373
Interest receivable	1,636	1,065
Prepaid items	-	-
Other receivables	-	-
Total current assets	<u>10,501,253</u>	<u>1,255,192</u>
Non-Current assets:		
Long-term loans receivable	2,650,421	-
Construction in progress	7,995,598	-
Total non-current assets	<u>10,646,019</u>	<u>-</u>
Total assets	<u>21,147,272</u>	<u>1,255,192</u>
Deferred outflows: Pension plan	47,028	-
Total assets and deferred outflows	<u>\$ 21,194,300</u>	<u>\$ 1,255,192</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 176,636	\$ -
Interest payable	231,815	-
Due to others	36,700	1,255,192
Current portion of long term debt	1,131,649	-
Total current liabilities	<u>1,576,800</u>	<u>1,255,192</u>
Long-term liabilities:		
Advances from other government agencies	266,702	-
Advances from Governmental Activities	531,494	-
Due after one year	37,450,514	-
Net pension obligation	163,348	-
Total long-term liabilities	<u>38,412,058</u>	<u>-</u>
Total liabilities	<u>39,988,858</u>	<u>\$ 1,255,192</u>
Deferred inflows: Pension plan	35,209	
Total liabilities and deferred inflows	<u>40,024,067</u>	
Net Position (Deficit):		
Net position held in trust for Redevelopment Dissolution	<u>(18,829,767)</u>	
Total liabilities, deferred inflows, and net position	<u>\$ 21,194,300</u>	

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

City of Ceres, California
Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the year ended June 30, 2016

	Successor Agencies
	Private Purpose Trust Funds
ADDITIONS:	
Property taxes	\$ 3,426,325
Investment earnings	215,375
Total additions	<u>3,641,700</u>
DEDUCTIONS:	
General and administrative	130,753
Salaries and benefits	147,384
Contractual and other services	134,177
Materials and supplies	36,969
Interest and debt service expenses	2,941,144
Amortization	84,321
Total deductions	<u>3,474,748</u>
CHANGE IN FIDUCIARY NET ASSETS	166,952
NET POSITION (DEFICIT):	
Beginning of year	(18,996,719)
End of year	<u>\$ (18,829,767)</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2016

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City of Ceres, California
Notes to Basic Financial Statements
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Ceres, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. *Financial Reporting Entity*

The City of Ceres (City) was incorporated on February 25, 1918, under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services: public safety (Police and Fire), highways and streets, water service, sewer service, solid waste, storm water utility, public improvements, planning and zoning, and general administration.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. On June 15, 1987, GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements to its activities.

In addition, the City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

The City was incorporated under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City uses the City Council/Manager form of government. The financial reporting entity consists of: (a) the primary government, the City; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The City currently has no blended or discretely reported component units.

B. Basis of Accounting and Measurement Focus

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

Government-Wide Financial Statements

The government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These government-wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. Transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Government–Wide Financial Statements, Continued

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

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

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria. The following were the City's major governmental funds:

- ***The General Fund*** - Accounts for all general revenues of the city not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in other funds.
- ***Street Expansion Special Revenue Fund*** - Fees collected from developers to be used to widen streets due to the traffic impact of their projects.
- ***HOME Program Grants Special Revenue Fund*** - This fund is used to account for Federal funds used for housing assistance payments to low-income, elderly, disabled, and handicapped people qualifying for the programs, as well as rehabilitation for rental property.
- ***Community Development Block Grant Special Revenue Fund*** - These funds are used to account for community development block grants that the City has been awarded and income received from loans granted to participants. The funds are primarily used for local home improvements and public infrastructure enhancements.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred inflows arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred inflows is removed from the balance sheet and revenue is recognized.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences between the two methods of measurement focus.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Change in Net Position, and a Statement of Cash Flows for all proprietary funds. The City has determined that all its enterprise funds are major funds. The following were the City’s major enterprise funds:

The **Water Fund** consists of:

- *Water Service Fund* - This fund was established as a separate fund to account for the operation of the City's water utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
- *Water Quality Sinking Fund* - Revenue from this fund comes from a \$3.00 per account transfer from the Water Service added to the water bill. Expenditures are for water system improvements.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

- *Water Supply Fund* - Revenue from this fund comes from water connection fees. Expenditures are for major system improvements, including debt service payments if the improvements are financed.
- *2009 Water Bond Fund* – This fund is used to account for projects financed with 2009 Water Revenue Bonds. The bond funds are being used to finance the acquisition and construction of certain improvements to the Water Enterprise system.

The **Sewer Fund** consists of:

- *Sewer Main Line Construction Fund* - Revenue from this fund comes from sewer connection fees. Expenditures are for plant improvements and pump station construction.
- *Sewer Service Fund* - This fund was established as a separate fund to account for the operation of the City's sewer utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
- *2009 Sewer Bond Fund* – This fund is used to account for projects financed with 2009 Sewer Revenue Bonds. The bond funds are being used to finance the acquisition and construction of certain improvements to the Sewer Enterprise system.

Stancog Dial-A-Ride Fund - This fund is a local transportation fund restricted to transit, street, pedestrian, and bike purposes.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements, Continued

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The City's fiduciary funds include both agency funds and private purpose trust funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Private Purpose Trust Funds account for resources held for other individuals or entities in a manner similar to private enterprise. These funds are accounted for using the accrual basis of accounting.

C. Cash, Cash Equivalents, and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

Disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash, Cash Equivalents and Investments, Continued

The City participates in the Local Agency Investment Fund (LAIF), an investment pool managed by the State of California. LAIF has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as a result of changes in interest rates.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects. Cash and investments are also restricted for deposits held for others within the enterprise funds.

E. Inventories

The City accounts for inventories using the first-in, first-out method. Inventories consist primarily of supplies and are carried at cost. Governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

F. Capital Assets

Government-Wide Financial Statements

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at \$100,000; all other capital assets are set at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	50-60 years
Improvements other than buildings	30-50 years
Machinery and equipment	5-20 years
Infrastructure	15-50 years

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets, Continued

Government-Wide Financial Statements, Continued

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, park lands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach defined by GASB Statement No. 34, which requires all infrastructures be reported at historical cost and be depreciated over their estimated useful lives.

G. Long-Term Liabilities

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred outflows.

Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

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

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Compensated Absences

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported in the appropriate activity.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City’s policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund’s share of the unpaid liability is recorded as a long-term liability of the fund.

The City accrues vacation time payable to employees based on agreements between the City and the various City employee bargaining units. Vacation time generally accrues as follows:

<u>Years of Service</u>	<u>Annual Vacation Eamed</u>
1 - 4	2 weeks
5 - 10	3 weeks
11 - 19	4 weeks
20 +	One day per year for each year over 20 to a maximum of 25 days per year

Employees may accumulate a maximum of 480 hours. Vacation is accrued per pay period. Although new employees immediately begin earning vacation time, they are not eligible to use it until 30 days of service has passed. The accrued liability of governmental fund types for compensated absences is not expected to be paid from current available funds and, therefore, has been recorded in the governmental activities of the Government-Wide Financial Statements. The liability in proprietary fund types is carried as an obligation in the Fund Financial Statements and in the business-type activities of the Government-Wide Financial Statements. The City does not pay any post-employment benefits.

I. 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has only has one item that qualifies for reporting in this category. It is the deferred charge on pension plan contributions on the statement of net position.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Deferred outflows/inflows of resources, Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item reported as a deferred inflow of resources. The deferred inflow our resources is the net difference between projected and actual earnings on pension plan investments and is reported on the statement of net position.

J. Net Position and Fund Equity

Government-Wide Financial Statements

In the Government-Wide Financial Statements, net position are classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as nonspendable, restricted, committed, assigned or unassigned. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the City:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items, inventory).
- Assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).
- Resources that must be maintained intact pursuant to legal or contractual requirements (the principal of an endowment).

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position and Fund Equity, Continued

Government-Wide Financial Statements, Continued

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (Creditors, Grantors, Contributors and Other Governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

Committed Fund Balance –

- Self imposed limitations set in place prior to the end of the period. (Encumbrances, economic contingencies and uncertainties)
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove.
- Council resolution is required to be taken to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance –

- Amounts in excess of nonspendable, restricted and committed fund balance in funds other than the general fund automatically are reported as assigned fund balance.
- Assigned amounts for a specific purpose are as authorized by the City's Finance Director through its fund balance policy.

Unassigned Fund Balance –

- Residual net resources
- Total fund balance in the general fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted, and committed fund balance over total fund balance (deficit).

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are receivable from the county within ninety days after year end.

Lien Date	January 1
Levy Date	January 1
Due Date	November 1 and February 1
Collection Date	December 10 and April 10

Property taxes levied are recorded as revenue when received in the fiscal year of levy, because of the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the City and the County of Stanislaus. The Teeter Plan authorizes the Auditor/Controller of the County of Stanislaus to allocate 100% of the secured property taxes billed, but not yet paid.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

O. Interfund Balances/Internal Balances

Advances to and advances from other funds represent interfund loans in the fund financial statements. Advances between funds are offset by a fund liability or by deferred inflows in the applicable governmental funds to indicate that they are not expendable available financial resources. Any unpaid interest due to lack of funds in the borrowing fund increases the principal owed and is reported in the lending fund as deferred inflows.

All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Use of Restricted and Unrestricted Net Position

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

Q. Budgetary Accounting

The City followed these procedures in establishing the budgetary data reflected in the financial statements:

1. Public hearings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. The City Manager is authorized to transfer budgetary amounts within a Department; however, any revisions that alter the total expenditures of any Department must be approved by the City Council.
3. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for the debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions. The capital projects, proprietary and trust and agency funds are not budgeted.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances. The City Manager may amend the budgeted amounts within departmental expenditure classifications. Appropriation revisions made during the year ended June 30, 2016, were not significant.

Appropriations lapse at the end of the fiscal year and then are rebudgeted for the coming year.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2016, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Budgetary Accounting, Continued

Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS

At June 30, 2016, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Maturities (in years)			Deposits	Fair Market Value
	< 1	1 to 2	> 2		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value:					
Cash in bank	\$ -	\$ -	\$ -	\$ 5,971,349	\$ 5,971,349
Petty cash	-	-	-	6,450	6,450
Total pooled items	-	-	-	5,977,799	5,977,799
Pooled investments, at fair value					
<u>Interest obligations</u>					
Money market funds	17,265,049	-	-	-	17,265,049
Fixed Income Securities	2,999,098	-	-	-	2,999,098
State of California Local Agency Investment Fund	29,514,318	-	-	-	29,514,318
Total pooled investments - interest obligations	49,778,465	-	-	-	49,778,465
Total cash equivalents and investments pooled	\$ 49,778,465	\$ -	\$ -	\$ 5,977,799	\$ 55,756,264
Amounts reported in:					
Government activities					\$ 22,347,709
Business-type activities:					
Unrestricted cash and investments					21,176,317
Cash and investments with trustee/fiscal agent					838,867
Fiduciary activities:					
Unrestricted cash and investments					1,756,223
Cash and investments with trustee/fiscal agent					9,637,148
Total					\$ 55,756,264

Investment Type	Fair Value	Maturity (in years)
Money market funds	\$ 17,265,049	N/A
Fixed income securities	2,999,098	0.01
Local Agency Investment Fund	29,514,318	N/A
Total fair value	\$ 49,778,465	
Portfolio weighted average maturity		0.01

California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. During the year ended June 30, 2016, the City's permissible investments included the following instruments:

Medium-term Corporate Notes	Commercial Paper	Treasury Bills and Notes
Certificates of Deposit	Repurchase Agreements	Passbook Savings Accounts
Bankers' Acceptances	Government Agency Securities	Local Agency Investment Fund

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS, Continued

Interest rate risk – In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years. As of June 30, 2016, the weighted average maturity was not applicable because all balances are current.

Credit risk – It is the City’s policy that commercial paper have a rating of “A1” or higher by a nationally recognized statistical rating organization (NRSRO) and with a maturity date not exceeding 180 days from the date of purchase. Medium-term notes, with a final maturity not exceeding five years from the date of purchase, must have a rating of A or the equivalent by a NRSRO. Federal instrumentalities must have a rating of AAA or the equivalent by a NRSRO at the time of purchase with a maximum maturity of five years at the time of purchase. The LAIF, administered by the State of California, has a separate investment policy, governed by Government Code Sections 16480-16481.2, that provides credit standards for its investments.

Investment Type	Credit Quality Ratings S&P	Fair Value
First American Prime Obligations Fund CD	Not Rated	\$ 17,265,049
Short-term Note	AAA	2,999,098
Local Agency Investment Funds	Not Rated	29,514,318
Total Investments		\$ 49,778,465

Concentration of credit risk – The City’s investment policy does not allow for an investment in any one issuer that is in excess of five percent of the government’s total investments. The investments made by the City Treasurer are limited to those allowable under State statutes as incorporated into the City’s Investment Policy, which is accepted annually by the City Council. There were no concentrations in any one issuer for the year.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested 0.97% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

Custodial credit risk – deposits. For deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s Investment Policy addresses custodial credit risk, which follows the Government Code. As of June 30, 2016, the City had a balance of \$6,402,842 in the pool exposed to custodial credit risk because they exceeded the \$250,000 Federal Deposit Insurance Corporation’s insurance limits. The uninsured bank balance is collateralized by the pledging financial institutions at 110% of the deposits, in accordance with the State of California Government Code.

Custodial credit risk – investments. For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside counterparty. For the investments maintained by the City, no security was uninsured or unregistered or held by a brokerage firm which is also the counterparty for the security.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

2. CASH AND INVESTMENTS, Continued

At June 30, 2016, the carrying amount of the City's deposits was \$5,977,799 and the balance in financial institutions was \$3,796,023. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$3,546,023 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. As of June 30, 2016, the City's investments were held by the City's custodial agent, but not in the City's name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

Investment in LAIF: LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The total fair value amount invested by all public agencies in LAIF is \$69,606,487,716 of which the City had a balance of \$29,514,318 which approximated market value and was managed by the State Treasurer. Of the total invested, 98.45% was invested in non-derivative financial products and 1.55% in structured notes and asset-backed securities. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following at June 30, 2016:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Current:				
Accounts	\$ -	\$ 933,576	\$ 360,373	\$ 1,293,949
Taxes	526,873	-	-	526,873
Interest	26,347	25,216	2,701	54,264
Intergovernmental	-	-	-	-
Other receivable	3,731,934	-	-	3,731,934
Total current	<u>4,285,154</u>	<u>958,792</u>	<u>363,074</u>	<u>5,607,020</u>
Noncurrent:				
Loans receivable	7,065,852	-	2,650,421	9,716,273
Total noncurrent	<u>7,065,852</u>	<u>-</u>	<u>2,650,421</u>	<u>9,716,273</u>
Total receivables	<u>\$ 11,351,006</u>	<u>\$ 958,792</u>	<u>\$ 3,013,495</u>	<u>\$ 15,323,293</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	3.32%
Individuals/Businesses	72.81%
Financial	0.34%
Other	23.53%

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

3. ACCOUNTS RECEIVABLE, Continued

Amounts do not indicate a significant concentration (greater than 25%) with any single individual, business, or agency.

4. LOANS AND NOTES RECEIVABLE

Through the City's various housing rehabilitation funds and first-time home buyer's funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest.

Loans and notes receivable for the year ended June 30, 2016, consisted of the following:

Description	Beginning July 1, 2015	Additions	(Deletions)	Ending June 30, 2016
First-Time Homebuyer Loan	\$ 2,707,831	\$ 84,700	\$ (46,038)	\$ 2,746,493
Housing Rehabilitation Loans:				
CDBG Loans	251,486	-	-	251,486
Emergency Repair Loans	375,613		(7,383)	368,230
Begin Home Grant	652,480	229,670	-	882,150
Total Housing Rehabilitation Loans	1,279,579	229,670	(7,383)	1,501,866
Whitmore Oaks	865,361	-	-	865,361
Della Tiara	2,486,399	-	-	2,486,399
Total loans receivable	7,339,170	314,370	(53,421)	7,600,119
Allowance for loans receivable	(532,272)	(1,995)	-	(534,267)
Total loans receivables after allowance	\$ 6,806,898	\$ 312,375	\$ (53,421)	\$ 7,065,852

The following is a summary of the loans and notes receivable outstanding as of June 30, 2016:

First-Time Homebuyer Loans

The City has provided various loans to assist first-time homebuyers with loans up to \$50,000. Loan repayment is deferred for 30 years or until sale or refinancing of the property. Interest rates vary from 1% to 5%. Total first-time homebuyer loans outstanding at June 30, 2016 were \$2,746,493.

Housing Rehabilitation Loans

The City administers various housing rehabilitation loan programs using Community Development Block Grant funds and Begin Home Funds. Under these programs, individuals with incomes below a certain level are eligible to receive low interest, variable term loans, secured by deeds of trust for rehabilitation work on their homes. Interest rates may vary from 0% to 3%. The loan repayments may be amortized over the life of the loans, deferred or a combination of both. Total rehabilitation loans outstanding at June 30, 2016 were \$1,501,866.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

4. LOANS AND NOTES RECEIVABLE, Continued

Whitmore Oaks

The Whitmore Oaks loan was made to assist the developer with the costs to develop and construct a 53 unit apartment complex for seniors. The CRA provided a loan of \$612,500 and the City, through the State's HOME Investment Partnership Program, provided a loan of up to \$865,361. Loan provisions require the apartment complex provide not less than eleven affordable housing units to be rented to qualified very-low and low income persons and families. The CRA loan carries an interest rate of 3% starting 2015 and the note is payable in full in 2057. The HOME loan carries an interest rate of 3% starting in 2027 and the note is payable in full in 2042. The amount outstanding at June 30, 2016 was \$865,361.

Della Tiara

The CRA provided a loan to Della Tiara for the construction of a 26-unit apartment complex (the "Project) using HOME grant funds. The loan bears simple interest of 3% per year and interest begins to accrue January 1, 2015. The loan is deferred for 55 years. Commencing in 2016, principal and interest is due in an amount equal to 35% of residual cash flow from the Project provided that the residual cash flow in any year is over \$10,000. The amount outstanding at June 30, 2016 was \$2,486,399.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

5. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Deletions	Adjustments/ Reclassifications	Balance June 30, 2016
<u>Governmental activities:</u>					
Nondepreciable assets:					
Land	\$ 12,536,956	\$ 1,328,563	\$ -		\$ 13,865,519
Total nondepreciable assets	<u>12,536,956</u>	<u>1,328,563</u>	<u>-</u>	<u>-</u>	<u>13,865,519</u>
Depreciable assets:					
Buildings and improvements	44,484,261	5,359,028	-	(347,772)	49,495,517
Machinery & equipment	11,716,140	195,413	-	347,772	12,259,325
Infrastructure	77,474,273	-	-	-	77,474,273
Total depreciable assets	<u>133,674,674</u>	<u>5,554,441</u>	<u>-</u>	<u>-</u>	<u>139,229,115</u>
Total	<u>146,211,630</u>	<u>6,883,004</u>	<u>-</u>	<u>-</u>	<u>153,094,634</u>
Accumulated depreciation:					
Buildings and improvements	(9,995,737)	(10,407)	-	-	(10,006,144)
Machinery & equipment	(9,998,114)	(319,361)	-	190,938	(10,126,537)
Infrastructure	(47,400,562)	(4,089,910)	-	-	(51,490,472)
Total accumulated depreciation	<u>(67,394,413)</u>	<u>(4,419,678)</u>	<u>-</u>	<u>190,938</u>	<u>(71,623,153)</u>
Net depreciable assets	<u>66,280,261</u>	<u>1,134,763</u>	<u>-</u>	<u>190,938</u>	<u>67,605,962</u>
Total net capital assets	<u>\$ 78,817,217</u>	<u>\$ 2,463,326</u>	<u>\$ -</u>	<u>\$ 190,938</u>	<u>\$ 81,471,481</u>

Depreciation expense for capital assets was charged to functions as follows:

General government	\$ 2,237,883
Public safety	45,247
Public works	2,032,230
Community services	32,851
Economic development	71,467
Total	<u>\$ 4,419,678</u>

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

5. CAPITAL ASSETS, Continued

Capital asset activity for business-type activities for the year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Deletions	Adjustments/ Reclassifications	Balance June 30, 2016
<u>Business-type activities:</u>					
Nondepreciable assets:					
Land	\$ 1,783,812	\$ -	\$ -	\$ -	\$ 1,783,812
Total nondepreciable assets	<u>1,783,812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,783,812</u>
Depreciable assets:					
Buildings and improvements	22,229,692	856,831	-	846,342	23,932,865
Machinery & equipment	4,246,895	324,766	-	(194,038)	4,377,623
Infrastructure	16,304,250	682,303	-	(652,305)	16,334,248
Total depreciable assets	<u>42,780,837</u>	<u>1,863,900</u>	<u>-</u>	<u>(1)</u>	<u>44,644,736</u>
Total	<u>44,564,649</u>	<u>1,863,900</u>	<u>-</u>	<u>(1)</u>	<u>46,428,548</u>
Accumulated depreciation:					
Buildings and improvements	(7,169,689)	(255,003)	-	-	(7,424,692)
Machinery & equipment	(3,426,896)	(402,586)	-	-	(3,829,482)
Infrastructure	(7,396,357)	(816,731)	-	-	(8,213,088)
Total accumulated depreciation	<u>(17,992,942)</u>	<u>(1,474,320)</u>	<u>-</u>	<u>-</u>	<u>(19,467,262)</u>
Net depreciable assets	<u>24,787,895</u>	<u>389,580</u>	<u>-</u>	<u>(1)</u>	<u>25,177,474</u>
Total net capital assets	<u>\$ 26,571,707</u>	<u>\$ 389,580</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 26,961,286</u>

Depreciation expense for business-type activity capital assets was charged to functions as follows:

Water	\$ 782,084
Sewer	625,328
STANCOG	66,908
Total	<u>\$ 1,474,320</u>

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2016:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 1,073,102	\$ 830,381	\$ 176,636	\$ 2,080,119
Accrued payroll and related liabilities	1,241,241	-	-	1,241,241
Total	<u>\$ 2,314,343</u>	<u>\$ 830,381</u>	<u>\$ 176,636</u>	<u>\$ 3,321,360</u>

These amounts resulted in the following concentrations in payables:

Vendors	62.63%
Employees	37.37%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

7. SPECIAL ASSESSMENT DISTRICTS

Special Assessment bonds have been issued under the 1915 Bond Act. The City is in no way liable for repayment of any bonds of the funds reflected in the Agency funds, according to bond counsel, but is acting only as an agent for the property owners/bond holders in collecting and forwarding the special assessments. Balances of the various assessment district bonds were as follows as of June 30, 2016:

2002 - WestPointe Refunding Reassessment District – Original Issue \$2,960,000

In fiscal year 2003, the City issued the WestPointe Refunding Reassessment District Bonds. Proceeds from the sale of the bonds was used to call and redeem all of the outstanding principal amount of the bonds previously issued by the City for its Westpointe Improvement Assessment District and to pay certain costs of issuance of the bonds. The City is the collecting and paying agent for the bonds issued by the WestPointe Assessment District (District), but has no direct or contingent liability or moral obligation for the payment of these bonds. Assets held by the City on behalf of the District are recorded in an agency fund. Accordingly, the assets and outstanding bond obligations of the District are not presented in the accompanying Basic Financial Statements. As of June 30, 2016, the outstanding balance of the Westpointe Refunding Reassessment District Bonds amounted to \$510,000.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

8. LONG-TERM LIABILITIES

The following is a summary of changes in long-term debt for business-type activities for the year ended June 30, 2016:

	Balance July 1, 2015	Additions	Retirements	Balance June 30, 2016	Due Within One Year
<i>Business-type Activities:</i>					
2009 Water Revenue Bonds, Series A	\$ 4,280,000	\$ -	\$ (105,000)	\$ 4,175,000	\$ 110,000
Bond discount	(82,103)	-	4,739	(77,364)	(3,407)
Water Loan payable	26,352	-	-	26,352	17,102
2009 Wastewater Revenue Bonds, Series A	7,415,000	-	(180,000)	7,235,000	185,000
Bond discount	(143,249)	-	7,830	(135,419)	(5,927)
Total business-type activities	<u>\$ 11,496,000</u>	<u>\$ -</u>	<u>\$ (272,431)</u>	<u>\$ 11,223,569</u>	<u>\$ 302,768</u>

Business-type Activities:

2009 Wastewater Revenue Bond – Original Issue \$8,220,000

On December 22, 2009, Ceres Financing Authority issued the Wastewater Revenue Bonds, Series A in the amount of \$8,220,000 to finance the acquisition and construction of certain improvements to the wastewater enterprise system of the City. The principal of the bonds are payable annually starting on June 1, 2011 through June 1, 2039, in amounts ranging from \$150,000 to \$505,000. Interest rates range from 2.0% to 5.0% and are payable semiannually on June 1 and December 1. Bonds are payable from revenues consisting primarily of installment payments payable by the City to the Authority under a Wastewater Installment Purchase Agreement. The bonds were issued at a discount of \$177,801, which is amortized over the life of the bond.

2009 Water Revenue Bond – Original Issue \$4,750,000

The Ceres Financing Authority issued the Water Revenue Bonds, Series A in the amount of \$4,750,000 to finance the acquisition and construction of certain improvements to the water enterprise system of the City. The bonds mature annually through June 1, 2039, in amounts ranging from \$90,000 to \$290,000. Interest rates vary from 4.50% to a maximum of 5.00% and are payable semiannually on June 1 and December 1. Bonds are payable from revenues consisting primarily of installment payments payable by the City to the Authority under a Water Installment Purchase Agreement. The bonds were issued at a discount of \$102,202, which is being amortized over the life of the bond.

Water Loan Payable – Original Amount \$165,000

The Economic Development Administration provided a \$165,000 loan to the Water Enterprise Fund for the purpose of making water system improvements. The annual loan amortization payments of \$9,660 include interest payment at a rate of 5.0%. The loan matures in July 2017.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

8. LONG-TERM LIABILITIES, Continued

Future debt service at June 30, 2016, is as follows for all remaining debt except claims liabilities:

Year Ending June 30,	Business-type Activities						
	2009 Water Revenue Bonds		Discount - 2009 Water Revenue Bonds	Water Loan Payable		Sub-Totals	
	Principal	Interest		Principal	Interest	Principal	Interest
2017	\$ 110,000	\$ 196,775	\$ (3,407)	\$ 17,102	\$ 9,250	\$ 123,695	\$ 206,025
2018	115,000	192,375	(3,407)	9,250	462	120,843	192,837
2019	120,000	187,775	(3,407)	-	-	116,593	187,775
2020	120,000	182,975	(3,407)	-	-	116,593	182,975
2021	125,000	178,175	(3,407)	-	-	121,593	178,175
2022-2026	715,000	807,413	(17,035)	-	-	697,965	807,413
2027-2031	900,000	628,975	(17,035)	-	-	882,965	628,975
2032-2036	1,140,000	384,250	(17,035)	-	-	1,122,965	384,250
2037-2041	830,000	84,250	(9,224)	-	-	820,776	84,250
Total	<u>\$ 4,175,000</u>	<u>\$ 2,842,963</u>	<u>\$ (77,364)</u>	<u>\$ 26,352</u>	<u>\$ 9,712</u>	<u>\$ 4,123,988</u>	<u>\$ 2,852,675</u>
Due within one year	\$ 110,000	\$ 196,775	\$ (3,407)	\$ 17,102	\$ 9,250	123,695	\$ 206,025
Due after one year	4,065,000	2,646,188	(73,957)	9,250	462	4,123,988	2,646,650
Total	<u>\$ 4,175,000</u>	<u>\$ 2,842,963</u>	<u>\$ (77,364)</u>	<u>\$ 26,352</u>	<u>\$ 9,712</u>	<u>\$ 4,247,683</u>	<u>\$ 2,852,675</u>

Year Ending June 30,	Discount -						
	2009 Wastewater Revenue Bonds		2009 Wastewater Revenue Bonds	Sub-Totals		Grand Totals	
	Principal	Interest	Principal	Principal	Interest	Principal	Interest
2017	\$ 185,000	\$ 340,988	\$ (5,927)	\$ 179,073	\$ 340,988	\$ 302,768	\$ 547,013
2018	195,000	333,588	(5,927)	189,073	333,588	309,916	526,425
2019	205,000	325,788	(5,927)	199,073	325,788	315,666	513,563
2020	210,000	317,588	(5,927)	204,073	317,588	320,666	500,563
2021	220,000	309,188	(5,927)	214,073	309,188	335,666	487,363
2022-2026	1,250,000	1,399,188	(29,635)	1,220,365	1,399,188	1,918,330	2,206,601
2027-2031	1,555,000	1,089,625	(29,635)	1,525,365	1,089,625	2,408,330	1,718,600
2032-2036	1,975,000	666,250	(29,635)	1,945,365	666,250	3,068,330	1,050,500
2037-2041	1,440,000	146,500	(16,879)	1,423,121	146,500	2,243,897	230,750
Total	<u>\$ 7,235,000</u>	<u>\$ 4,928,703</u>	<u>\$ (135,419)</u>	<u>\$ 7,099,581</u>	<u>\$ 4,928,703</u>	<u>\$ 11,223,569</u>	<u>\$ 7,781,378</u>
Due within one year	\$ 185,000	\$ 340,988	\$ (5,927)	\$ 179,073	\$ 340,988	\$ 302,768	\$ 547,013
Due after one year	7,050,000	4,587,715	(129,492)	6,920,508	4,587,715	10,920,801	7,234,365
Total	<u>\$ 7,235,000</u>	<u>\$ 4,928,703</u>	<u>\$ (135,419)</u>	<u>\$ 7,099,581</u>	<u>\$ 4,928,703</u>	<u>\$ 11,223,569</u>	<u>\$ 7,781,378</u>

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

9. NET POSITION/ FUND BALANCES

Net Position

	Governmental Activities	Business-type Activities	Totals
Net investment in capital assets	\$ 80,937,214	\$ 16,040,485	\$ 96,977,699
Restricted	4,135,424	-	4,135,424
Unrestricted	9,956,963	19,136,229	29,093,192
Total	<u>\$ 95,029,601</u>	<u>\$ 35,176,714</u>	<u>\$ 130,206,315</u>

- Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions below.

Fund Balance

Nonspendable, Restricted and Committed fund balance consisted of the following at June 30, 2016:

Nonspendable:	
Petty cash	\$ 6,450
Prepaid items	8,610
Total nonspendable	<u>\$ 15,060</u>
Restricted for:	
Home Program	\$ 154,514
CDBG Programs	499,016
Storm Drain Benefit Districts	2,039,604
Eastgate Street Benefit District	68,601
BEGIN Grant Program	99,831
Program Income BEGIN	33,872
Measure H Income	332,278
State Gas Tax	508,394
SLESF	79,388
Dept of Conservation Grant	72,740
Fire Hydrant Benefit District	127,488
Transportation Development Act	-
Ceres Community Foundation	119,698
Total restricted	<u>\$ 4,135,424</u>
Committed:	
General Fund Reserve	\$ 80,348
Street Expansion	103,536
Neighborhood Park Fees	12,930
State Gas Tax	31,634
Community Facilities District	195,134
Total committed	<u>\$ 423,582</u>

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

9. NET POSITION/ FUND BALANCES, Continued

The following describe the purpose of each nonspendable, restriction and commitment used by the City:

Nonspendable

Petty cash – includes imprest balances, which do not represent available, spendable resources even though they are components of assets.

Prepaid items – used to segregate that portion of fund balance to indicate that prepaid amounts do not represent available, spendable resources even though they are components of assets.

Restricted

HOME Program – represents amounts restricted for housing under the HOME program.

CDBG Programs – represents amounts restricted for housing purposes by the Department of Housing and Urban Development.

Storm Drain Benefit Districts – represents amounts restricted for use on the storm drain systems in the WestPointe, Eastgate, Mitchell Road, and North East benefit districts.

Eastgate Street Benefit District – represents amounts restricted for use on the streets in the Eastgate benefit district.

BEGIN Grant Program – represents amounts restricted for the Building Equity & Growth in Neighborhoods grant to be utilized for deferred-payment second mortgage loans for down payment assistance to lower to moderate-income first-time homebuyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions.

Program Income BEGIN – represents amounts restricted for housing purposes under the BEGIN Grant Program.

Measure H Income – represents amounts restricted as a result of a voter approved ½-cent retail transaction and use tax (sales tax) for the improvement of police, fire and 9-1-1 emergency response; to fund additional personnel and equipment costs.

State Gas Tax – represents amounts restricted for street purposes by the California Streets and Highways Code.

Street Light – Landscape District - represents amounts restricted for the City-wide 1972 Act Landscaping and Lighting District.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

9. NET POSITION/ FUND BALANCES, Continued

Restricted, Continued

Dept. of Conservation Grant – represents amounts restricted for department of conservation grant programs.

Fire Hydrant Benefit District – represents amounts restricted for use in the fire hydrant benefit district.

Transportation Development Act – represents amounts restricted by use by the Transportation Development Act for transportation, including streets and roads.

Ceres Community Foundation - represents amounts restricted for use for the Ceres Community Foundation.

Committed

General Fund Reserve – used to represent that portion of fund balance set aside for unexpected events that may impact the City’s ability to provide essential day-to-day services. This amount can only be changed by Council Resolution.

Street Expansion – represents purchase orders issued for ongoing street projects. These amounts are under contract.

Neighborhood Park Fees– represents purchase orders issued for ongoing parks projects. These amounts are under contract.

Community Facilities District – amounts committed for Police, Fire, Parks and Administrative Services. These amounts can only be charged by Council Resolution.

Deficit fund balances consisted of the following:

Nonmajor Special Revenue Funds:

Street Light - Landscape District - \$39,407 resulted from depletion of the fund balance through operational expenditures.

CMAQ – \$1,557,622 resulted from the advance of funds through a Federal grant setup on a cost reimbursement basis with revenues to be received in future years.

Transportation Development Act - \$10,163 resulted from the timing of payments from StanCog.

Community Center - \$1,272,666 resulted from operational costs in excess of revenues. The City plans to address this deficit in the next fiscal year.

Daniel Whitmore House - \$127 resulted from the advance of funds from the City with revenues to be received in future years.

2016 Public Safety Grants - \$21,705 resulted from a delay in receipt of grant funds requested.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

9. NET POSITION/ FUND BALANCES, Continued

Clinton Whitmore Mansion - \$22,115 resulted from the advance of funds from the City with revenues to be received in future years.

Excess of Expenditures and Transfers Over Appropriations: Expenditures and transfers exceeded appropriations for the year ended June 30, 2016, for the following funds:

	<u>Final Budget</u>	<u>Expenditures and Transfers</u>	<u>Expenditures Over Appropriations</u>
<u>Governmental Activities</u>			
Major Funds:			
Home Program Grants Special Revenue	\$ 98,971	\$ 99,178	\$ (207)
Non-major Funds:			
Special Revenue Funds:			
Community Facilities District	-	6,339	(6,339)
Community Center	377,612	430,872	(53,260)
Community Foundation	6,020	15,561	(9,541)
Clinton Whitmore Mansion	2,930	10,215	(7,285)

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

10. INTERFUND TRANSACTIONS

Due to and due from other funds consisted of the following as of June 30, 2016:

	Due from Other Funds	Due to Other Funds
	<u> </u>	<u> </u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 6,970	\$ -
Street Expansion Special Revenue	2,595,039	-
Total Major Funds	<u>2,602,009</u>	<u>-</u>
Non-major Funds:		
Special Revenue Funds:		
Measure H	-	192,811
Street Light-Landscape District	-	26,949
ARRA	-	(1)
CMAQ	-	1,023,382
Transportation Development Act	-	21,017
Community Center	-	1,201,168
Public Facilities Fees	-	135,478
Neighborhood Park Fees	140,760	-
2016 Public Safety Grants	-	120,416
Clinton Whitmore Mansion	-	21,313
Total Non-major Special Revenue Funds	<u>140,760</u>	<u>2,742,533</u>
Total Non-major Funds	<u>140,760</u>	<u>2,742,533</u>
Internal Service Funds:		
Information Technology	-	236
Total Governmental Activities	<u>\$ 2,742,769</u>	<u>\$ 2,742,769</u>

Due to and from balances result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

10. INTERFUND TRANSACTIONS, Continued

Activity for advances for the year ended June 30, 2016, was as follows:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 531,494	\$ -
Total Governmental Activities	<u>531,494</u>	<u>-</u>
<u>Successor Agency</u>		
SCRC	-	531,494
Total Successor Agency	<u>-</u>	<u>531,494</u>
Total Advances	<u>\$ 531,494</u>	<u>\$ 531,494</u>

Advances from the General Fund to the Successor Agency - SCRC were for Redevelopment Agency start-up costs.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

10. INTERFUND TRANSACTIONS, Continued

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Transfers consisted of the following at June 30, 2016:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 530,000	\$ 35,949
Total Major Funds	<u>530,000</u>	<u>35,949</u>
Non-major Funds:		
Special Revenue Funds:		
Community Facilities District	-	530,000
Daniel Whitmore House	35,949	-
Total Non-major Special Revenue Funds	<u>35,949</u>	<u>530,000</u>
Total Non-major Funds	<u>35,949</u>	<u>530,000</u>
Total Governmental Activities	<u>565,949</u>	<u>565,949</u>
Total Transfers	<u>\$ 565,949</u>	<u>\$ 565,949</u>

Transfers In reported in the General fund from the Non-Major Governmental funds represent the City's commitment to supporting recreation programs. Transfers In reported in Non-Major Governmental funds from Major Governmental funds represent support for community services expenses.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

11. RISK MANAGEMENT

The City participates with other public entities in a joint venture under a joint powers agreement which established the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and the CSJVRMA is such that the CSJVRMA is not a component unit of the City for financial reporting purposes.

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each workers' compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under the City's self-insurance retention of \$50,000 and workers' compensation losses under the City's self-insurance retention of \$100,000. The CSJVRMA participates in an excess pool, which provides general liability coverage from \$1,000,001 to \$29,000,000. The CSJVRMA participates in an excess pool, which provides workers' compensation coverage from \$500,001 to \$5,000,000 and also purchases excess insurance above the \$5,000,000 to the statutory limit.

The CSJVRMA is a consortium of fifty-four (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 to four times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

The financial information from the audited financial statements of the CSJVRMA, as of June 30, 2015, the most recent available, is presented below:

Total assets	\$	86,630,360
Total liabilities		73,673,710
Total equities		12,956,650
Total revenues		36,826,322
Total expenses		40,427,807
Revenues over (under) expenses		(3,601,485)

Detailed financial information may be obtained from the CSJVRMA.

At the termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the cities in accordance with the governing documents. There were no excess claims over premiums for any of the City's risk management programs in 2015-2016, and there were no changes to the City's insurance coverage from the prior year.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

11. RISK MANAGEMENT, Continued

The following chart depicts the claims payments and liability amounts for the years shown:

Fiscal Year	Beginning of Year Liability	Current Year Claims and Changes in Estimates	Claim Payments for Current and Prior Years	End of Year Liability
2013-2014	\$ 1,069,104	\$ 1,542,610	\$ (1,579,841)	\$ 1,031,873
2014-2015	1,031,873	1,733,076	(1,908,477)	856,472
2015-2016	856,472	16,512,903	(15,621,589)	1,747,786

12. PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified full-time employees are eligible to participate in the City's public employee retirement system, a cost sharing, multiple-employer, defined benefit pension plans administered by the Stanislaus County Employees Retirement Association (Association). The Association provides defined benefit plans, which include retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Association acts as a common investment and administrative agent for participating public entities. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the Association's annual financial report may be obtained from their offices located at 832 12th Street, Suite 600, Modesto, California 95353.

Benefits Provided

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

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

12. PENSION PLAN, Continued

The Plan's provisions and benefits in effect at June 30, 2016, are summarized as follows:

	Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	January 1, 2013	January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	10.98%
Required employer contribution rates	20.87%	17.89%

Employees Covered

At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	99
Inactive employees entitled but not yet receiving benefits	69
Active employees	192
Total	360

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 is determined annually on an actuarial basis as of June 30 by the Association. The actuarially determined rate is based on 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.

For the measurement period ended June 30, 2015 (the measurement date), the active employees are required to contribute 8.0 percent of their annual pay. The City's average required contribution rate was 26.844 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan recognized as pension expense from the City were \$1,493,594 for the year ended June 30, 2016.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

12. PENSION PLAN, Continued

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions Used to Calculate Net Pension Liability

The total pension liability in the June 30, 2013 actuarial valuations was determined using the following actuarial assumptions:

Actuarial Assumptions	
Valuation date	June 30, 2014
Measurement date	June 30, 2015
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.75%
Inflation	3.25%
Payroll growth	100% of CPI to 3.0% annually with banking. 2.7% annual increases assumed
Projected salary increases	3.50% plus service based rates
Investment Rate of Return	7.75%

Post-retirement mortality rates were based on the RP2000 Combined tables projected to the year 2020 with adjustments for mortality improvements based on Society of Actuaries Scale AA. For pre-retirement mortality, withdrawal rates, disability rates and service retirement rates, the rates vary by age, gender and classification.

Discount Rate - The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

12. PENSION PLAN, Continued

B. Net Pension Liability, Continued

The long-term defined benefit pension plan return expectations were determined using a building-block approach. An inflation forecast is the baseline and various real return premiums (e.g. bonds, equities, etc.) are added to create nominal return expectations for each asset class.

These expectations are combined to produce the long-term expected rate of return by weighting the expected nominal rates of return by the target asset allocation percentages and including an expected return from rebalancing uncorrelated asset classes.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2015 and June 30, 2014 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equities	
US Large Cap	5.30%
US Small Cap	5.60%
International Equities	
International Development	5.60%
Emerging Market Equity	6.40%
US Fixed Income	0.70%
Real Estate Securities	3.90%
Direct Lending	5.60%
Infrastructure	3.70%
Cash	-0.70%

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

As of June 30, 2016, the City reported net pension liabilities for its proportionate share of the net pension liability of the Plan of \$16,714,375.

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, 2015, 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, 2014 rolled forward to June 30, 2015 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 2014 was 5.6629% and 5.623%, respectively.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

12. PENSION PLAN, Continued

B. Net Pension Liability, Continued

For the year ended June 30, 2016, the City recognized pension expense of \$1,493,594. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	\$ 4,368,913	\$ -
Differences between actual and expected experience	97,340.00	-
Changes in proportions	-	629,533
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of the contributions	448,924	-
Net differences between projected and actual earnings on plan investments	-	2,180,402
Total	<u>\$ 4,915,177</u>	<u>\$ 2,809,935</u>

\$4,368,913 reported as deferred outflows of resources related to contributions subsequent to the measurement date and changes in proportion that will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended 30-Jun	
2016	\$ 559,506
2017	559,506
2018	559,506
2019	581,203
2020	(987,024)
Thereafter	-

C. Changes in Net Pension Liability

At June 30, 2015, the City reported a net pension liability of \$16,714,375. The City's net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 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.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

12. PENSION PLAN, Continued

C. Changes in Net Pension Liability, Continued

The changes in the Net Pension Liability for the entire Plan was as follows:

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability / (Asset) (c) = (a) - (b)
Balance at 6/30/2014	\$ 2,024,376,761	\$ 1,791,309,279	\$ 233,067,482
Balance at 6/30/2014	2,127,759,959	1,832,604,204	295,155,755
Net changes during 2013-14	\$ 103,383,198	\$ 41,294,925	\$ 62,088,273

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

The following presents the net pension liability of the Association calculated using the discount rate of 7.75%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.75%) or one percentage point higher (8.75%) than the current rate:

	1% Decrease in Discount Rate (6.75%)	Current Discount Rate (7.75%)	1% increase in Discount Rate (8.75%)
Total Plan net pension liability	\$ 571,659,850	\$ 295,155,755	\$ 65,795,139

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued Association financial reports.

E. Payable to the Pension Plan

At June 30, 2016, the City reported a payable of \$167,969 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2016

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

13. ABANDONED VEHICLE ABATEMENT PROGRAM

The City has an Abandoned Vehicle Abatement Program (AVA) with revenues, expenditures, and balances of abandoned vehicle abatement funds for the year ended June 30, 2016 as follows:

Revenues	\$ 90,869
Expenditures:	
Public safety	<u>40,201</u>
Revenues (under) expenditures	50,668
Fund balances:	
Beginning balance	<u>16,564</u>
Ending balance	<u><u>\$ 67,232</u></u>

AVA expenditures for 2016 are in compliance with Sections 9250.7 and 22710 of the Vehicle Code.

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2013, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Ceres that previously had reported two redevelopment agencies within the reporting entity of the City as blended component units.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 9, 2013, the City Council elected to become the Successor Agency for both the former Ceres Redevelopment Agency and Stanislaus-Ceres Redevelopment Commission in accordance with the Bill as part of City resolution number 2013-04 and 2013-05, respectively.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

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

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

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 legal 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 unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2013. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City included in the fund financial statements as Former Ceres Redevelopment Agency Special Revenue Fund and Low/Moderate Income Housing Fund, Capital Projects Fund and Debt Service Fund. The

City also reported the Former Stanislaus-Ceres Redevelopment Commission Special Revenue Fund and Low/Moderate Income Housing Fund, Capital Projects Fund and Debt Service Fund.

After the date of 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. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2013 (effectively the same date as January 31, 2013) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2013 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

Loans and notes receivable

Through the City's various housing rehabilitation funds and first-time home buyer's funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Through the City’s various housing rehabilitation funds and first-time home buyer’s funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest.

Loans and notes receivable for the year ended June 30, 2016 for the Successor Agency, consisted of the following:

Description	Beginning July 1, 2015	Additions	(Deletions)	Ending June 30, 2016
First-Time Homebuyer Loans	\$ 6,600	\$ -	\$ -	\$ 6,600
Housing Rehabilitation Loans:				
Home Exterior Grant Program	16,624	-	-	16,624
2004 Walnut	96,772	-	-	96,772
Low Income Deferred Loans	24,250	-	-	24,250
River Crest	600,000	-	-	600,000
Habitat for Humanity Loans	56,353	-	-	56,353
Broad Acres	168,272	-	-	168,272
Total Housing Rehabilitation Loans	962,271	-	-	962,271
Whitmore Oaks	612,500	-	-	612,500
ACLC	436,050	-	-	436,050
Della Tiara	633,000	-	-	633,000
Total loans receivable	\$ 2,650,421	\$ -	\$ -	\$ 2,650,421

The following is a summary of the loans and notes receivable outstanding as of June 30, 2016:

First-Time Homebuyer Loans

The City has provided various loans to assist first-time homebuyers with loans up to \$50,000. Loan repayment is deferred for 30 years or until sale or refinancing of the property. Interest rates vary from 1% to 5%. Total first-time homebuyer loans outstanding at June 30, 2016 were \$6,600.

Housing Rehabilitation Loans

The City administers various housing rehabilitation loan programs that used the former CRA 20% Set Aside funds. Under these programs, individuals with incomes below a certain level are eligible to receive low interest, variable term loans, secured by deeds of trust for rehabilitation work on their homes. Interest rates may vary from 0% to 3%. The loan repayments may be amortized over the life of the loans, deferred or a combination of both. Total rehabilitation loans outstanding at June 30, 2016 were \$962,271.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Whitmore Oaks

The Whitmore Oaks loan was made to assist the developer with the costs to develop and construct a 53 unit apartment complex for seniors. The former CRA provided a loan of \$612,500 and the City, through the State's HOME Investment Partnership Program, provided a loan of up to \$865,361. Loan provisions require the apartment complex provide not less than eleven affordable housing units to be rented to qualified very-low and low income persons and families. The CRA loan carries an interest rate of 3% starting 2015 and the note is payable in full in 2057. The HOME loan carries an interest rate of 3% starting in 2027 and the note is payable in full in 2042. The amount outstanding at June 30, 2016 was \$612,500.

ACLC

The CRA provided a loan to Asociacion Campesina "Lazaro Cardenas" (ACLC) to assist in the acquisition and rehabilitation of a 46 unit affordable apartment complex in the City. This project will preserve the 46 units of affordable housing stock in the City. This project was funded through the former CRA Low/Mod housing funds. The interest rate on the loan is 3% simple interest and the loan is deferred for 55 years. The amount outstanding at June 30, 2016 was \$436,050.

Della Tiara

The CRA provided a loan to Della Tiara for the construction of a 26-unit apartment complex (the "Project) using HOME grant funds. The loan bears simple interest of 3% per year and interest begins to accrue January 1, 2015. The loan is deferred for 55 years. Commencing in 2016, principal and interest is due in an amount equal to 35% of residual cash flow from the Project provided that the residual cash flow in any year is over \$10,000. The amount outstanding at June 30, 2016 was \$633,000.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Long-term Liabilities

The following is a summary of changes in long-term debt for fiduciary activities for the year ended June 30, 2016:

	Balance July 1, 2015	Transfers/ Additions	Retirements	Balance June 30, 2016	Due Within One Year
<u>Governmental Activities:</u>					
2000 SCRC Tax Allocation Bonds	\$ 1,075,000	\$ -	\$ (40,000)	\$ 1,035,000	\$ 40,000
2015 Successor CRA Tax Allocation Refunding Bonds	8,050,000	-	-	8,050,000	140,000
Bond premium	245,393			245,393	12,270
2006 CRA Housing Refunding Tax Allocation Bonds	1,130,000	-	(50,000)	1,080,000	55,000
Bond discount	(17,542)		1,124	(16,418)	(1,124)
Deferred amount on refunding	(12,942)		829	(12,113)	(829)
2006 CRA Non-Housing Refunding Tax Allocation Bonds	29,920,000	-	(890,000)	29,030,000	930,000
Bond discount	(503,548)		25,328	(478,220)	(25,328)
Deferred amount on refunding	(369,819)		18,340	(351,479)	(18,340)
Total governmental activities	<u>\$ 39,516,542</u>	<u>\$ -</u>	<u>\$ (934,379)</u>	<u>\$ 38,582,163</u>	<u>\$ 1,131,649</u>

2000 SCRC Tax Allocation Bonds – Original Issue \$1,440,000

On May 16, 2000, the SCRC issued tax allocation bonds for the purpose of financing a portion of the costs of the Stanislaus/Ceres Redevelopment Project. The bonds are payable from and secured by the tax revenues to be derived from the project area. The bonds mature annually through 2030, in amounts ranging from \$20,000 to \$105,000.

Interest rates vary from 4.65% to a maximum of 6.70% and are payable semiannually on May 1 and November 1. The bonds maturing before November 1, 2010, are not subject to optional redemption prior to their stated maturities. Bonds maturing on or after November 1, 2010, are subject to redemption in whole or in part on any interest payment date. Redemption includes a premium of 2% commencing on November 1, 2010, and reduced by 1% on each November 1 thereafter.

2006 CRA Housing Tax Allocation Refunding Bonds — Original Issue \$1,480,000

The CRA issued tax allocation bonds for the purpose of financing certain redevelopment activities and to refund and defease the 2000 CRA Tax Allocation Bonds. The bonds are payable from and secured by the tax revenues to be derived from the project area. The bonds mature annually through 2030, in amounts ranging from \$40,000 to \$100,000. Interest rates vary from 3.25% to a maximum of 5.00% and are payable semiannually on May 1 and November 1. The bonds maturing on or before November 1, 2016, are not subject to optional redemption prior to their stated maturities. Bonds maturing on or after November 1, 2017, are subject to redemption in whole or in part on any interest payment date.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

2015 Successor Agency to the Ceres Redevelopment Agency Tax Allocation Refunding Bonds

On June 17, 2015, the Successor Agency to the CRA issued the CRA Project Area No. 1 Non-Housing bonds. The proceeds will be used to refund and defease the 2003 CRA Tax Allocation Bonds. The Non-Housing Bonds are payable from and secured by Tax Revenues allocated to the CRA from the Project Area. Interest on the bonds will be payable on May 1 and November 1 of each year. Non-Housing Bonds maturing on or before November 1, 2016, will not be subject to redemption prior to their stated maturity.

2006 CRA Non-Housing Tax Allocation Refunding Bonds — Original Issue \$36,645,000

On December 21, 2006, the CRA issued the CRA Project Area No. 1 Non-Housing bonds. The proceeds will be used to finance projects in Project Area No. 1 and to refund and defease the 2000 CRA Tax Allocation Bonds, which was completed in year 2006-07. The Non-Housing Bonds are payable from and secured by Tax Revenues allocated to the CRA from the Project Area. Interest on the bonds will be payable on May 1 and November 1 of each year. Non-Housing Bonds maturing on or before November 1, 2016, will not be subject to redemption prior to their stated maturity. Those maturing on or after November 1, 2017, are subject to redemption prior to their stated maturity at the option of the Agency, in whole or in part on any date, from the proceeds of refunding bonds or other available funds in the manner determined by the Agency and by lot within a maturity on or after November 1, 2016 at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the redemption date, without premium.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City performed calculations of excess investment earnings on various bonds and financings and at June 30, 2016, there were no arbitrage liabilities.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Future debt service at June 30, 2016, is as follows for fiduciary debt:

Year Ending June 30,	Governmental Activities							
	2001 SCRC Tax Allocation Bonds		2015 CRA Tax Allocation Refunding Bonds		2006 CRA Housing Refunding Tax Allocation Bonds		2006 CRA Non-Housing Refunding Tax Allocation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 40,000	\$ 67,730	\$ 140,000	\$ 452,480	\$ 55,000	\$ 43,664	\$ 930,000	\$ 1,169,712
2018	45,000	64,904	295,000	299,975	55,000	41,568	980,000	1,128,087
2019	50,000	61,745	300,000	294,075	60,000	39,268	1,015,000	1,089,413
2020	50,000	58,420	305,000	288,075	60,000	36,868	1,055,000	1,048,013
2021	55,000	54,929	315,000	278,925	60,000	34,468	1,100,000	999,413
2022-2026	330,000	213,298	1,770,000	1,191,625	355,000	131,328	6,285,000	4,213,256
2027-2031	465,000	82,243	2,200,000	752,575	435,000	48,344	7,200,000	2,798,200
2032-2036	-	-	2,725,000	206,813	-	-	10,465,000	1,225,300
2037-2039	-	-	-	-	-	-	-	-
Total	\$ 1,035,000	\$ 603,269	\$ 8,050,000	\$ 3,764,543	\$ 1,080,000	\$ 375,508	\$ 29,030,000	\$ 13,671,394
Due within one year	\$ 40,000	\$ 67,730	\$ 140,000	\$ 452,480	\$ 55,000	\$ 43,664	\$ 930,000	\$ 1,169,712
Due after one year	995,000	535,539	7,910,000	3,312,063	1,025,000	331,844	28,100,000	12,501,682
Total	\$ 1,035,000	\$ 603,269	\$ 8,050,000	\$ 3,764,543	\$ 1,080,000	\$ 375,508	\$ 29,030,000	\$ 13,671,394

Year Ending June 30,	Discount and Deferred Amount - 2006 CRA Housing Refunding Tax Allocation Bonds		Discount and Deferred Amount - 2006 CRA Non-Housing Refunding Tax Allocation Bonds		Premium 2015 CRA Tax Allocation Refunding Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2017	(1,953)	-	(43,668)	-	12,270	-	1,131,649
2018	(1,953)	-	(43,668)	-	12,270	-	1,341,649	1,534,534
2019	(1,953)	-	(43,668)	-	12,270	-	1,391,649	1,484,501
2020	(1,953)	-	(43,668)	-	12,270	-	1,436,649	1,431,376
2021	(1,953)	-	(43,668)	-	12,270	-	1,496,649	1,367,735
2022-2026	(9,765)	-	(218,340)	-	61,350	-	8,573,245	5,749,507
2027-2031	(9,001)	-	(218,340)	-	61,350	-	10,134,009	3,681,362
2032-2036	-	-	(174,679)	-	61,343	-	13,076,664	1,432,113
Total	\$ (28,531)	\$ -	\$ (829,699)	\$ -	\$ 245,393	\$ -	\$ 38,582,163	\$ 18,414,714
Due within one year	\$ (1,953)	\$ -	\$ (43,668)	\$ -	\$ 12,270	\$ -	\$ 1,131,649	\$ 1,733,586
Due after one year	(26,578)	-	(786,031)	-	233,123	-	37,450,514	18,414,714
Total	\$ (28,531)	\$ -	\$ (829,699)	\$ -	\$ 245,393	\$ -	\$ 38,582,163	\$ 20,148,300

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Activity for advances for the year ended June 30, 2016, was as follows:

	<u>Other Funds</u>	<u>Other Funds</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 531,494	\$ -
Total Major Funds	<u>531,494</u>	<u>-</u>
Total Governmental Activities	<u>531,494</u>	<u>-</u>
Fiduciary Activities:		
Private Purpose Trust Funds:		
Former Stanislaus - Ceres Redevelopment		
Commission Successor Agency Non-Housing	-	531,494
Total Private Purpose Trust Funds	<u>-</u>	<u>531,494</u>
Total Fiduciary Activities	<u>-</u>	<u>531,494</u>
Totals	<u>\$ 531,494</u>	<u>\$ 531,494</u>

Advances from the General Fund to the Former Redevelopment Agency Fund were for Redevelopment start-up costs.

15. COMMITMENTS AND CONTINGENCIES

The City is a party to claims and lawsuits arising in the ordinary course of business. The City's management and legal council are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the City. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

16. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 72, "Fair Value Measurement and Application". The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. These improvements are based in part on the concepts and definitions established in Concepts Statement No. 6, Measurement of Elements of Financial Statements, and other relevant literature. The requirements of this Statement are effective for financial statements for reporting periods beginning after June 15, 2015. The City implemented this statement for year ended June 30, 2016. The implementation of this statement did not have an effect on the financial statements.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

16. NEW ACCOUNTING PRONOUNCEMENTS, Continued

The GASB has issued Statement No. 73, "Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68". The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, "Accounting and Financial Reporting for Pensions", as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. It also amends certain provisions of Statement No. 67, "Financial Reporting for Pension Plans", and Statement 68 for pension plans and pensions that are within their respective scopes.

The requirements of this Statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for financial statements for fiscal years beginning after June 15, 2016, and the requirements of this Statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this Statement for pension plans that are within the scope of Statement 67 or for pensions that are within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2015. The City will evaluate the applicability of the provisions of this Statement and implement it in the applicable year, accordingly.

The GASB has issued Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces Statements No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, as amended, Statement 43, and Statement No. 50, Pension Disclosures. The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016. The City will implement this Statement in fiscal year ending June 30, 2017.

City of Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2016

16. NEW ACCOUNTING PRONOUNCEMENTS, Continued

The GASB has issued Statement No. 75, “Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions”. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 45, “Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions”, as amended, and No. 57, “OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans”, for OPEB. Statement No. 74, “Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans”, establishes new accounting and financial reporting requirements for OPEB plans. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2018.

The GASB has issued Statement No. 76, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, “The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments”. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The City implemented this statement for year ended June 30, 2016. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 77, “Tax Abatement Disclosures”. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government’s current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government’s financial resources come from and how it uses them, and (4) a government’s financial position and economic condition and how they have changed over time. The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2017.

REQUIRED SUPPLEMENTARY INFORMATION

City of Ceres, California

Required Supplementary Information - Schedule of Employer Contributions

Miscellaneous Plan

Last 10 Fiscal Years Ending June 30

(Dollar amounts in thousands)

	2015	2014	2013	2012	2011
Actuarially determined contributions	\$ 53,849	\$ 46,764	\$ 39,077	\$ 41,614	\$ 47,657
Contributions in relation to the actuarially determined contributions	(53,849)	(46,764)	(39,077)	(41,614)	(47,657)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll*	\$ 237,263	\$ 221,863	\$ 217,491	\$ 215,057	\$ 221,541
Contribution as a percentage of covered-employee payroll	22.70%	21.08%	17.97%	19.35%	21.51%
	2010	2009	2008	2007	2006
Actuarially determined contributions	\$ 31,814	\$ 23,411	\$ 22,555	\$ 32,563	\$ 22,549
Contributions in relation to the actuarially determined contributions	(31,814)	(23,411)	(22,555)	(32,563)	(22,549)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll*	\$ 231,538	\$ 248,316	\$ 242,009	N/A	\$ 212,011
Contribution as a percentage of covered-employee payroll	13.74%	9.43%	9.32%	N/A	10.64%

Notes to Schedule

No actuarial valuation was done in 2007, therefore, no payroll to report.

* - Aggregate covered payroll was provided by StanCERA for the FYE 2016. For previous years' amounts, payroll was based on individual member pay data provided to the actuary.

City of Ceres, California
Required Supplementary Information - Schedule of Changes in
Net Pension Liability and Related Ratios
Miscellaneous Plan
Last 10 Fiscal Years*

	2015	2014
<u>Total Pension Liability</u>		
Service cost	\$ 48,242,363	\$ 46,209,346
Interest (includes interest on service cost)	154,850,353	147,384,248
Changes of benefit terms	-	-
Differences between expected and actual experience	2,148,638	-
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	<u>(101,858,156)</u>	<u>(94,782,471)</u>
Net change in total pension liability	103,383,198	98,811,123
Total pension liability - beginning	<u>2,024,376,761</u>	<u>1,925,565,638</u>
Total pension liability - ending	<u><u>\$ 2,127,759,959</u></u>	<u><u>\$ 2,024,376,761</u></u>
<u>Fiduciary net position</u>		
Contributions - employer	\$ 53,849,031	\$ 46,763,996
Contributions - member	22,960,235	21,867,911
Total investment income	68,722,781	274,896,108
Benefit payments, including refunds of member contributions	(101,858,156)	(94,782,471)
Administrative expense	<u>(2,378,966)</u>	<u>(2,249,260)</u>
Net change in fiduciary net position	41,294,925	246,496,284
Fiduciary net position - beginning	<u>1,791,309,279</u>	<u>1,544,812,995</u>
Fiduciary net position - ending	<u><u>\$ 1,832,604,204</u></u>	<u><u>\$ 1,791,309,279</u></u>
Net pension liability - ending	<u><u>\$ 295,155,755</u></u>	<u><u>\$ 233,067,482</u></u>
Fiduciary net position as a percentage of the total pension liability	86.1%	88.5%
Covered employee payroll (1)	\$ 237,263,160	\$ 221,863,110
Net pension liability as a percentage of covered employee payroll	124.4%	105.1%

Notes to Schedule

* - Data is not available for fiscal years ending June 30, 2006 through June 30, 2013.

(1) - Aggregate covered payroll was provided by StanCERA for the FYE 2016. For previous years' amounts, payroll was based on individual member pay data provided to the actuary.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NON-MAJOR GOVERNMENTAL FUNDS

Fund	Description
Street Tree	Fees collected from developers to be used by the City for planting trees along City streets and roads in new subdivisions.
Storm Drain Benefit Districts	These benefit district funds are used to account for developer fees used for the construction of the storm drain systems in the specific districts of WestPointe, Eastgate, Mitchell Road, and North East.
Brown Annex - Public Safety Mitigation	To account for public safety mitigation fees collected for the Brown Annexation area; to provide funding for police salaries.
Eastgate Street & Landscape Benefit District	To account for street and landscape improvements made in the Eastgate subdivisions, funded by fees collected on property developed within the benefited area.
AB939 Source Reduction/Recycle	This fund is to account for funds received to be used to inform citizens of recycling requirements.
Neighborhood Park Fees	Fees collected from each new dwelling constructed, to be used for planning, acquisition, improvement, and expansion of neighborhood parks.
BEGIN Grant	Fund established for State Housing & Community Development Building Equity & Growth in Neighborhoods grant to be utilized for deferred-payment second mortgage loans for down payment assistance to lower to moderate-income first-time homebuyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions.
Program Income	Fund established for the Program Income from the State Housing & Community Development Building Equity & Growth in Neighborhoods grant.
Measure H	Voter approved ½-cent retail transaction and use tax (sales tax) for the improvement of police, fire and 9-1-1 emergency response; to fund additional personnel and equipment costs.
State Gas Tax	The City's share of the State gas tax allocations are recorded in this fund. These funds can be used for any street purpose. The City charges the street department to the gas tax fund.
Prop 1B	State allocation of 2006 Transportation Bond, Local Streets and Roads funding to be utilized for transportation improvements, including maintenance, rehabilitation and construction or as local match for state and federal transportation funds for similar purposes.
SLESF Grant	Accounts for revenues and expenditures associated with State funds provided as a match for the COPS Universal Hiring Grant.
Abandoned Vehicle Abatement	This fund contains revenues obtained from the sale of forfeited vehicle. Funds are used for law enforcement supplies and equipment.
Seized Property	This fund contains revenues obtained from the sale of forfeited property in drug related cases. Funds are used for law enforcement equipment.
Downtown Revitalization	Revenues for this fund come from assessments to downtown businesses. These funds are used to improve the downtown area with such programs as façade and streetscape improvements and promotional events.
Street-Light and Landscape District	This fund is used to account for financial activity relating to the City-wide 1972 Act Landscaping and Lighting District. Revenues include assessment to the property owners within the district and expenditures related to the maintenance and upkeep of the street lights, median landscaping, and landscaping adjacent to sound walls.

(continued)

NON-MAJOR GOVERNMENTAL FUNDS, Continued

Fund	Description
Traffic Offender	To account for activities of the Police Traffic Unit, including towing/impound fees and State grants utilized for Unit expenditures.
State Traffic Safety	This fund is used to account for fines as a result of arrests by City officers. These funds can only be used for traffic control devices and maintenance of equipment and supplies for traffic enforcement.
Used Oil Recycling Grant	This fund is to account for grant funds received to be used to inform citizens of oil recycling opportunities and procedures.
American Recovery & Reinvestment Act 2009	This fund is used to account for activities for the projects funded by the American Recovery and Reinvestment Act .
Department of Conservation	State Department of Conservation grant utilized for promotion of recycling, reuse, and other green initiatives within the City.
CMAQ	This fund is used to account for Federal funds used for transit and street-related purposes.
Community Facilities District	To account for the special property taxes levied for the provision of public services (Police, Fire, and Parks).
Fire Hydrant Benefit District	These funds are collected from developers in the district for the installation of additional fire hydrants because the existing hydrant spacing does not meet City standards.
Transportation Development Act	This fund is used to account for local transportation funds restricted to transit, street, pedestrian, and bike purposes.
Community Center	To account for operational revenues and expenses of Ceres Community Center.
Local Law Enforcement Block Grant	The City's receipt and expenditures of the federal grants are recorded in these funds. Expenditures are made to assist in projects that reduce crime and improve public safety.
Public Facilities Fees	These fees are received from developers to increase space and improve to City buildings, specifically, Public Safety, Planning, Public Works, and City Hall to mitigate the growth of the City.
Daniel Whitmore House	The City owns the Daniel Whitmore Home. It is the oldest house in the City and is now a museum. These funds are used for museum expenses and improvements.
River Bluff Regional Park	To account for construction of Ceres River Bluff Regional Park and associated State grant revenues utilized for project.
Ceres Community Foundation	Accounts for activities related to the Ceres Community Foundation.
2016 Public Safety Grants	This fund is to account for the COPS Hiring Grant and SAFER Hiring Grant to increase staffing in Police and Fire services.
Clinton Whitmore Mansion	The City owns the Clinton Whitmore Mansion. These funds are used for operating expenses and improvements.

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City of Ceres, California
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Street Tree	Storm Drain Benefit Districts	Brown Annex	Eastgate Street Benefit District
ASSETS				
Cash and investments	\$ 114,120	\$ 2,037,182	\$ 8,984	\$ 68,520
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	135	2,422	11	81
Intergovernmental	-	-	-	-
Loans receivable	-	-	-	-
Other receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	\$ 114,255	\$ 2,039,604	\$ 8,995	\$ 68,601
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Intergovernmental payable	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	-	-	-	-
Deferred inflows: Grants	-	-	-	-
Total liabilities and deferred inflows	-	-	-	-
Fund Balances:				
Restricted	-	2,039,604	-	68,601
Committed	-	-	-	-
Assigned, reported in:				
Special revenue funds	114,255	-	8,995	-
Unassigned (deficit)	-	-	-	-
Total fund balances	114,255	2,039,604	8,995	68,601
Total liabilities and fund balances	\$ 114,255	\$ 2,039,604	\$ 8,995	\$ 68,601

AB 939	Neighborhood Park Fees	BEGIN Grant	Program Income BEGIN	Measure H Income	State Gas Tax	Prop 1B	SLESF
\$ 449,809	\$ 2,314,545	\$ 99,713	\$ 33,832	\$ -	\$ 571,266	\$ 54	\$ 50,064
-	-	-	-	-	-	-	-
-	-	-	-	526,873	-	-	-
535	2,757	118	40	-	690	-	-
-	-	-	-	-	-	-	-
-	-	882,150	-	-	-	-	-
-	-	-	-	-	579	-	29,324
-	140,760	-	-	-	-	-	-
<u>\$ 450,344</u>	<u>\$ 2,458,062</u>	<u>\$ 981,981</u>	<u>\$ 33,872</u>	<u>\$ 526,873</u>	<u>\$ 572,535</u>	<u>\$ 54</u>	<u>\$ 79,388</u>
\$ -	\$ -	\$ -	\$ -	\$ 1,784	\$ 32,507	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	192,811	-	-	-
-	-	-	-	194,595	32,507	-	-
-	-	882,150	-	-	-	-	-
-	-	882,150	-	194,595	32,507	-	-
-	-	99,831	33,872	332,278	508,394	-	79,388
-	12,930	-	-	-	31,634	-	-
450,344	2,445,132	-	-	-	-	54	-
-	-	-	-	-	-	-	-
<u>450,344</u>	<u>2,458,062</u>	<u>99,831</u>	<u>33,872</u>	<u>332,278</u>	<u>540,028</u>	<u>54</u>	<u>79,388</u>
<u>\$ 450,344</u>	<u>\$ 2,458,062</u>	<u>\$ 981,981</u>	<u>\$ 33,872</u>	<u>\$ 526,873</u>	<u>\$ 572,535</u>	<u>\$ 54</u>	<u>\$ 79,388</u>

(continued)

City of Ceres, California
Combining Balance Sheet
Nonmajor Special Revenue Funds, Continued
June 30, 2016

	Abandoned Vehicle Abatement	Seized Property	Downtown Revitalization	Street Light- Landscape District	Traffic Offender
ASSETS					
Cash and investments	\$ 67,152	\$ 144,084	\$ 77,730	\$ -	\$ 8,061
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	80	171	92	-	-
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	5,388	-
Due from other funds	-	-	-	-	-
Total assets	\$ 67,232	\$ 144,255	\$ 77,822	\$ 5,388	\$ 8,061
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 1,130	\$ 17,846	\$ -
Deposits payable	-	-	-	-	-
Intergovernmental payable	-	139,743	-	-	-
Due to other funds	-	-	-	26,949	-
Total liabilities	-	139,743	1,130	44,795	-
Deferred inflows: Grants	-	-	-	-	-
Total liabilities and deferred inflows	-	139,743	1,130	44,795	-
Fund Balances:					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	67,232	4,512	76,692	-	8,061
Unassigned (deficit)	-	-	-	(39,407)	-
Total fund balances	67,232	4,512	76,692	(39,407)	8,061
Total liabilities and fund balances	\$ 67,232	\$ 144,255	\$ 77,822	\$ 5,388	\$ 8,061

Traffic Safety	Used Oil Grants	ARRA	Dept of Conservation Grant	CMAQ	Community Facilities District
\$ 82,645	\$ 7,233	\$ 314	\$ 60,495	\$ -	\$ 188,074
-	-	-	-	-	-
-	-	-	-	-	-
-	9	-	72	-	224
-	-	-	-	-	-
-	-	-	-	-	-
6,168	-	-	12,173	-	6,836
-	-	-	-	-	-
<u>\$ 88,813</u>	<u>\$ 7,242</u>	<u>\$ 314</u>	<u>\$ 72,740</u>	<u>\$ -</u>	<u>\$ 195,134</u>
\$ -	\$ -	\$ -	\$ -	\$ 534,240	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(1)	-	1,023,382	-
-	-	(1)	-	1,557,622	-
-	-	-	-	-	-
-	-	(1)	-	1,557,622	-
-	-	-	72,740	-	-
-	-	-	-	-	195,134
88,813	7,242	315	-	-	-
-	-	-	-	(1,557,622)	-
<u>88,813</u>	<u>7,242</u>	<u>315</u>	<u>72,740</u>	<u>(1,557,622)</u>	<u>195,134</u>
<u>\$ 88,813</u>	<u>\$ 7,242</u>	<u>\$ 314</u>	<u>\$ 72,740</u>	<u>\$ -</u>	<u>\$ 195,134</u>

(continued)

City of Ceres, California
Combining Balance Sheet
Nonmajor Governmental Funds, Continued
June 30, 2016

	Fire Hydrant Benefit District	Transportation Development Act	Community Center	LLEBG	Public Facilities Fees
ASSETS					
Cash and investments	\$ 127,488	\$ 68,773	\$ -	\$ 42,039	\$ 2,986,737
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	-	70	-	50	3,551
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ 127,488	\$ 68,843	\$ -	\$ 42,089	\$ 2,990,288
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 57,989	\$ 16,384	\$ -	\$ -
Deposits payable	-	-	55,114	-	-
Intergovernmental payable	-	-	-	-	-
Due to other funds	-	21,017	1,201,168	-	135,478
Total liabilities	-	79,006	1,272,666	-	135,478
Deferred inflows: Grants	-	-	-	-	-
Total liabilities and deferred inflows	-	79,006	1,272,666	-	135,478
Fund Balances:					
Restricted	127,488	-	-	-	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	-	-	-	42,089	2,854,810
Unassigned (deficit)	-	(10,163)	(1,272,666)	-	-
Total fund balances	127,488	(10,163)	(1,272,666)	42,089	2,854,810
Total liabilities and fund balances	\$ 127,488	\$ 68,843	\$ -	\$ 42,089	\$ 2,990,288

Daniel Whitmore House	RiverBluff Regional Park	Ceres Community Foundation	2016 Public Safety Grants	Clinton Whitmore Mansion	Totals
\$ 51	\$ 5,505	\$ 120,520	\$ -	\$ -	\$ 9,734,990
-	-	-	-	-	-
-	-	-	-	-	526,873
-	-	156	-	-	11,264
-	-	-	-	-	-
-	-	-	-	-	882,150
-	469	-	98,711	-	159,648
-	-	-	-	-	140,760
<u>\$ 51</u>	<u>\$ 5,974</u>	<u>\$ 120,676</u>	<u>\$ 98,711</u>	<u>\$ -</u>	<u>\$ 11,455,685</u>
\$ 178	\$ 1,449	\$ 978	\$ -	\$ 802	\$ 665,287
-	-	-	-	-	55,114
-	-	-	-	-	139,743
-	-	-	120,416	21,313	2,742,533
<u>178</u>	<u>1,449</u>	<u>978</u>	<u>120,416</u>	<u>22,115</u>	<u>3,602,677</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>882,150</u>
<u>178</u>	<u>1,449</u>	<u>978</u>	<u>120,416</u>	<u>22,115</u>	<u>4,484,827</u>
-	-	119,698	-	-	3,481,894
-	-	-	-	-	239,698
-	4,525	-	-	-	6,173,071
(127)	-	-	(21,705)	(22,115)	(2,923,805)
<u>(127)</u>	<u>4,525</u>	<u>119,698</u>	<u>(21,705)</u>	<u>(22,115)</u>	<u>6,970,858</u>
<u>\$ 51</u>	<u>\$ 5,974</u>	<u>\$ 120,676</u>	<u>\$ 98,711</u>	<u>\$ -</u>	<u>\$ 11,455,685</u>

(concluded)

City of Ceres, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2016

	Street Tree	Storm Drain Benefit Districts	Brown Annex	Eastgate Street Benefit District	AB 939
REVENUES:					
Property and other taxes	\$ -	\$ 9,029	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Use of money and property	450	7,609	33	282	1,732
Other revenues	-	-	-	-	-
Total revenues	450	16,638	33	282	1,732
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Engineering and Transportation	-	-	-	12,465	37,431
Public works	-	-	-	-	-
Community services	7,039	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	7,039	-	-	12,465	37,431
REVENUES OVER (UNDER) EXPENDITURES	(6,589)	16,638	33	(12,183)	(35,699)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	(6,589)	16,638	33	(12,183)	(35,699)
FUND BALANCES (DEFICIT):					
Beginning of year	120,844	2,022,966	8,962	80,784	486,043
End of year	<u>\$ 114,255</u>	<u>\$ 2,039,604</u>	<u>\$ 8,995</u>	<u>\$ 68,601</u>	<u>\$ 450,344</u>

Neighborhood Park Fees	BEGIN Grant	Program Income BEGIN	Measure H	State Gas Tax	Prop 1B	SLESF
\$ -	\$ -	\$ -	\$ 2,756,083	\$ 1,012,107	\$ -	\$ -
-	-	-	-	-	-	-
190,722	-	-	-	-	-	-
-	0	-	-	-	-	143,942
8,574	929	127	14	2,431	-	-
-	-	-	-	17,248	-	-
<u>199,296</u>	<u>929</u>	<u>127</u>	<u>2,756,097</u>	<u>1,031,786</u>	<u>-</u>	<u>143,942</u>
395	-	-	-	-	-	-
-	-	-	2,866,524	-	-	64,554
-	-	-	-	988,662	-	-
-	-	-	-	4,597	-	-
-	-	-	-	-	-	-
-	229,670	-	-	-	-	-
272,259	-	-	22,777	64,362	-	-
-	-	-	-	-	-	-
-	-	-	-	118,979	-	-
<u>272,654</u>	<u>229,670</u>	<u>-</u>	<u>2,889,301</u>	<u>1,176,600</u>	<u>-</u>	<u>64,554</u>
<u>(73,358)</u>	<u>(228,741)</u>	<u>127</u>	<u>(133,204)</u>	<u>(144,814)</u>	<u>-</u>	<u>79,388</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(73,358)	(228,741)	127	(133,204)	(144,814)	-	79,388
<u>2,531,420</u>	<u>328,572</u>	<u>33,745</u>	<u>465,482</u>	<u>684,842</u>	<u>54</u>	<u>-</u>
<u>\$ 2,458,062</u>	<u>\$ 99,831</u>	<u>\$ 33,872</u>	<u>\$ 332,278</u>	<u>\$ 540,028</u>	<u>\$ 54</u>	<u>\$ 79,388</u>

(continued)

City of Ceres, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued

Nonmajor Special Revenue Funds

For the year ended June 30, 2016

	Abandoned Vehicle Abatement	Seized Property	Downtown Revitalization	Street Light- Landscape District	Traffic Offender
REVENUES:					
Property and other taxes	\$ -	\$ -	\$ -	\$ 385,689	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	12,739	-	49,826
Intergovernmental	90,756	-	-	-	13,952
Use of money and property	113	549	291	3	-
Other revenues	-	-	-	-	2,350
Total revenues	90,869	549	13,030	385,692	66,128
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	40,201	-	-	-	24,642
Engineering and Transportation	-	-	-	250,376	-
Public works	-	-	-	-	-
Community services	-	-	-	238,966	-
Economic development	-	-	13,529	-	-
Capital outlay	-	-	-	-	-
Debt service:	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	40,201	-	13,529	489,342	24,642
REVENUES OVER (UNDER) EXPENDITURES	50,668	549	(499)	(103,650)	41,486
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	50,668	549	(499)	(103,650)	41,486
FUND BALANCES (DEFICIT):					
Beginning of year	16,564	3,963	77,191	64,243	(33,425)
End of year	\$ 67,232	\$ 4,512	\$ 76,692	\$ (39,407)	\$ 8,061

Traffic Safety	Used Oil Grants	ARRA	Dept of Conservation Grant	CMAQ	Community Facilities District
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 574,337
88,813	-	-	-	-	-
-	-	-	-	-	-
-	13,049	-	12,173	681,140	-
-	10	-	224	-	1,298
-	-	-	-	-	-
88,813	13,059	-	12,397	681,140	575,635
-	-	-	-	-	-
-	-	(2)	-	-	-
-	5,817	-	2,970	96,227	-
-	-	-	-	-	6,339
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,069,572	-
-	-	-	-	-	-
-	-	-	-	-	-
-	5,817	(2)	2,970	2,165,799	6,339
88,813	7,242	2	9,427	(1,484,659)	569,296
-	-	-	-	-	-
-	-	-	-	-	(530,000)
-	-	-	-	-	(530,000)
88,813	7,242	2	9,427	(1,484,659)	39,296
-	-	313	63,313	(72,963)	155,838
\$ 88,813	\$ 7,242	\$ 315	\$ 72,740	\$ (1,557,622)	\$ 195,134

(continued)

City of Ceres, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

For the year ended June 30, 2016

	Fire Hydrant Benefit District	Transportation Development Act	Community Center	LLEBG	Public Facilities Fees
REVENUES:					
Property and other taxes	\$ 3,852	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	107,695	-	155,727
Intergovernmental	-	-	-	11,826	-
Use of money and property	-	710	-	146	11,158
Other revenues	-	-	-	-	-
Total revenues	3,852	710	107,695	11,972	166,885
EXPENDITURES:					
Current:					
General government	-	5,445	-	-	-
Public safety	-	-	-	11,826	-
Engineering and Transportation	-	238,528	-	-	-
Public works	-	-	-	-	-
Community services	-	-	430,872	-	-
Economic development	-	-	-	-	-
Capital outlay	-	216,518	-	-	385,191
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	460,491	430,872	11,826	385,191
REVENUES OVER (UNDER) EXPENDITURES	3,852	(459,781)	(323,177)	146	(218,306)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	3,852	(459,781)	(323,177)	146	(218,306)
FUND BALANCES (DEFICIT):					
Beginning of year	123,636	449,618	(949,489)	41,943	3,073,116
End of year	\$ 127,488	\$ (10,163)	\$ (1,272,666)	\$ 42,089	\$ 2,854,810

Daniel Whitmore House	RiverBluff Regional Park	Ceres Community Foundation	2016 Public Safety Grants	Clinton Whitmore Mansion	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,741,097
-	-	-	-	-	88,813
-	-	-	-	-	516,709
-	-	-	237,169	-	1,204,007
-	-	494	-	-	37,177
-	2,022	34,173	-	3,500	59,293
-	2,022	34,667	237,169	3,500	6,647,096
-	-	4,681	-	-	10,521
-	-	-	131,666	-	3,139,411
-	-	-	-	-	1,632,476
-	1	-	-	-	10,937
35,949	-	10,880	-	10,215	733,921
-	-	-	-	-	243,199
-	-	-	-	-	3,030,679
-	-	-	-	-	118,979
35,949	1	15,561	131,666	10,215	8,920,123
(35,949)	2,021	19,106	105,503	(6,715)	(2,273,027)
35,949	-	-	-	-	35,949
-	-	-	-	-	(530,000)
35,949	-	-	-	-	(494,051)
-	2,021	19,106	105,503	(6,715)	(2,767,078)
(127)	2,504	100,592	(127,208)	(15,400)	9,737,936
\$ (127)	\$ 4,525	\$ 119,698	\$ (21,705)	\$ (22,115)	\$ 6,970,858

(concluded)

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Street Tree Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 350	\$ 350	\$ 450	\$ 100
Total revenues	<u>350</u>	<u>350</u>	<u>450</u>	<u>100</u>
EXPENDITURES:				
Current:				
Community services	25,000	25,000	7,039	17,961
Total expenditures	<u>25,000</u>	<u>25,000</u>	<u>7,039</u>	<u>17,961</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(24,650)</u>	<u>(24,650)</u>	<u>(6,589)</u>	<u>18,061</u>
Net change in fund balances	(24,650)	(24,650)	(6,589)	18,061
FUND BALANCES:				
Beginning of year	120,844	120,844	120,844	-
End of year	<u>\$ 96,194</u>	<u>\$ 96,194</u>	<u>\$ 114,255</u>	<u>\$ 18,061</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Storm Drain Benefit Districts Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Property and other taxes	\$ 9,500	\$ 9,500	\$ 9,029	\$ (471)
Use of money and property	4,680	4,680	7,609	2,929
Total revenues	14,180	14,180	16,638	2,458
EXPENDITURES:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	14,180	14,180	16,638	2,458
Net change in fund balances	14,180	14,180	16,638	2,458
FUND BALANCES:				
Beginning of year	2,022,966	2,022,966	2,022,966	-
End of year	\$ 2,037,146	\$ 2,037,146	\$ 2,039,604	\$ 2,458

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Brown Annex Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 25	\$ 25	\$ 33	\$ 8
Total revenues	<u>25</u>	<u>25</u>	<u>33</u>	<u>8</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>25</u>	<u>25</u>	<u>33</u>	<u>8</u>
Net change in fund balances	25	25	33	8
FUND BALANCES:				
Beginning of year	8,962	8,962	8,962	-
End of year	<u>\$ 8,987</u>	<u>\$ 8,987</u>	<u>\$ 8,995</u>	<u>\$ 8</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Eastgate Street Benefit District Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Property and other taxes	\$ 20,000	\$ 20,000	\$ -	\$ (20,000)
Use of money and property	190	190	282	92
Total revenues	20,190	20,190	282	(19,908)
EXPENDITURES:				
Current:				
Engineering and Transportation	80,000	80,000	12,465	67,535
Total expenditures	80,000	80,000	12,465	67,535
REVENUES OVER (UNDER) EXPENDITURES	(59,810)	(59,810)	(12,183)	47,627
Net change in fund balances	(59,810)	(59,810)	(12,183)	47,627
FUND BALANCES:				
Beginning of year	80,784	80,784	80,784	-
End of year	\$ 20,974	\$ 20,974	\$ 68,601	\$ 47,627

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

AB 939 Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	1,100	1,100	1,732	632
Total revenues	1,100	1,100	1,732	632
EXPENDITURES:				
Current:				
Engineering and Transportation	49,152	49,152	37,431	11,721
Total expenditures	49,152	49,152	37,431	11,721
REVENUES OVER (UNDER)				
EXPENDITURES	(48,052)	(48,052)	(35,699)	12,353
Net change in fund balances	(48,052)	(48,052)	(35,699)	12,353
FUND BALANCES:				
Beginning of year	486,043	486,043	486,043	-
End of year	\$ 437,991	\$ 437,991	\$ 450,344	\$ 12,353

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Neighborhood Park Fees Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 125,000	\$ 125,000	\$ 190,722	\$ 65,722
Use of money and property	6,500	6,500	8,574	2,074
Total revenues	131,500	131,500	199,296	67,796
EXPENDITURES:				
Current:				
General government	500	500	395	105
Public works	20,000	20,000	-	20,000
Capital outlay	725,018	725,018	272,259	452,759
Total expenditures	745,518	745,518	272,654	472,864
REVENUES OVER (UNDER) EXPENDITURES	(614,018)	(614,018)	(73,358)	540,660
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	(614,018)	(614,018)	(73,358)	540,660
FUND BALANCES:				
Beginning of year	2,531,420	2,531,420	2,531,420	-
End of year	\$ 1,917,402	\$ 1,917,402	\$ 2,458,062	\$ 540,660

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

BEGIN Grant Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 722,000	\$ 722,000	\$ -	\$ (722,000)
Use of money and property	-	-	929	929
Total revenues	722,000	722,000	929	(721,071)
EXPENDITURES:				
Current:				
Economic development	722,000	722,000	229,670	492,330
Total expenditures	722,000	722,000	229,670	492,330
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(228,741)	(228,741)
Net change in fund balances	-	-	(228,741)	(228,741)
FUND BALANCES:				
Beginning of year	328,572	328,572	328,572	-
End of year	\$ 328,572	\$ 328,572	\$ 99,831	\$ (228,741)

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Program Income BEGIN Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	127	127
Total revenues	-	-	127	127
EXPENDITURES:				
Current:				
Economic development	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	127	127
Net change in fund balances	-	-	127	127
FUND BALANCES:				
Beginning of year	-	-	33,745	33,745
End of year	\$ -	\$ -	\$ 33,872	\$ 33,872

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Measure H Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Property and other taxes	\$ 2,613,244	\$ 2,613,244	\$ 2,756,083	\$ 142,839
Use of money and property	1,700	1,700	14	(1,686)
Other revenues	1,000	1,000	-	(1,000)
Total revenues	2,615,944	2,615,944	2,756,097	140,153
EXPENDITURES:				
Current:				
Public safety	3,046,921	3,046,921	2,866,524	180,397
Capital outlay	39,800	39,800	22,777	17,023
Total expenditures	3,086,721	3,086,721	2,889,301	197,420
REVENUES OVER (UNDER) EXPENDITURES	(470,777)	(470,777)	(133,204)	337,573
Net change in fund balances	(470,777)	(470,777)	(133,204)	337,573
FUND BALANCES:				
Beginning of year	465,482	465,482	465,482	-
End of year	\$ (5,295)	\$ (5,295)	\$ 332,278	\$ 337,573

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

State Gas Tax Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Property and other taxes	\$ 986,493	\$ 986,493	\$ 1,012,107	\$ 25,614
Use of money and property	2,500	2,500	2,431	(69)
Other revenues	1,900	1,900	17,248	15,348
Total revenues	990,893	990,893	1,031,786	40,893
EXPENDITURES:				
Current:				
Engineering and Transportation	1,158,002	1,158,002	988,662	169,340
Public works	21,396	21,396	4,597	16,799
Capital outlay	493,863	493,863	64,362	429,501
Debt service:				
Interest and fiscal charges	119,000	119,000	118,979	21
Total expenditures	1,792,261	1,792,261	1,176,600	615,661
REVENUES OVER (UNDER) EXPENDITURES	(801,368)	(801,368)	(144,814)	656,554
Net change in fund balances	(801,368)	(801,368)	(144,814)	656,554
FUND BALANCES (DEFICIT):				
Beginning of year	684,842	684,842	684,842	-
End of year	\$ (116,526)	\$ (116,526)	\$ 540,028	\$ 656,554

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Prop 1B Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
Net change in fund balances	-	-	-	-
FUND BALANCES:				
Beginning of year	54	54	54	-
End of year	\$ 54	\$ 54	\$ 54	\$ -

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

SLESF Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 143,942	\$ 43,942
Total revenues	100,000	100,000	143,942	43,942
EXPENDITURES:				
Current:				
Public safety	100,000	100,000	64,554	35,446
Total expenditures	100,000	100,000	64,554	35,446
REVENUES OVER (UNDER) EXPENDITURES	-	-	79,388	79,388
Net change in fund balances	-	-	79,388	79,388
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 79,388	\$ 79,388

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Abandoned Vehicle Abatement Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 90,756	\$ 40,756
Use of money and property	5	5	113	108
Total revenues	50,005	50,005	90,869	40,864
EXPENDITURES:				
Current:				
Public safety	42,527	42,527	40,201	2,326
Total expenditures	42,527	42,527	40,201	2,326
REVENUES OVER (UNDER) EXPENDITURES	7,478	7,478	50,668	43,190
Net change in fund balances	7,478	7,478	50,668	43,190
FUND BALANCES (DEFICIT):				
Beginning of year	16,564	16,564	16,564	-
End of year	\$ 24,042	\$ 24,042	\$ 67,232	\$ 43,190

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Seized Property Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ 7,000	\$ 7,000	\$ -	\$ (7,000)
Use of money and property	375	375	549	174
Total revenues	7,375	7,375	549	(6,826)
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER)				
EXPENDITURES	7,375	7,375	549	(6,826)
Net change in fund balances	7,375	7,375	549	(6,826)
FUND BALANCES:				
Beginning of year	3,963	3,963	3,963	-
End of year	\$ 11,338	\$ 11,338	\$ 4,512	\$ (6,826)

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Downtown Revitalization Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 17,160	\$ 17,160	\$ 12,739	\$ (4,421)
Use of money and property	195	195	291	96
Other revenues	-	-	-	-
Total revenues	<u>17,355</u>	<u>17,355</u>	<u>13,030</u>	<u>(4,325)</u>
EXPENDITURES:				
Current:				
Economic development	56,520	56,520	13,529	42,991
Total expenditures	<u>56,520</u>	<u>56,520</u>	<u>13,529</u>	<u>42,991</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(39,165)</u>	<u>(39,165)</u>	<u>(499)</u>	<u>38,666</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(39,165)</u>	<u>(39,165)</u>	<u>(499)</u>	<u>38,666</u>
FUND BALANCES:				
Beginning of year	77,191	77,191	77,191	-
End of year	<u>\$ 38,026</u>	<u>\$ 38,026</u>	<u>\$ 76,692</u>	<u>\$ 38,666</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Street-Light and Landscape District Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Property and other taxes	\$ 400,000	\$ 400,000	\$ 385,689	\$ (14,311)
Use of money and property	-	-	3	3
Total revenues	400,000	400,000	385,692	(14,308)
EXPENDITURES:				
Current:				
Engineering and Transportation	309,901	309,901	250,376	59,525
Community services	295,645	295,645	238,966	56,679
Total expenditures	605,546	605,546	489,342	116,204
REVENUES OVER (UNDER)				
EXPENDITURES	(205,546)	(205,546)	(103,650)	101,896
Net change in fund balances	(205,546)	(205,546)	(103,650)	101,896
FUND BALANCES (DEFICIT):				
Beginning of year	64,243	64,243	64,243	-
End of year	\$ (141,303)	\$ (141,303)	\$ (39,407)	\$ 101,896

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Traffic Offender Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 75,000	\$ 75,000	\$ 49,826	\$ (25,174)
Intergovernmental	89,354	89,354	13,952	(75,402)
Other revenues	-	-	2,350	2,350
Total revenues	164,354	164,354	66,128	(98,226)
EXPENDITURES:				
Current:				
Public safety	76,996	76,996	24,642	52,354
Total expenditures	76,996	76,996	24,642	52,354
REVENUES OVER (UNDER) EXPENDITURES	87,358	87,358	41,486	(45,872)
Net change in fund balances	87,358	87,358	41,486	(45,872)
FUND BALANCES (DEFICIT):				
Beginning of year	(33,425)	(33,425)	(33,425)	-
End of year	\$ 53,933	\$ 53,933	\$ 8,061	\$ (45,872)

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Traffic Safety Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Fines and forfeitures	\$ 125,000	\$ 125,000	\$ 88,813	\$ (36,187)
Total revenues	<u>125,000</u>	<u>125,000</u>	<u>88,813</u>	<u>(36,187)</u>
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>125,000</u>	<u>125,000</u>	<u>88,813</u>	<u>(36,187)</u>
Net change in fund balances	125,000	125,000	88,813	(36,187)
FUND BALANCES (DEFICIT):				
Beginning of year	-	-	-	-
End of year	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 88,813</u>	<u>\$ (36,187)</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Used Oil Grants Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 13,010	\$ 13,010	\$ 13,049	\$ 39
Use of money and property	90	90	10	(80)
Total revenues	13,100	13,100	13,059	(41)
EXPENDITURES:				
Current:				
Engineering and Transportation	8,500	8,500	5,817	2,683
Total expenditures	8,500	8,500	5,817	2,683
REVENUES OVER (UNDER)				
EXPENDITURES	4,600	4,600	7,242	2,642
Net change in fund balances	4,600	4,600	7,242	2,642
FUND BALANCES:				
Beginning of year	-	-	-	-
End of year	\$ 4,600	\$ 4,600	\$ 7,242	\$ 2,642

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

ARRA Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public safety	-	-	(2)	2
Total expenditures	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>2</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>
Net change in fund balances	-	-	2	2
FUND BALANCES:				
Beginning of year	313	313	313	-
End of year	<u>\$ 313</u>	<u>\$ 313</u>	<u>\$ 315</u>	<u>\$ 2</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Department of Conservation Grant Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 10,560	\$ 10,560	\$ 12,173	\$ 1,613
Use of money and property	130	130	224	94
Total revenues	10,690	10,690	12,397	1,707
EXPENDITURES:				
Current:				
Engineering and Transportation	15,756	15,756	2,970	12,786
Total expenditures	15,756	15,756	2,970	12,786
REVENUES OVER (UNDER)				
EXPENDITURES	(5,066)	(5,066)	9,427	14,493
Net change in fund balances	(5,066)	(5,066)	9,427	14,493
FUND BALANCES:				
Beginning of year	63,313	63,313	63,313	-
End of year	\$ 58,247	\$ 58,247	\$ 72,740	\$ 14,493

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

CMAQ Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 3,135,410	\$ 3,135,410	\$ 681,140	\$ (2,454,270)
Total revenues	<u>3,135,410</u>	<u>3,135,410</u>	<u>681,140</u>	<u>(2,454,270)</u>
EXPENDITURES:				
Current:				
Engineering and Transportation	40,000	40,000	96,227	(56,227)
Capital outlay	7,155,421	7,155,421	2,069,572	5,085,849
Total expenditures	<u>7,195,421</u>	<u>7,195,421</u>	<u>2,165,799</u>	<u>5,029,622</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,060,011)</u>	<u>(4,060,011)</u>	<u>(1,484,659)</u>	<u>2,575,352</u>
Net change in fund balances	(4,060,011)	(4,060,011)	(1,484,659)	2,575,352
FUND BALANCES (DEFICIT):				
Beginning of year	<u>(72,963)</u>	<u>(72,963)</u>	<u>(72,963)</u>	<u>-</u>
End of year	<u>\$ (4,132,974)</u>	<u>\$ (4,132,974)</u>	<u>\$ (1,557,622)</u>	<u>\$ 2,575,352</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Community Facilities District Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Property and other taxes	\$ 539,200	\$ 539,200	\$ 574,337	\$ 35,137
Use of money and property	-	-	1,298	1,298
Total revenues	539,200	539,200	575,635	36,435
EXPENDITURES:				
Current:				
Public works	-	-	6,339	(6,339)
Total expenditures	-	-	6,339	(6,339)
REVENUES OVER (UNDER) EXPENDITURES	539,200	539,200	569,296	30,096
OTHER FINANCING SOURCES (USES):				
Transfers out	(530,000)	(530,000)	(530,000)	-
Total other financing sources (uses)	(530,000)	(530,000)	(530,000)	-
Net change in fund balances	9,200	9,200	39,296	30,096
FUND BALANCES:				
Beginning of year	155,838	155,838	155,838	-
End of year	\$ 165,038	\$ 165,038	\$ 195,134	\$ 30,096

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Fire Hydrant Benefit District Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Property and other taxes	\$ -	\$ -	\$ 3,852	\$ 3,852
Total revenues	-	-	3,852	3,852
EXPENDITURES:				
Capital outlay	100,000	100,000	-	100,000
Total expenditures	100,000	100,000	-	100,000
REVENUES OVER (UNDER) EXPENDITURES				
	(100,000)	(100,000)	3,852	103,852
Net change in fund balances	(100,000)	(100,000)	3,852	103,852
FUND BALANCES:				
Beginning of year	123,636	123,636	123,636	-
End of year	\$ 23,636	\$ 23,636	\$ 127,488	\$ 103,852

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Transportation Development Act Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 665,757	\$ 665,757	\$ -	\$ (665,757)
Use of money and property	1,200	1,200	710	(490)
Other revenues	-	-	-	-
Total revenues	666,957	666,957	710	(666,247)
EXPENDITURES:				
Current:				
General government	5,500	5,500	5,445	55
Engineering and Transportation	371,891	371,891	238,528	133,363
Capital outlay	1,301,483	1,301,483	216,518	1,084,965
Total expenditures	1,678,874	1,678,874	460,491	1,218,383
REVENUES OVER (UNDER) EXPENDITURES	(1,011,917)	(1,011,917)	(459,781)	552,136
Net change in fund balances	(1,011,917)	(1,011,917)	(459,781)	552,136
FUND BALANCES (DEFICIT):				
Beginning of year	449,618	449,618	449,618	-
End of year	\$ (562,299)	\$ (562,299)	\$ (10,163)	\$ 552,136

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Community Center Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 140,000	\$ 140,000	\$ 107,695	\$ (32,305)
Other revenues	-	-	-	-
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>107,695</u>	<u>(32,305)</u>
EXPENDITURES:				
Current:				
Community services	<u>377,612</u>	<u>377,612</u>	<u>430,872</u>	<u>(53,260)</u>
Total expenditures	<u>377,612</u>	<u>377,612</u>	<u>430,872</u>	<u>(53,260)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(237,612)</u>	<u>(237,612)</u>	<u>(323,177)</u>	<u>(85,565)</u>
Net change in fund balances	(237,612)	(237,612)	(323,177)	(85,565)
FUND BALANCES (DEFICIT):				
Beginning of year	<u>(949,489)</u>	<u>(949,489)</u>	<u>(949,489)</u>	<u>-</u>
End of year	<u>\$ (1,187,101)</u>	<u>\$ (1,187,101)</u>	<u>\$ (1,272,666)</u>	<u>\$ (85,565)</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

LLEBG Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 11,826	\$ 11,826	\$ 11,826	\$ -
Use of money and property	40	40	146	106
Total revenues	11,866	11,866	11,972	106
EXPENDITURES:				
Current:				
Public safety	11,826	11,826	11,826	-
Total expenditures	11,826	11,826	11,826	-
REVENUES OVER (UNDER) EXPENDITURES	40	40	146	106
Net change in fund balances	40	40	146	106
FUND BALANCES:				
Beginning of year	41,943	41,943	41,943	-
End of year	\$ 41,983	\$ 41,983	\$ 42,089	\$ 106

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Public Facilities Fees Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 142,400	\$ 142,400	\$ 155,727	\$ 13,327
Use of money and property	9,000	9,000	11,158	2,158
Total revenues	151,400	151,400	166,885	15,485
EXPENDITURES:				
Capital outlay	639,893	639,893	385,191	254,702
Total expenditures	639,893	639,893	385,191	254,702
REVENUES OVER (UNDER) EXPENDITURES	(488,493)	(488,493)	(218,306)	270,187
Net change in fund balances	(488,493)	(488,493)	(218,306)	270,187
FUND BALANCES:				
Beginning of year	3,073,116	3,073,116	3,073,116	-
End of year	<u>\$ 2,584,623</u>	<u>\$ 2,584,623</u>	<u>\$ 2,854,810</u>	<u>\$ 270,187</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Daniel Whitmore House Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
Community services	37,803	37,803	35,949	1,854
Total expenditures	37,803	37,803	35,949	1,854
REVENUES OVER (UNDER) EXPENDITURES	(37,803)	(37,803)	(35,949)	1,854
OTHER FINANCING SOURCES (USES):				
Transfers in	37,803	37,803	35,949	(1,854)
Total other financing sources (uses)	37,803	37,803	35,949	(1,854)
Net change in fund balances	-	-	-	-
FUND BALANCES (DEFICIT):				
Beginning of year	(127)	(127)	(127)	-
End of year	\$ (127)	\$ (127)	\$ (127)	\$ -

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

RiverBluff Regional Park Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other revenues	2,500	2,500	2,022	(478)
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>2,022</u>	<u>(478)</u>
EXPENDITURES:				
Current:				
Public works	44,800	44,800	1	44,799
Total expenditures	<u>44,800</u>	<u>44,800</u>	<u>1</u>	<u>44,799</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(42,300)</u>	<u>(42,300)</u>	<u>2,021</u>	<u>44,321</u>
Net change in fund balances	(42,300)	(42,300)	2,021	44,321
FUND BALANCES (DEFICIT):				
Beginning of year	2,504	2,504	2,504	-
End of year	<u>\$ (39,796)</u>	<u>\$ (39,796)</u>	<u>\$ 4,525</u>	<u>\$ 44,321</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Ceres Community Foundation Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ 350	\$ 350	\$ 494	\$ 144
Other revenues	6,000	6,000	34,173	28,173
Total revenues	6,350	6,350	34,667	28,317
EXPENDITURES:				
Current:				
General government	6,020	6,020	4,681	1,339
Community services	-	-	10,880	(10,880)
Total expenditures	6,020	6,020	15,561	(9,541)
REVENUES OVER (UNDER) EXPENDITURES	330	330	19,106	18,776
Net change in fund balances	330	330	19,106	18,776
FUND BALANCES:				
Beginning of year	100,592	100,592	100,592	-
End of year	\$ 100,922	\$ 100,922	\$ 119,698	\$ 18,776

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

2016 Public Safety Grants Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 52,572	\$ 52,572	\$ 237,169	\$ 184,597
Total revenues	<u>52,572</u>	<u>52,572</u>	<u>237,169</u>	<u>184,597</u>
EXPENDITURES:				
Current:				
Public safety	1,287,194	1,287,194	131,666	1,155,528
Total expenditures	<u>1,287,194</u>	<u>1,287,194</u>	<u>131,666</u>	<u>1,155,528</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,234,622)</u>	<u>(1,234,622)</u>	<u>105,503</u>	<u>1,340,125</u>
Net change in fund balances	(1,234,622)	(1,234,622)	105,503	1,340,125
FUND BALANCES (DEFICIT):				
Beginning of year	<u>(127,208)</u>	<u>(127,208)</u>	<u>(127,208)</u>	<u>-</u>
End of year	<u>\$ (1,361,830)</u>	<u>\$ (1,361,830)</u>	<u>\$ (21,705)</u>	<u>\$ 1,340,125</u>

City of Ceres, California

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Clinton Whitmore Mansion Special Revenue Fund

For the year ended June 30, 2016

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
REVENUES:				
Other revenues	\$ 3,000	\$ 3,000	\$ 3,500	\$ 500
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>3,500</u>	<u>500</u>
EXPENDITURES:				
Current:				
Community services	2,930	2,930	10,215	(7,285)
Total expenditures	<u>2,930</u>	<u>2,930</u>	<u>10,215</u>	<u>(7,285)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>70</u>	<u>70</u>	<u>(6,715)</u>	<u>(6,785)</u>
Net change in fund balances	70	70	(6,715)	(6,785)
FUND BALANCES (DEFICIT):				
Beginning of year	(15,400)	(15,400)	(15,400)	-
End of year	<u>\$ (15,330)</u>	<u>\$ (15,330)</u>	<u>\$ (22,115)</u>	<u>\$ (6,785)</u>

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for special activities and services performed by a designated City department for other departments on a cost reimbursement basis.

Fund	Description
Equipment Revolving	Accounts for the operation, maintenance, and replacement of City equipment.
Information Technology	Accounts for costs associated with maintaining the City's information systems.
Risk Management	Accounts for the cost of providing workers' compensation and liability insurance coverage on a City-wide basis.
Building Maintenance	Accounts for the activities of building maintenance, custodial service, and building modification projects on a City-wide basis.

City of Ceres, California
Statement of Fund Net Position
Internal Service Funds
June 30, 2016

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
ASSETS					
Current assets:					
Cash and investments	\$ 1,430,970	\$ 116,674	\$ 619,668	\$ 442,963	\$ 2,610,275
Interest receivable	-	139	739	-	878
Total current assets	1,430,970	116,813	620,407	442,963	2,611,153
Noncurrent assets:					
Machinery and equipment	4,874,231	141,985	-	210,399	5,226,615
Less accumulated depreciation	(3,747,320)	(76,412)	-	(63,573)	(3,887,305)
Total noncurrent assets	1,126,911	65,573	-	146,826	1,339,310
Total assets	\$ 2,557,881	\$ 182,386	\$ 620,407	\$ 589,789	\$ 3,950,463
LIABILITIES AND NET POSITION					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 46,948	\$ 3,613	\$ 1,050	\$ 11,764	\$ 63,375
Due to other funds	-	-	236	-	236
Total current liabilities	46,948	3,613	1,286	11,764	63,611
Noncurrent liabilities:					
Compensated absences	58,771	-	-	56,453	115,224
Liability for claims	-	-	1,747,786	-	1,747,786
Total noncurrent liabilities	58,771	-	1,747,786	56,453	1,863,010
Total liabilities	105,719	3,613	1,749,072	68,217	1,926,621
Net Position:					
Net investment in capital assets	1,126,911	65,573	-	146,826	1,339,310
Unrestricted net position (deficit)	1,325,251	113,200	(1,128,665)	374,746	684,532
Total net position	2,452,162	178,773	(1,128,665)	521,572	2,023,842
Total liabilities and net position	\$ 2,557,881	\$ 182,386	\$ 620,407	\$ 589,789	\$ 3,950,463

City of Ceres, California

Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

For the year ended June 30, 2016

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
OPERATING REVENUES:					
Interdepartmental charges	\$ 1,431,921	\$ 1,012,441	\$ 1,342,697	\$ 1,078,068	\$ 4,865,127
Other	17,346	-	150,881	10	168,237
Total operating revenues	1,449,267	1,012,441	1,493,578	1,078,078	5,033,364
OPERATING EXPENSES:					
Salaries and benefits	520,881	477,711	83,409	600,648	1,682,649
Contractual and other services	10,229	86,575	-	101,408	198,212
Materials and supplies	480,771	120,776	-	69,139	670,686
Depreciation	299,713	19,648	-	10,407	329,768
Other operating costs	160,077	101,876	2,560,752	138,927	2,961,632
Total operating expenses	1,471,671	806,586	2,644,161	920,529	5,842,947
OPERATING INCOME (LOSS)	(22,404)	205,855	(1,150,583)	157,549	(809,583)
NONOPERATING REVENUE:					
Gain on sale of assets	18,451	-	-	-	18,451
Total non-operating revenue	18,451	-	-	-	18,451
NET INCOME (LOSS)	(3,953)	205,855	(1,150,583)	157,549	(791,132)
CHANGE IN NET POSITION	(3,953)	205,855	(1,150,583)	157,549	(791,132)
NET POSITION (DEFICIT):					
Beginning of year	2,456,115	(27,082)	21,918	364,023	2,814,974
End of year	<u>\$ 2,452,162</u>	<u>\$ 178,773</u>	<u>\$ (1,128,665)</u>	<u>\$ 521,572</u>	<u>\$ 2,023,842</u>

City of Ceres, California
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2016

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from other funds for services	\$ 1,431,921	\$ 1,012,441	\$ 1,342,697	\$ 1,078,068	\$ 4,865,127
Cash received from loss claim recoveries	-	-	150,881	-	150,881
Cash payments to suppliers for goods and services	(639,365)	(308,120)	-	(330,317)	(1,277,802)
Cash payments to employees for services	(523,944)	(477,711)	(83,409)	(596,991)	(1,682,055)
Cash payments for loss claims	-	-	(1,669,438)	-	(1,669,438)
Net cash provided (used) by operating activities	<u>268,612</u>	<u>226,610</u>	<u>(259,269)</u>	<u>150,760</u>	<u>386,713</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers received (paid)	-	(109,728)	236	-	(109,492)
Net cash provided by noncapital financing activities	<u>-</u>	<u>(109,728)</u>	<u>236</u>	<u>-</u>	<u>(109,492)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(325,668)	-	-	-	(325,668)
Net cash (used) by capital and related financing activities	<u>(325,668)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(325,668)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income received	-	(208)	(185)	-	(393)
Net increase in cash and cash equivalents	<u>(57,056)</u>	<u>116,674</u>	<u>(259,218)</u>	<u>150,760</u>	<u>(48,840)</u>
CASH AND CASH EQUIVALENTS:					
Beginning of year	1,488,026	-	878,886	292,203	2,659,115
End of year	<u>\$ 1,430,970</u>	<u>\$ 116,674</u>	<u>\$ 619,668</u>	<u>\$ 442,963</u>	<u>\$ 2,610,275</u>
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:					
Income (loss) from operations	\$ (22,404)	\$ 205,855	\$ (1,150,583)	\$ 157,549	\$ (809,583)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:					
Depreciation	299,713	19,648	-	10,407	329,768
(Increase) decrease in current assets:					
Accounts receivable	-	-	-	-	-
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	(5,634)	1,107	-	(20,853)	(25,380)
Compensated absences	(3,063)	-	-	3,657	594
Increase (decrease) in claims liability - noncurrent	-	-	891,314	-	891,314
Net cash provided (used) by operating activities	<u>\$ 268,612</u>	<u>\$ 226,610</u>	<u>\$ (259,269)</u>	<u>\$ 150,760</u>	<u>\$ 386,713</u>

TRUST AND AGENCY FUNDS

Fund	Description
Private Purpose Trust Funds	
Former Ceres Redevelopment Agency	
Successor Agency - Non-Housing	Accounts for funds collected and disbursed for the dissolution of the former Ceres Redevelopment Agency related to Administration and Retirement of enforceable obligations.
Successor Agency - Housing	Accounts for funds collected and disbursed for the dissolution of the former Ceres Redevelopment Agency's housing related debts.
Former Stanislaus-Ceres Redevelopment Commission	
Successor Agency - Non-Housing	Accounts for funds collected and disbursed for the dissolution of the former Stanislaus-Ceres Redevelopment Commission related to Administration and Retirement of enforceable obligations.
Successor Agency - Housing	Accounts for funds collected and disbursed for the dissolution of the former Stanislaus-Ceres Redevelopment Commission's housing related debts.
Agency Funds	
Westpointe Assessment District Debt Service	Accounts for assessments made for debt service of the Westpointe AD bonds for which the City is not obligated.

City of Ceres, California
Combining Statement of Net Position
Private Purpose Trust Funds
June 30, 2016

	Former Ceres Redevelopment Agency Successor Agency		Former Stanislaus - Ceres Redevelopment Commission Successor Agency		Totals
	Non-Housing	Housing	Non-Housing	Housing	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets:					
Cash and investments	\$ 945,243	\$ 63,074	\$ 144,107	\$ -	\$ 1,152,424
Cash and investments with trustee/fiscal agent	9,127,843	104,250	115,100	-	9,347,193
Interest receivable	1,459	-	177	-	1,636
Due from other funds	-	-	-	-	-
Total current assets	10,074,545	167,324	259,384	-	10,501,253
Non-Current assets:					
Advances to other funds	-	1,826,680	-	-	1,826,680
Long-term loans receivable	-	2,457,899	-	192,522	2,650,421
Construction in progress	7,995,598	-	-	-	7,995,598
Total Non-current assets	7,995,598	4,284,579	-	192,522	12,472,699
Total assets	18,070,143	4,451,903	259,384	192,522	22,973,952
Deferred outflows: Pension plan	29,963	-	17,065	-	47,028
Total assets and deferred outflows	\$ 18,100,106	\$ 4,451,903	\$ 276,449	\$ 192,522	23,020,980
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 174,220	\$ -	\$ 2,416	\$ -	\$ 176,636
Interest payable	223,223	8,592	-	-	231,815
Due to others	33,497	-	3,203	-	36,700
Current portion of long term debt	1,038,602	53,047	40,000	-	1,131,649
Total current liabilities	1,469,542	61,639	45,619	-	1,576,800
Long-term liabilities:					
Advances from Stanislaus County	-	-	266,702	-	266,702
Advances from City of Ceres General Fund	-	-	531,494	-	531,494
Advances from other funds	1,826,680	-	-	-	1,826,680
Due after one year	35,457,092	998,422	995,000	-	37,450,514
Net pension obligation	104,058	-	59,290	-	163,348
Total long-term liabilities	37,387,830	998,422	1,852,486	-	40,238,738
Total liabilities	38,857,372	1,060,061	1,898,105	-	41,815,538
Deferred inflows: Pension plan	21,623	-	13,586	-	35,209
Total liabilities and deferred inflows	38,878,995	1,060,061	1,911,691	-	41,850,747
Net Position (Deficit):					
Net position held in trust for Redevelopment Dissolution	(20,778,889)	3,391,842	(1,635,242)	192,522	(18,829,767)
Total liabilities, deferred inflows, and net position	\$ 18,100,106	\$ 4,451,903	\$ 276,449	\$ 192,522	\$ 23,020,980

City of Ceres, California

Combining Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the year ended June 30, 2016

	Former Ceres Redevelopment Agency Successor Agency		Former Stanislaus - Ceres Redevelopment Commission Successor Agency		Totals
	Non-Housing	Housing	Non-Housing	Housing	2016
ADDITIONS:					
Property taxes	\$ 3,076,969	\$ -	\$ 349,356	\$ -	\$ 3,426,325
Investment earnings	215,326	-	49	-	215,375
Transfers in	-	-	-	-	-
Total additions	<u>3,292,295</u>	<u>-</u>	<u>349,405</u>	<u>-</u>	<u>3,641,700</u>
DEDUCTIONS:					
General and administrative	125,000	-	5,753	-	130,753
Salaries and benefits	99,048	-	48,336	-	147,384
Contractual and other services	103,951	-	30,226	-	134,177
Materials and supplies	34,526	-	2,443	-	36,969
Economic development	-	-	-	-	-
Interest and debt service expenses	3,014,574	(143,730)	70,300	-	2,941,144
Amortization	82,368	1,953	-	-	84,321
Transfer out	-	-	-	-	-
Total deductions	<u>3,459,467</u>	<u>(141,777)</u>	<u>157,058</u>	<u>-</u>	<u>3,474,748</u>
CHANGE IN FIDUCIARY NET POSITION	(167,172)	141,777	192,347	-	166,952
NET POSITION (DEFICIT):					
Beginning of year	(20,611,717)	3,250,065	(1,827,589)	192,522	(18,996,719)
End of year	<u>\$ (20,778,889)</u>	<u>\$ 3,391,842</u>	<u>\$ (1,635,242)</u>	<u>\$ 192,522</u>	<u>\$ (18,829,767)</u>

City of Ceres, California
Combining Statement of Changes in Assets and Liabilities
Westpointe Assessment District Debt Service Agency Fund
For the year ended June 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
ASSETS				
Cash and investments	\$ 508,738	\$ 603,799	\$ (508,738)	\$ 603,799
Cash and investments held by fiscal agent	289,955	289,955	(289,955)	289,955
Receivables:				
Interest	505	1,065	(505)	1,065
Other	355,170	360,373	(355,170)	360,373
Total assets	<u>\$ 1,154,368</u>	<u>\$ 1,255,192</u>	<u>\$ (1,154,368)</u>	<u>\$ 1,255,192</u>
LIABILITIES				
Accounts payable	\$ 42	\$ -	\$ (42)	\$ -
Due to (from) others	1,154,326	1,255,192	(1,154,326)	1,255,192
Total liabilities	<u>\$ 1,154,368</u>	<u>\$ 1,255,192</u>	<u>\$ (1,154,368)</u>	<u>\$ 1,255,192</u>

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