

CITY OF CERES, CALIFORNIA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015



Prepared by:

**Suzanne Dean**  
Finance Director

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**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

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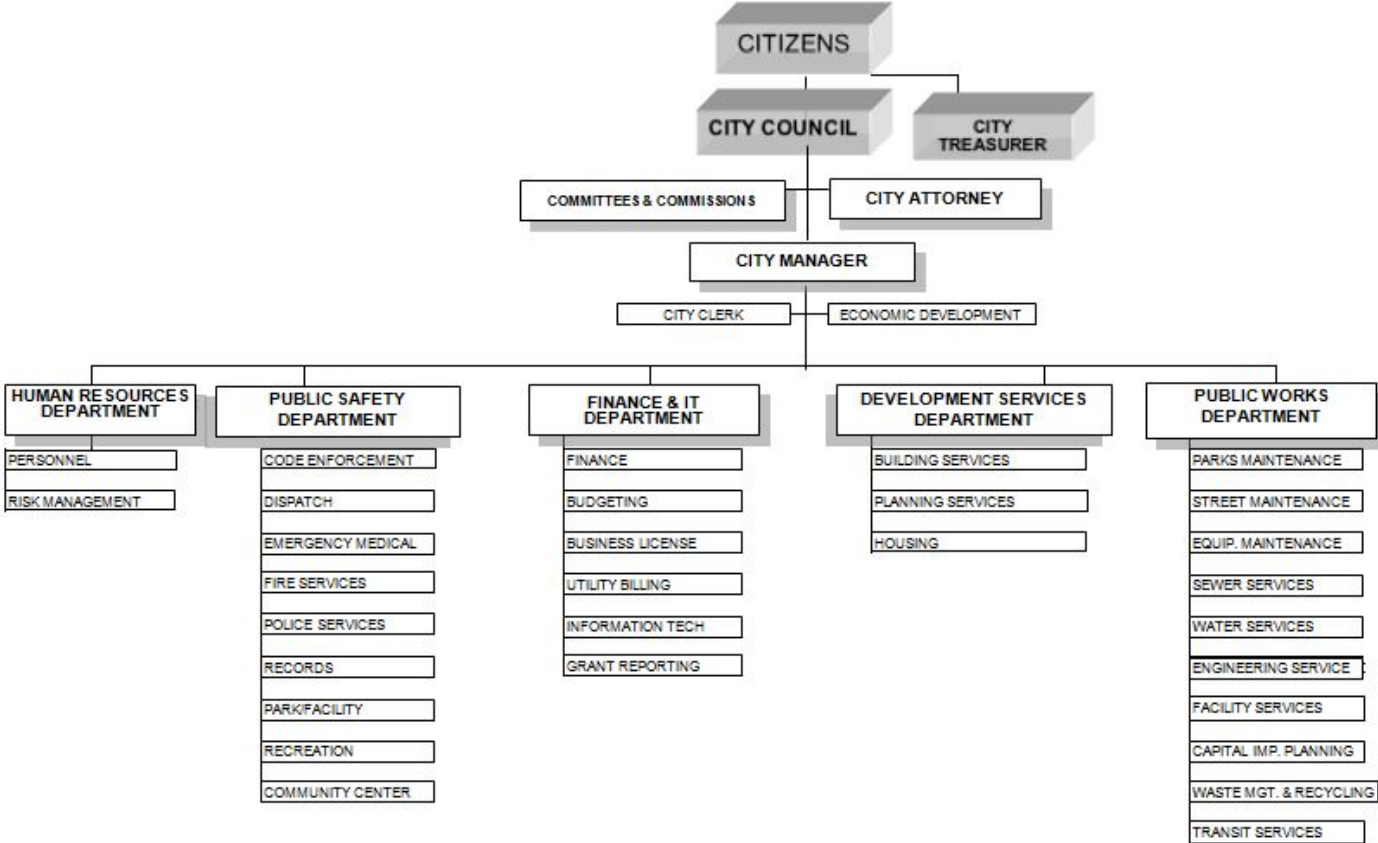
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**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Organization Chart**

**CITY OF CERES**  
**ORGANIZATION CHART**



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**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**List of Officials**

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***CITY COUNCIL***

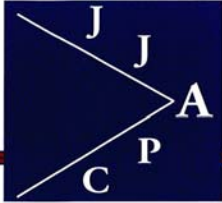
- Chris Vierra, Mayor
- Bret Durossette, Vice Mayor
- Ken Lane
- Mike Kline
- Linda Ryno

***CITY OFFICIALS***

- Toby E. Wells, P.E., City Manager
- Suzanne Dean, Finance Director
- Harry Herbert, City Treasurer
- Lori Frontella, Interim City Clerk
- Tom Hallinan, City Attorney

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**JJACPA, Inc.**

A Professional Accounting Services Corp.

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## 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, 2015, 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, 2015, 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.

***Implementation of New Accounting Standards***

As disclosed in the Note 1 to the financial statements, the City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, during the fiscal year 2015.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2016 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.

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Management's Discussion and Analysis**

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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, 2015. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

- ◆ As of June 30, 2015, total assets of the City exceeded its liabilities by \$125,931,329 (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 \$27,386,669. There are currently \$4,900,000 of net position that are restricted and may only be used for a specific purpose. The remaining \$93,644,660 is the net investment in capital assets.
- ◆ As of June 30, 2015, the City's Governmental Activities reported combined net position of \$95,752,957 of that, \$12,568,012 is unrestricted.
- ◆ As of June 30, 2015, the City's governmental funds reported combined ending fund balances of \$24,212,968. Approximately 97% of this total amount (\$23.4 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, increase to \$78,817,217 from \$76,174,393, which includes \$30,073,711 of infrastructure per the requirements of GASB 34. This decrease is attributed to the reduction in City vehicles and other obsolete equipment.

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Management's Discussion and Analysis, Continued**

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**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, 2015**

**Management's Discussion and Analysis, Continued**

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**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, 2015**

**Management's Discussion and Analysis, Continued**

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**OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued**

**Fund Financial Statements, Continued**

For the fiscal year ended June 30, 2015, 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, 2015**

**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 \$125,931,329 as of June 30, 2015.

The Summary of Net Position as of June 30, 2015, and 2014, follows:

Summary of Net Position

	2015			2014		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 30,940,518	\$ 19,819,397	\$ 50,759,915	\$ 33,083,612	\$ 17,170,711	\$ 50,254,323
Noncurrent assets	86,119,391	26,571,707	112,691,098	83,313,919	24,255,570	107,569,489
Total assets	117,059,909	46,391,104	163,451,013	116,397,531	41,426,281	157,823,812
Deferred outflows: Pension Plan	2,820,012	436,393	3,256,405	-	-	-
Total assets and deferred outflows	119,879,921	46,827,497	166,707,418	116,397,531	41,426,281	157,823,812
Current and other liabilities	4,229,436	2,337,982	6,567,418	4,047,963	1,510,678	5,558,641
Long-term liabilities	13,797,398	13,367,626	27,165,024	2,531,337	11,888,083	14,419,420
Total liabilities	18,026,834	15,705,608	33,732,442	6,579,300	13,398,761	19,978,061
Deferred inflows: Pension Plan	6,100,130	943,517	7,043,647	-	-	-
Total liabilities and deferred inflows	24,126,964	16,649,125	40,776,089	6,579,300	13,398,761	19,978,061
Net position:						
Net investment in capital assets	78,284,945	15,359,715	93,644,660	75,653,742	12,762,805	88,416,547
Restricted	4,900,000	-	4,900,000	5,868,391	-	5,868,391
Unrestricted	12,568,012	14,818,657	27,386,669	28,296,098	15,264,715	43,560,813
<b>Total net position</b>	<b>\$ 95,752,957</b>	<b>\$ 30,178,372</b>	<b>\$ 125,931,329</b>	<b>\$ 109,818,231</b>	<b>\$ 28,027,520</b>	<b>\$ 137,845,751</b>

Restricted net position decreased by \$968,391 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, 2015**

**Management's Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The change in net position for the fiscal years ended June 30, 2015, and 2014, follows:

	Changes in Net Position					
	2015			2014		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,416,350	\$ 16,773,468	\$ 19,189,818	\$ 3,189,914	\$ 15,763,378	\$ 18,953,292
Grants and contributions:						
Operating	10,281,205	-	10,281,205	11,142,571	-	11,142,571
Capital	-	-	-	-	-	-
General revenues:						
Property taxes and assessments	4,969,916	-	4,969,916	4,622,474	-	4,622,474
Sales and use tax	6,794,824	-	6,794,824	6,849,100	-	6,849,100
Utility users tax	820,714	-	820,714	808,482	-	808,482
Other taxes	406,428	-	406,428	288,383	-	288,383
State motor vehicle in-lieu tax	395,194	-	395,194	740,457	-	740,457
Use of money and property	76,278	208,604	284,882	73,016	39,661	112,677
Total revenues	<u>26,160,909</u>	<u>16,982,072</u>	<u>43,142,981</u>	<u>27,714,397</u>	<u>15,803,039</u>	<u>43,517,436</u>
Expenses:						
Governmental activities:						
General government	521,924	-	521,924	1,431,789	-	1,431,789
Public safety	18,239,195	-	18,239,195	17,797,284	-	17,797,284
Engineering and transportation	1,836,896	-	1,836,896	1,739,020	-	1,739,020
Public works	1,168,215	-	1,168,215	3,273,500	-	3,273,500
Community services	1,106,032	-	1,106,032	2,816,483	-	2,816,483
Economic development	206,741	-	206,741	1,360,962	-	1,360,962
Interest and fiscal charges	118,979	-	118,979	118,979	-	118,979
Business-type activities:						
Water	-	5,146,790	5,146,790	-	5,034,356	5,034,356
Sewer	-	6,035,285	6,035,285	-	6,054,916	6,054,916
STANCOG	-	1,015,365	1,015,365	-	1,005,404	1,005,404
Total expenses	<u>23,197,982</u>	<u>12,197,440</u>	<u>35,395,422</u>	<u>28,538,017</u>	<u>12,094,676</u>	<u>40,632,693</u>
Excess (Deficiency) of revenues over expenditures before transfers	<u>2,962,927</u>	<u>4,784,632</u>	<u>7,747,559</u>	<u>(823,620)</u>	<u>3,708,363</u>	<u>2,884,743</u>
Change in net position	2,962,927	4,784,632	7,747,559	(823,620)	3,708,363	2,884,743
Net position:						
Beginning of year	109,818,231	28,027,520	137,845,751	110,641,851	24,319,157	134,961,008
Adjustments	(17,028,201)	(2,633,780)	(19,661,981)	-	-	-
Beginning of year, as adjusted	<u>92,790,030</u>	<u>25,393,740</u>	<u>118,183,770</u>	<u>110,641,851</u>	<u>24,319,157</u>	<u>134,961,008</u>
End of year	<u>\$ 95,752,957</u>	<u>\$ 30,178,372</u>	<u>\$ 125,931,329</u>	<u>\$ 109,818,231</u>	<u>\$ 28,027,520</u>	<u>\$ 137,845,751</u>

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Management's Discussion and Analysis, Continued**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Revenues**

The City's total revenues for governmental and business-type activities were \$43,142,981 for the fiscal year ended June 30, 2015. Approximately 52% 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 are up approximately 1%. This slight increase is attributed to the general economic recovery.
- 2. Property Tax.** Annual receipts increase by 17%, 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, 2015**

**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 \$35,395,422. Governmental activity expenses totaled \$23,197,982 or 66% of total expenses. Business-type activities incurred \$12,197,440 of expenses during the fiscal year. Public safety costs represented 79% 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, 2015, and 2014, are as follows:

	2015		2014	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 521,924	(1,045,353)	\$ 1,431,789	(64,662)
Public safety	18,239,195	13,324,064	17,797,284	12,823,121
Engineering and transportation	1,836,896	(1,205,164)	1,739,020	(3,128,973)
Public works	1,168,215	(455,243)	3,273,500	1,867,325
Community services	1,106,032	(137,049)	2,816,483	1,604,384
Economic development	206,741	(99,807)	1,360,962	985,358
Interest and fiscal charges	118,979	118,979	118,979	118,979
Total	<u>\$ 23,197,982</u>	<u>\$ 10,500,427</u>	<u>\$ 28,538,017</u>	<u>\$ 14,205,532</u>

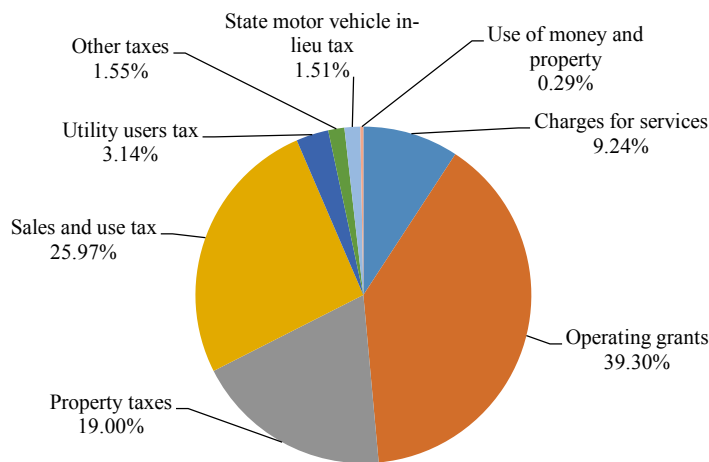
**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Management's Discussion and Analysis, Continued**

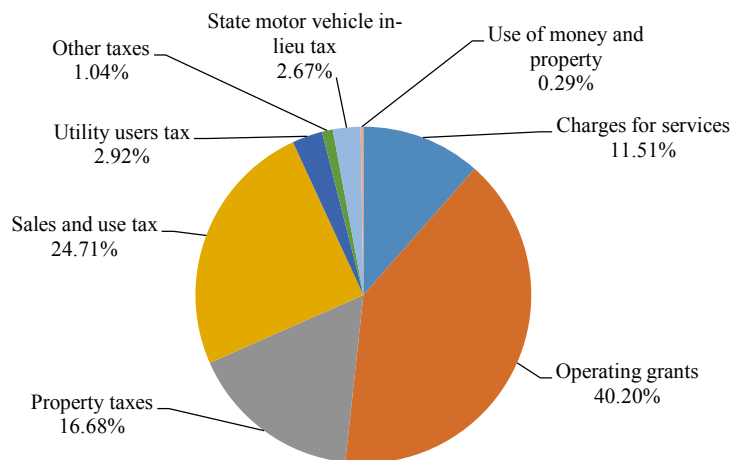
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

Revenues by source for the fiscal years ended June 30, 2015, and 2014, are as follows:

**Revenues by Source - Governmental Activities  
2015**



**Revenues by Source - Governmental Activities  
2014**



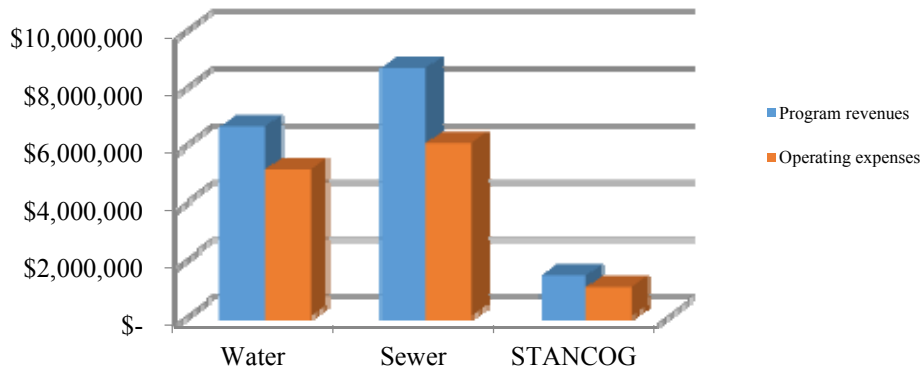
**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Management’s Discussion and Analysis, Continued**

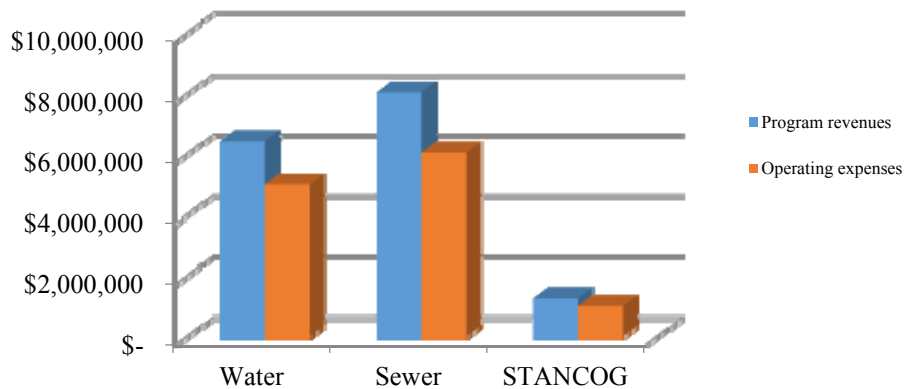
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Business-type activities.** Business-type activities increased the City’s net position to \$30,178,372. The City has three business-type activities: Water, Sewer, and STANCOG. Water accounts for 40%, Sewer accounts for 52% of total business-type activity revenue, and STANCOG accounts for 8%. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2015, and 2014, are as follows:

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



**Expenses and Program Revenues  
Business-type Activities  
2014**



**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Management's Discussion and Analysis, Continued**

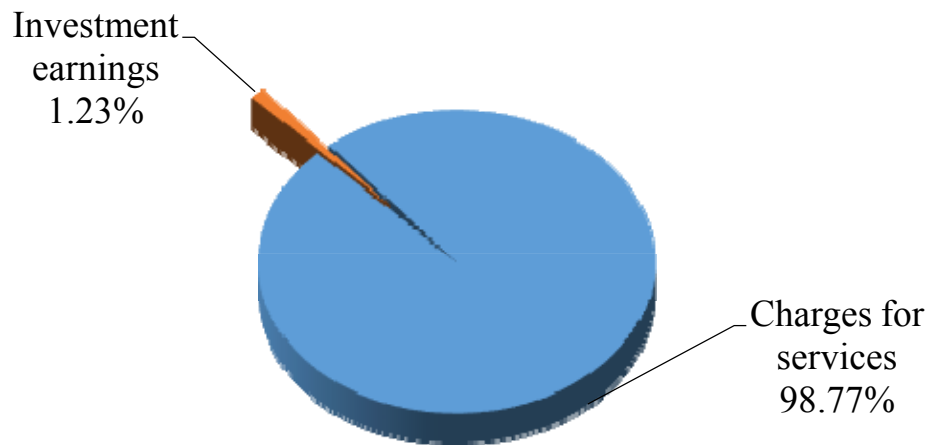
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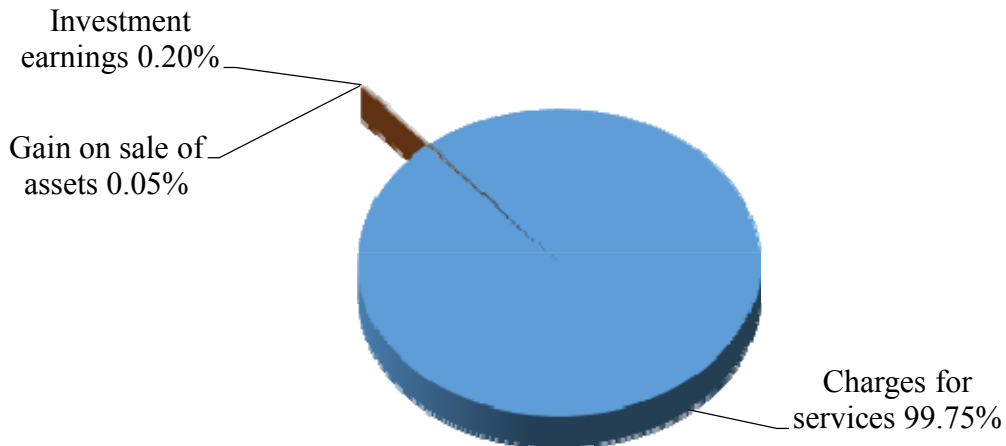
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The revenues by source for the business-type activities for the fiscal years ended June 30, 2015, and 2014, are as follows:

**Revenues by Source - Business-type Activities  
2015**



**Revenues by Source - Business-type Activities  
2014**



**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Management's Discussion and Analysis, Continued**

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**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, 2015, the City's governmental funds reported combined fund balances of \$24,212,968. This is a decrease of \$1,860,809 or 1% over last year. The decrease was mainly due to the elimination of redevelopment and transfer to private purpose trust funds. The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2015, General Fund unassigned fund balance totaled \$1,932,739 with \$3,940,609 reported as committed and \$10,710 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, 2015, 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 \$4,784,632 in the fiscal year ended June 30, 2015. 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 positive of \$61,787. This was mainly due to an increase 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 an increase of \$1,160,916. Actual expenditures were \$832,931 under budget (approximately 4.5% of budget).



**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**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, 2015, amount to \$105,388,924. This net investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 12,536,956	\$ 10,837,139	\$ 1,783,812	\$ 1,783,812	\$ 14,320,768	\$ 12,620,951
Buildings and improvements	34,488,524	29,992,480	15,060,003	14,929,111	49,548,527	44,921,591
Machinery and equipment	1,718,026	1,961,496	819,999	263,480	2,538,025	2,224,976
Infrastructure	30,073,711	33,383,278	8,907,893	7,279,167	38,981,604	40,662,445
Total	<u>\$ 78,817,217</u>	<u>\$ 76,174,393</u>	<u>\$ 26,571,707</u>	<u>\$ 24,255,570</u>	<u>\$ 105,388,924</u>	<u>\$ 100,429,963</u>

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 2014-2015. The national unemployment rate declined to 6%, 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 2016-2016 will give cities back their sales tax revenue and will improve 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 2% in fiscal year 2015–2016. Also, in fiscal year 2015-2016, we are estimating property tax revenue to increase by 11%.

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2015**

**Management's Discussion and Analysis, Continued**

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**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/](http://www.ci.ceres.ca.us/).

## **BASIC FINANCIAL STATEMENTS**

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**City of Ceres, California**  
**Statement of Net Position**  
**June 30, 2015**

ASSETS	Governmental Activities	Business-type Activities	Total
<b>Current assets:</b>			
Cash and investments	\$ 26,413,987	\$ 17,907,507	\$ 44,321,494
Cash and investments with trustee/fiscal agent	-	977,667	977,667
Receivables:			
Accounts receivable	4,522,271	934,223	5,456,494
Prepaid items	4,260	-	4,260
<b>Total current assets</b>	<u>30,940,518</u>	<u>19,819,397</u>	<u>50,759,915</u>
<b>Noncurrent assets:</b>			
Advances to fiduciary activities	495,276	-	495,276
Loans receivable	6,806,898	-	6,806,898
Capital assets:			
Nondepreciable	12,536,956	1,783,812	14,320,768
Depreciable	66,280,261	24,787,895	91,068,156
<b>Total noncurrent assets</b>	<u>86,119,391</u>	<u>26,571,707</u>	<u>112,691,098</u>
<b>Total assets</b>	<u>117,059,909</u>	<u>46,391,104</u>	<u>163,451,013</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Plan	2,820,012	436,393	3,256,405
<b>Total deferred outflows of resources</b>	<u>2,820,012</u>	<u>436,393</u>	<u>3,256,405</u>
<b>Total assets and deferred outflows</b>	<u>119,879,921</u>	<u>46,827,497</u>	<u>166,707,418</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	1,719,631	1,725,345	3,444,976
Deposits payable	2,367,744	219,829	2,587,573
Intergovernmental payable	142,061	-	142,061
Unearned revenue	-	50,997	50,997
Interest payable	-	57,803	57,803
Current portion of long-term debt	-	284,008	284,008
<b>Total current liabilities</b>	<u>4,229,436</u>	<u>2,337,982</u>	<u>6,567,418</u>
<b>Noncurrent liabilities:</b>			
Long-term liabilities:			
Compensated absences	1,567,213	396,442	1,963,655
Due after one year	-	11,211,992	11,211,992
Liability for claims	856,472	-	856,472
Net pension obligation	11,373,713	1,759,192	13,132,905
<b>Total noncurrent liabilities</b>	<u>13,797,398</u>	<u>13,367,626</u>	<u>27,165,024</u>
<b>Total liabilities</b>	<u>18,026,834</u>	<u>15,705,608</u>	<u>33,732,442</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Plan	6,100,130	943,517	7,043,647
<b>Total liabilities and deferred inflows of resources</b>	<u>24,126,964</u>	<u>16,649,125</u>	<u>40,776,089</u>
<b>NET POSITION</b>			
Net investment in capital assets	78,284,945	15,359,715	93,644,660
Restricted	4,900,000	-	4,900,000
Unrestricted	12,568,012	14,818,657	27,386,669
<b>Total net position</b>	<u>95,752,957</u>	<u>30,178,372</u>	<u>125,931,329</u>
<b>Total liabilities, deferred inflows, and net position</b>	<u>\$ 119,879,921</u>	<u>\$ 46,827,497</u>	<u>\$ 166,707,418</u>

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, 2015**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 521,924	\$ 273,019	\$ 1,294,258	\$ -
Public safety	18,239,195	544,868	4,370,263	-
Engineering and Transportation	1,836,896	474,635	2,567,425	-
Public works	1,168,215	450,156	1,173,302	-
Community services	1,106,032	673,672	569,409	-
Economic development	206,741	-	306,548	-
Interest and fiscal charges	118,979	-	-	-
Total governmental activities	<u>23,197,982</u>	<u>2,416,350</u>	<u>10,281,205</u>	<u>-</u>
Business-type activities:				
Water	5,146,790	6,641,682	-	-
Sewer	6,035,285	8,691,406	-	-
STANCOG	1,015,365	1,440,380	-	-
Total business-type activities	<u>12,197,440</u>	<u>16,773,468</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 35,395,422</u>	<u>\$ 19,189,818</u>	<u>\$ 10,281,205</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 (MVLTF)
- Use of money and property
- Total general revenues
- Transfers
  - Total general revenues and transfers
- Change in net position
- Net position:
  - Beginning of year, as originally reported
  - Adjustments
    - Beginning of year, as adjusted
  - Net position - Ending

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

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

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ 1,045,353	\$ -	\$ 1,045,353
(13,324,064)	-	(13,324,064)
1,205,164	-	1,205,164
455,243	-	455,243
137,049	-	137,049
99,807	-	99,807
(118,979)	-	(118,979)
<u>(10,500,427)</u>	<u>-</u>	<u>(10,500,427)</u>
-	1,494,892	1,494,892
-	2,656,121	2,656,121
-	425,015	425,015
-	4,576,028	4,576,028
<u>(10,500,427)</u>	<u>4,576,028</u>	<u>(5,924,399)</u>
4,969,916	-	4,969,916
6,794,824	-	6,794,824
820,714	-	820,714
406,428	-	406,428
395,194	-	395,194
76,278	208,604	284,882
<u>13,463,354</u>	<u>208,604</u>	<u>13,671,958</u>
-	-	-
<u>13,463,354</u>	<u>208,604</u>	<u>13,671,958</u>
2,962,927	4,784,632	7,747,559
109,818,231	28,027,520	137,845,751
(17,028,201)	(2,633,780)	(19,661,981)
<u>92,790,030</u>	<u>25,393,740</u>	<u>118,183,770</u>
<u>\$ 95,752,957</u>	<u>\$ 30,178,372</u>	<u>\$ 125,931,329</u>

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**FUND FINANCIAL STATEMENTS**  
**MAJOR FUNDS**

<b>Fund</b>	<b>Description</b>
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, 2015

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Street Expansion Special Revenue</b>	<b>Home Program Grants Special Revenue</b>	<b>CDBG Grants Special Revenue</b>
<b>ASSETS</b>				
Cash and investments	\$ 4,903,908	\$ 7,957,862	\$ 190,117	\$ 453,582
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	521,651	5,021	-	194
Intergovernmental	-	-	-	-
Loans receivable	-	-	6,161,733	524,957
Other receivable	2,317,191	-	-	-
Due from other funds	1,836,200	-	-	-
Advances to Former Redevelopment Agencies Private Purpose Trust	495,276	-	-	-
Prepaid items	4,260	-	-	-
Advances to other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 10,078,486</b>	<b>\$ 7,962,883</b>	<b>\$ 6,351,850</b>	<b>\$ 978,733</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,336,296	\$ 15,802	\$ -	\$ -
Deposits payable	2,325,860	-	-	-
Intergovernmental payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
<b>Total liabilities</b>	<b>3,662,156</b>	<b>15,802</b>	<b>-</b>	<b>-</b>
Deferred inflows: Unavailable revenue	532,272	-	6,161,734	524,956
<b>Total liabilities and deferred inflows</b>	<b>4,194,428</b>	<b>15,802</b>	<b>6,161,734</b>	<b>524,956</b>
<b>Fund balances:</b>				
Nonspendable:				
Petty cash	6,450	-	-	-
Prepaid items	4,260	-	-	-
Restricted reported in:				
Special revenue funds	-	-	190,116	453,777
Committed	3,940,609	55,653	-	-
Assigned reported in:				
Special revenue funds	-	7,891,428	-	-
Unassigned (deficit), reported in:				
General fund	1,932,739	-	-	-
Special revenue funds	-	-	-	-
<b>Total fund balances</b>	<b>5,884,058</b>	<b>7,947,081</b>	<b>190,116</b>	<b>453,777</b>
<b>Total liabilities and fund balances</b>	<b>\$ 10,078,486</b>	<b>\$ 7,962,883</b>	<b>\$ 6,351,850</b>	<b>\$ 978,733</b>

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

<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$ 10,249,403	\$ 23,754,872
631,167	631,167
481,514	481,514
5,734	532,600
477,241	477,241
652,480	7,339,170
82,073	2,399,264
-	1,836,200
-	495,276
-	4,260
135,478	135,478
<u>\$ 12,715,090</u>	<u>\$ 38,087,042</u>

\$ 278,779	\$ 1,630,877
41,884	2,367,744
142,061	142,061
1,726,472	1,726,472
135,478	135,478
<u>2,324,674</u>	<u>6,002,632</u>
<u>652,480</u>	<u>7,871,442</u>
<u>2,977,154</u>	<u>13,874,074</u>

-	6,450
-	4,260
4,256,107	4,900,000
606,456	4,602,718
6,073,985	13,965,413
-	1,932,739
(1,198,612)	(1,198,612)
<u>9,737,936</u>	<u>24,212,968</u>
<u>\$ 12,715,090</u>	<u>\$ 38,087,042</u>

**City of Ceres, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2015**

**Total fund balances - total governmental funds** \$ 24,212,968

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. 77,492,259

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	\$ (1,452,583)	
Net pension obligation	<u>(11,373,713)</u>	(12,826,296)

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. 7,339,170

Pension obligations result in deferred outflows and inflows of resources associated with actuarial value of contributions, assets, and liabilities		
Deferred outflows	2,820,012	
Deferred inflows	<u>(6,100,130)</u>	(3,280,118)

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	2,659,600	
Noncurrent assets	1,324,958	
Accounts payable and accrued liabilities	(198,482)	
Long-term liabilities	<u>(971,102)</u>	2,814,974

<b>Net position of governmental activities</b>		<u><u>\$ 95,752,957</u></u>
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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, 2015

	Governmental Funds Balance Sheet	Reclassifications	Internal Service Funds	Changes in GAAP	Statement of Net Position
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 23,754,872	\$ -	\$ 2,659,115	\$ -	\$ 26,413,987
Receivables:					
Accounts	631,167	-	-	-	631,167
Taxes	481,514	-	-	-	481,514
Interest	532,600	-	485	-	533,085
Intergovernmental	477,241	-	-	-	477,241
Other receivable	2,399,264	-	-	-	2,399,264
Due from other funds	1,836,200	(1,836,200)	-	-	-
Prepaid items	4,260	-	-	-	4,260
<b>Total current assets</b>	<b>30,117,118</b>	<b>(1,836,200)</b>	<b>2,659,600</b>	<b>-</b>	<b>30,940,518</b>
<b>Noncurrent assets:</b>					
Advances to other funds	135,478	(135,478)	-	-	-
Advances to/from fiduciary activities	495,276	-	-	-	495,276
Loans/Notes receivable	7,339,170	-	-	(532,272)	6,806,898
Capital assets, net	-	-	1,324,958	77,492,259	78,817,217
<b>Total noncurrent assets</b>	<b>7,969,924</b>	<b>(135,478)</b>	<b>1,324,958</b>	<b>76,959,987</b>	<b>86,119,391</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows: Pension Plan	-	-	-	2,820,012	2,820,012
<b>Total assets and deferred outflows of resources</b>	<b>\$ 38,087,042</b>	<b>\$ (1,971,678)</b>	<b>\$ 3,984,558</b>	<b>\$ 79,779,999</b>	<b>\$ 119,879,921</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 1,630,877	\$ -	\$ 88,754	\$ -	\$ 1,719,631
Deposits payable	2,367,744	-	-	-	2,367,744
Intergovernmental payable	142,061	-	-	-	142,061
Due to other funds	1,726,472	(1,836,200)	109,728	-	-
<b>Total current liabilities</b>	<b>5,867,154</b>	<b>(1,836,200)</b>	<b>198,482</b>	<b>-</b>	<b>4,229,436</b>
<b>Noncurrent liabilities:</b>					
Long-term debt:					
Advances from other funds	135,478	(135,478)	-	-	-
Compensated absences	-	-	114,630	1,452,583	1,567,213
Liability for claims	-	-	856,472	-	856,472
Net pension obligation	-	-	-	11,373,713	11,373,713
<b>Total noncurrent liabilities</b>	<b>135,478</b>	<b>(135,478)</b>	<b>971,102</b>	<b>12,826,296</b>	<b>13,797,398</b>
<b>Total liabilities</b>	<b>6,002,632</b>	<b>(1,971,678)</b>	<b>1,169,584</b>	<b>12,826,296</b>	<b>18,026,834</b>
Deferred inflows: Grants	7,339,170	-	-	(7,339,170)	-
Deferred inflows: Unavailable revenue	532,272	-	-	(532,272)	-
Deferred inflows: Pension plan	-	-	-	6,100,130	6,100,130
<b>Total liabilities and deferred inflows</b>	<b>13,874,074</b>	<b>(1,971,678)</b>	<b>1,169,584</b>	<b>11,054,984</b>	<b>24,126,964</b>
<b>FUND BALANCES/NET POSITION</b>					
<b>Fund balances:</b>					
Nonspendable	10,710	(10,710)	-	-	-
Restricted	4,900,000	(4,900,000)	-	-	-
Committed	4,602,718	(4,602,718)	-	-	-
Assigned	13,965,413	(13,965,413)	-	-	-
Unassigned	734,127	(734,127)	-	-	-
<b>Net position:</b>					
Net investment in capital assets	-	-	1,324,958	76,959,987	78,284,945
Restricted	-	-	-	4,900,000	4,900,000
Unrestricted	-	24,212,968	1,490,016	(13,134,972)	12,568,012
<b>Total fund balances/ net position</b>	<b>24,212,968</b>	<b>-</b>	<b>2,814,974</b>	<b>68,725,015</b>	<b>95,752,957</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 38,087,042</b>	<b>\$ (1,971,678)</b>	<b>\$ 3,984,558</b>	<b>\$ 79,779,999</b>	<b>\$ 119,879,921</b>

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, 2015**

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Street Expansion Special Revenue</b>	<b>Home Program Grants Special Revenue</b>	<b>CDBG Grants Special Revenue</b>
<b>REVENUES:</b>				
Property and other taxes	\$ 13,084,227	\$ -	\$ -	\$ -
Licenses and permits	1,559,674	-	-	-
Fines, forfeitures and penalties	211,475	-	-	-
Charges for services	743,250	-	-	-
Intergovernmental	1,096,321	326,989	-	288,638
Use of money and property	99,772	18,689	-	717
Other revenues	328,222	-	134,731	3,603
<b>Total revenues</b>	<b>17,122,941</b>	<b>345,678</b>	<b>134,731</b>	<b>292,958</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,087,711	-	-	-
Public safety	14,352,436	-	-	-
Engineering and Transportation	107,329	7,434	-	-
Public works	160,369	-	-	-
Community services	2,025,486	-	-	-
Economic development	-	-	51,170	54
Capital outlay	1,428	785,881	-	234,127
Debt service:				
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>17,734,759</b>	<b>793,315</b>	<b>51,170</b>	<b>234,181</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(611,818)</b>	<b>(447,637)</b>	<b>83,561</b>	<b>58,777</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sales of assets	24,951	-	-	-
Transfers in	537,941	-	-	-
Transfers out	(6,869)	-	-	-
<b>Total other financing sources (uses)</b>	<b>556,023</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(55,795)</b>	<b>(447,637)</b>	<b>83,561</b>	<b>58,777</b>
<b>FUND BALANCES:</b>				
Beginning of year	5,939,853	8,394,718	106,555	395,000
End of year	<b>\$ 5,884,058</b>	<b>\$ 7,947,081</b>	<b>\$ 190,116</b>	<b>\$ 453,777</b>

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

<b>Other Governmental Funds</b>	<b>Totals</b>
\$ 4,822,103	\$ 17,906,330
-	1,559,674
101,454	312,929
504,088	1,247,338
2,758,234	4,470,182
27,172	146,350
26,599	493,155
8,239,650	26,135,958
6,613	1,094,324
3,839,009	18,191,445
1,722,133	1,836,896
29,118	189,487
646,442	2,671,928
279,846	331,070
2,566,153	3,587,589
118,979	118,979
9,208,293	28,021,718
(968,643)	(1,885,760)
-	24,951
6,869	544,810
(537,941)	(544,810)
(531,072)	24,951
(1,499,715)	(1,860,809)
11,237,651	26,073,777
\$ 9,737,936	\$ 24,212,968

**City of Ceres, California**

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

**For the year ended June 30, 2015**

Functions/Programs	Fund Based Totals	Debt/ Compensated Absences	Deferred Revenue	Depreciation	Capital Asset (Additions)/ Retirements	Pension Plan	Internal Service Funds	Government- wide Totals
<b>Governmental activities:</b>								
General government	\$ 1,094,324	\$ 75,003	\$ 245,934	\$2,255,694	\$ (647,182)	\$(2,370,426)	\$ (131,423)	\$ 521,924
Public safety	18,191,445	-	-	47,750	-	-	-	18,239,195
Engineering and Transportation	1,836,896	-	-	-	-	-	-	1,836,896
Public works	189,487	-	-	1,810,592	(831,864)	-	-	1,168,215
Community services	2,671,928	-	-	14,281	(1,580,177)	-	-	1,106,032
Economic development	331,070	-	-	71,466	(195,795)	-	-	206,741
Capital outlay	3,587,589	-	-	-	(3,587,589)	-	-	-
Debt service/Interest	118,979	-	-	-	-	-	-	118,979
<b>Total governmental activities</b>	<b>\$ 28,021,718</b>	<b>\$ 75,003</b>	<b>\$ 245,934</b>	<b>\$ 4,199,783</b>	<b>\$ (6,842,607)</b>	<b>\$(2,370,426)</b>	<b>\$ (131,423)</b>	<b>\$23,197,982</b>

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, 2015

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<b>Net change in fund balances - total governmental funds</b>		\$ (1,860,809)
<p>Amounts reported for governmental activities in the Statement of Activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:</p>		
Capital asset purchases capitalized	\$ 5,142,790	
Capital asset purchases land	1,699,817	
Depreciation expense	<u>(4,199,783)</u>	2,642,824
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:</p>		
Change in compensated absences	(75,003)	
Change in pension expense	<u>2,370,426</u>	2,295,423
<p>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.</p>		
Deferred inflows		(245,934)
<p>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 \$120,227 is included in the governmental activities in the government-wide Statement of Net Position less amounts due to changes in capital assets \$11,196 reported above for capital assets.</p>		
		<u>131,423</u>
<b>Change in net position of governmental activities</b>		<u><u>\$ 2,962,927</u></u>

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, 2015

	<b>General Fund</b>			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 13,038,943	\$ 13,038,943	\$ 13,084,227	\$ 45,284
Licenses and permits	1,490,600	1,490,600	1,559,674	69,074
Fines, forfeitures and penalties	217,500	217,500	211,475	(6,025)
Charges for services	892,490	892,490	743,250	(149,240)
Intergovernmental	587,000	1,195,761	1,096,321	(99,440)
Use of money and property	105,860	105,860	99,772	(6,088)
Other revenues	120,000	120,000	328,222	208,222
<b>Total revenues</b>	<b>16,452,393</b>	<b>17,061,154</b>	<b>17,122,941</b>	<b>61,787</b>
<b>EXPENDITURES:</b>				
Current:				
General government	1,133,373	1,151,094	1,087,711	63,383
Public safety	13,930,618	14,870,917	14,352,436	518,481
Engineering and Transportation	139,834	178,650	107,329	71,321
Public works	155,354	162,547	160,369	2,178
Community services	2,047,595	2,133,898	2,025,486	108,412
Capital outlay	-	70,584	1,428	69,156
<b>Total expenditures</b>	<b>17,406,774</b>	<b>18,567,690</b>	<b>17,734,759</b>	<b>832,931</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(954,381)</b>	<b>(1,506,536)</b>	<b>(611,818)</b>	<b>894,718</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sales of assets	10,000	10,000	24,951	14,951
Transfers in	520,000	520,000	537,941	17,941
Transfers out	(8,000)	(8,000)	(6,869)	1,131
<b>Total other financing sources (uses)</b>	<b>522,000</b>	<b>522,000</b>	<b>556,023</b>	<b>34,023</b>
<b>Net change in fund balances</b>	<b>(432,381)</b>	<b>(984,536)</b>	<b>(55,795)</b>	<b>928,741</b>
<b>FUND BALANCES:</b>				
Beginning of year	5,939,853	5,939,853	5,939,853	-
End of year	\$ 5,507,472	\$ 4,955,317	\$ 5,884,058	\$ 928,741

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

<b>Street Expansion Special Revenue Fund</b>			
<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance w/Final Positive (Negative)</u>
<u>Original</u>	<u>Final</u>		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
200,000	200,000	326,989	126,989
25,000	25,000	18,689	(6,311)
-	-	-	-
<u>225,000</u>	<u>225,000</u>	<u>345,678</u>	<u>120,678</u>
-	-	-	-
-	-	-	-
20,000	25,500	7,434	18,066
-	-	-	-
-	-	-	-
<u>328,994</u>	<u>1,813,164</u>	<u>785,881</u>	<u>1,027,283</u>
<u>348,994</u>	<u>1,838,664</u>	<u>793,315</u>	<u>1,045,349</u>
<u>(123,994)</u>	<u>(1,613,664)</u>	<u>(447,637)</u>	<u>1,166,027</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(123,994)</u>	<u>(1,613,664)</u>	<u>(447,637)</u>	<u>1,166,027</u>
<u>8,394,718</u>	<u>8,394,718</u>	<u>8,394,718</u>	<u>-</u>
<u>\$ 8,270,724</u>	<u>\$ 6,781,054</u>	<u>\$ 7,947,081</u>	<u>\$ 1,166,027</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, 2015

	Home Program Grants Special Revenue Fund			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	83,045	83,045	-	(83,045)
Use of money and property	-	-	-	-
Other revenues	-	-	134,731	134,731
<b>Total revenues</b>	<b>83,045</b>	<b>83,045</b>	<b>134,731</b>	<b>51,686</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Engineering and Transportation	-	-	-	-
Public works	-	-	-	-
Community services	-	-	-	-
Economic development	99,445	99,445	51,170	48,275
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>99,445</b>	<b>99,445</b>	<b>51,170</b>	<b>48,275</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(16,400)</b>	<b>(16,400)</b>	<b>83,561</b>	<b>99,961</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(16,400)</b>	<b>(16,400)</b>	<b>83,561</b>	<b>99,961</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	106,555	106,555	106,555	-
End of year	\$ 90,155	\$ 90,155	\$ 190,116	\$ 99,961

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)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
189,000	189,000	288,638	99,638
700	700	717	17
5,668	5,668	3,603	(2,065)
<u>195,368</u>	<u>195,368</u>	<u>292,958</u>	<u>97,590</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
302,310	302,310	54	302,256
223,000	297,929	234,127	63,802
<u>525,310</u>	<u>600,239</u>	<u>234,181</u>	<u>366,058</u>
<u>(329,942)</u>	<u>(404,871)</u>	<u>58,777</u>	<u>463,648</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(329,942)</u>	<u>(404,871)</u>	<u>58,777</u>	<u>463,648</u>
<u>395,000</u>	<u>395,000</u>	<u>395,000</u>	<u>-</u>
<u>\$ 65,058</u>	<u>\$ (9,871)</u>	<u>\$ 453,777</u>	<u>\$ 463,648</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, 2015

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	STANCOG	Totals	Totals
	<b>Current assets:</b>				
Cash and investments	\$ 5,720,856	\$ 11,408,350	\$ 778,301	\$ 17,907,507	\$ 2,659,115
Cash and investments with trustee/fiscal agent	307,991	669,676	-	977,667	-
Accounts receivable (net of uncollectible)	314,036	452,694	156,262	922,992	-
Interest receivable	3,519	7,221	491	11,231	485
<b>Total current assets</b>	<b>6,346,402</b>	<b>12,537,941</b>	<b>935,054</b>	<b>19,819,397</b>	<b>2,659,600</b>
Property, plant and equipment	21,306,482	22,560,550	697,616	44,564,648	5,073,433
Less accumulated depreciation	(7,711,081)	(10,077,910)	(203,950)	(17,992,941)	(3,748,475)
Property, plant, and equipment, net	13,595,401	12,482,640	493,666	26,571,707	1,324,958
<b>Total assets</b>	<b>19,941,803</b>	<b>25,020,581</b>	<b>1,428,720</b>	<b>46,391,104</b>	<b>3,984,558</b>
Deferred outflows: Pension Plan	210,448	216,922	9,023	436,393	-
<b>Total assets and deferred outflows</b>	<b>\$ 20,152,251</b>	<b>\$ 25,237,503</b>	<b>\$ 1,437,743</b>	<b>\$ 46,827,497</b>	<b>\$ 3,984,558</b>
<b>LIABILITIES AND NET POSITION</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 824,838	\$ 830,263	\$ 70,244	\$ 1,725,345	\$ 88,754
Deposits payable	219,829	-	-	219,829	-
Unearned revenue	50,997	-	-	50,997	-
Interest payable	23,457	34,346	-	57,803	-
Due to other funds	-	-	-	-	109,728
Current portion of long-term debt	109,935	174,073	-	284,008	-
<b>Total current liabilities</b>	<b>1,229,056</b>	<b>1,038,682</b>	<b>70,244</b>	<b>2,337,982</b>	<b>198,482</b>
<b>Long-term liabilities:</b>					
Compensated absences	197,337	199,105	-	396,442	114,630
Due after one year	4,114,314	7,097,678	-	11,211,992	-
Liability for claims	-	-	-	-	856,472
Net pension obligation	849,082	874,289	35,821	1,759,192	-
<b>Total long-term liabilities</b>	<b>5,160,733</b>	<b>8,171,072</b>	<b>35,821</b>	<b>13,367,626</b>	<b>971,102</b>
<b>Total liabilities</b>	<b>6,389,789</b>	<b>9,209,754</b>	<b>106,065</b>	<b>15,705,608</b>	<b>1,169,584</b>
Deferred inflows: Pension Plan	455,393	468,912	19,212	943,517	-
<b>Total liabilities and deferred inflows</b>	<b>6,845,182</b>	<b>9,678,666</b>	<b>125,277</b>	<b>16,649,125</b>	<b>1,169,584</b>
<b>Net Position:</b>					
Net investment in capital assets	9,481,087	5,384,962	493,666	15,359,715	1,324,958
Unrestricted	3,825,982	10,173,875	818,800	14,818,657	1,490,016
<b>Total net position</b>	<b>13,307,069</b>	<b>15,558,837</b>	<b>1,312,466</b>	<b>30,178,372</b>	<b>2,814,974</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 20,152,251</b>	<b>\$ 25,237,503</b>	<b>\$ 1,437,743</b>	<b>\$ 46,827,497</b>	<b>\$ 3,984,558</b>

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, 2015

	Business-type Activities - Enterprise Funds				Governmental
					Activities -
	Water	Sewer	STANCOG	Totals 2015	Internal Service Funds Totals 2015
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 6,241,066	\$ 8,417,412	\$ 111,695	\$ 14,770,173	\$ -
Interdepartmental charges	-	-	-	-	5,434,856
Other operating	400,616	273,994	1,328,685	2,003,295	205,850
<b>Total operating revenues</b>	<b>6,641,682</b>	<b>8,691,406</b>	<b>1,440,380</b>	<b>16,773,468</b>	<b>5,640,706</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	1,644,826	1,607,819	54,047	3,306,692	1,952,111
Contractual and other services	531,454	2,183,444	899,204	3,614,102	218,969
Materials and supplies	635,822	302,931	2,156	940,909	747,038
Depreciation and amortization	741,560	564,493	51,938	1,357,991	310,101
Other operating costs	1,388,153	1,021,410	8,020	2,417,583	2,293,760
<b>Total operating expenses</b>	<b>4,941,815</b>	<b>5,680,097</b>	<b>1,015,365</b>	<b>11,637,277</b>	<b>5,521,979</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,699,867</b>	<b>3,011,309</b>	<b>425,015</b>	<b>5,136,191</b>	<b>118,727</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	12,698	26,740	1,743	41,181	-
Gain on sale of assets	86,387	81,036	-	167,423	1,500
Interest and debt service expenses	(204,975)	(355,188)	-	(560,163)	-
<b>Total non-operating revenues (expenses)</b>	<b>(105,890)</b>	<b>(247,412)</b>	<b>1,743</b>	<b>(351,559)</b>	<b>1,500</b>
<b>CHANGE IN NET POSITION</b>	<b>1,593,977</b>	<b>2,763,897</b>	<b>426,758</b>	<b>4,784,632</b>	<b>120,227</b>
<b>NET POSITION:</b>					
Beginning of year	12,984,298	14,103,885	939,337	28,027,520	2,694,747
Adjustments	(1,271,206)	(1,308,945)	(53,629)	(2,633,780)	-
Beginning of year, as adjusted	11,713,092	12,794,940	885,708	25,393,740	2,694,747
End of year	<u>\$ 13,307,069</u>	<u>\$ 15,558,837</u>	<u>\$ 1,312,466</u>	<u>\$ 30,178,372</u>	<u>\$ 2,814,974</u>

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, 2015

	Business-type Activities - Enterprise Funds				Governmental
				Totals	Activities -
	Water	Sewer	STANCOG	2015	Internal
				Totals	Service Funds
				2015	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 5,434,856
Cash receipts from customers	6,642,038	8,682,868	1,284,118	16,609,024	-
Cash payments to suppliers for goods and services	(1,974,391)	(3,261,960)	(911,272)	(6,147,623)	(1,237,250)
Cash payments to employees for services	(1,648,472)	(1,603,049)	(54,047)	(3,305,568)	(1,959,365)
Cash receipts (payments) for loss claims	-	-	-	-	(1,997,997)
<b>Net cash used by operating activities</b>	<b>3,019,175</b>	<b>3,817,859</b>	<b>318,799</b>	<b>7,155,833</b>	<b>240,244</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers received (paid)	-	-	-	-	109,728
Changes in pension obligations	(177,179)	(182,666)	(7,619)	(367,464)	-
<b>Net cash provided by noncapital financing activities</b>	<b>(177,179)</b>	<b>(182,666)</b>	<b>(7,619)</b>	<b>(367,464)</b>	<b>109,728</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
(Acquisition) Disposal and construction of capital assets	(985,495)	(2,256,630)	(432,002)	(3,674,127)	(297,404)
Interest paid	(121,795)	(266,322)	-	(388,117)	-
Payments on long-term debt	(100,000)	(175,000)	-	(275,000)	-
<b>Net cash (used) by capital and related financing activities</b>	<b>(1,207,290)</b>	<b>(2,697,952)</b>	<b>(432,002)</b>	<b>(4,337,244)</b>	<b>(297,404)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income received	11,016	24,007	1,658	36,681	34
<b>Net cash provided by investing activities</b>	<b>11,016</b>	<b>24,007</b>	<b>1,658</b>	<b>36,681</b>	<b>34</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,645,722</b>	<b>961,248</b>	<b>(119,164)</b>	<b>2,487,806</b>	<b>52,602</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	4,383,125	11,116,778	897,465	16,397,368	2,606,513
End of year	<u>\$ 6,028,847</u>	<u>\$ 12,078,026</u>	<u>\$ 778,301</u>	<u>\$ 18,885,174</u>	<u>\$ 2,659,115</u>
Presentation in Statement of Net Position:					
Cash and investments	\$ 5,720,856	\$ 11,408,350	\$ 778,301	\$ 17,907,507	\$ 2,659,115
Cash and investments with trustee/fiscal agent	307,991	669,676	-	977,667	-
<b>Total cash and investments</b>	<b>\$ 6,028,847</b>	<b>\$ 12,078,026</b>	<b>\$ 778,301</b>	<b>\$ 18,885,174</b>	<b>\$ 2,659,115</b>
<b>Reconciliation of income (loss) from operations to net cash used by operating activities:</b>					
Operating income (loss)	\$ 1,699,867	\$ 3,011,309	\$ 425,015	\$ 5,136,191	\$ 118,727
Adjustments to reconcile operating income (loss) to net cash used in operating activities:					
Depreciation and amortization	741,560	564,493	51,938	1,357,991	310,101
(Increase) decrease in current assets:					
Accounts receivable	8,420	(8,538)	(156,262)	(156,380)	-
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	581,038	245,825	(1,892)	824,971	(5,929)
Deposits payable	(4,905)	-	-	(4,905)	-
Unearned revenue	(3,159)	-	-	(3,159)	-
Compensated absences	(3,646)	4,770	-	1,124	(7,254)
Increase (decrease) in claims liability	-	-	-	-	(175,401)
<b>Net cash used by operating activities</b>	<b>\$ 3,019,175</b>	<b>\$ 3,817,859</b>	<b>\$ 318,799</b>	<b>\$ 7,155,833</b>	<b>\$ 240,244</b>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2015.

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, 2015

	Successor Agencies Private Purpose Trust Funds	Westpointe Assessment District Debt Service Agency Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 2,115,097	\$ 508,738
Cash and investments with trustee/fiscal agent	15,561,507	289,955
Accounts receivable	-	355,170
Interest receivable	1,636	505
Total current assets	<u>17,678,240</u>	<u>1,154,368</u>
Non-Current assets:		
Long-term loans receivable	2,650,421	-
Construction in progress	3,580,449	-
Total non-current assets	<u>6,230,870</u>	<u>-</u>
<b>Total assets</b>	23,909,110	1,154,368
Deferred outflows: Pension plan	33,188	-
<b>Total assets and deferred outflows</b>	<u>\$ 23,942,298</u>	<u>\$ 1,154,368</u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,558,106	\$ 42
Interest payable	865,569	-
Due to others	30,960	1,154,326
Current portion of long term debt	939,347	-
Total current liabilities	<u>3,393,982</u>	<u>1,154,368</u>
Long-term liabilities:		
Advances from other government agencies	266,702	-
Advances from Governmental Activities	495,276	-
Due after one year	38,577,195	-
Net pension obligation	133,996	-
Total long-term liabilities	<u>39,473,169</u>	<u>-</u>
<b>Total liabilities</b>	<u>42,867,151</u>	<u>\$ 1,154,368</u>
Deferred inflows: Pension plan	71,866	
<b>Total liabilities and deferred inflows</b>	<u>42,939,017</u>	
<b>Net Position (Deficit):</b>		
Net position held in trust for Redevelopment Dissolution	<u>(18,996,719)</u>	
<b>Total liabilities, deferred inflows, and net position</b>	<u>\$ 23,942,298</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, 2015

	Successor Agencies
	Private Purpose Trust Funds
<b>ADDITIONS:</b>	
Property taxes	\$ 3,979,381
Investment earnings	19,376
Gain on debt refunding	1,413,716
Transfer in	3,177,529
<b>Total additions</b>	<u>8,590,002</u>
<b>DEDUCTIONS:</b>	
General and administrative	396,385
Salaries and benefits	448,648
Contractual and other services	82,484
Materials and supplies	49,767
Economic development	478,650
Interest and debt service expenses	1,158,049
Amortization	44,559
Transfer out	3,177,529
<b>Total deductions</b>	<u>5,836,071</u>
<b>CHANGE IN FIDUCIARY NET ASSETS</b>	2,753,931
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	(21,550,037)
Adjustments	(200,613)
Beginning of the year, as adjusted	<u>(21,750,650)</u>
End of year	<u>\$ (18,996,719)</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, 2015**

**Index to Notes to Basic Financial Statements**

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**City of Ceres, California**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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, 2015**

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**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.

***M. Implementation of GASB Statements 68 and 71 related to Pension Plan***

The GASB issued Statement No. 68, “Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27” The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans.

In addition, the GASB issued Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date” The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, “Accounting and Financial Reporting for Pensions”.

The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**M. Implementation of GASB Statements 68 and 71 related to Pension Plan, Continued**

In implementing these Statements, the City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability over the fiduciary net position of the Plan reflected in an actuarial report provided by the California Public Employees' Retirement System (CalPERS). The net pension liability is measured as of the City's prior Plan year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change in the liability. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized over the weighted average remaining service life of all participants in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

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

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

**N. Prior Period Adjustment**

Due to the City's adoption of GASB 68, net position was adjusted at June 30, 2015. The following is a reconciliation of the total net position as previously reported at July 1, 2014, to the restated net position.

	<b>Governmental Activities</b>	<b>Proprietary - Water</b>	<b>Proprietary - Sewer</b>	<b>Proprietary - STANCOG</b>	<b>Fiduciary - Successor Agency</b>
Net Position at June 30, 2014	\$ 109,818,231	\$ 12,984,298	\$ 14,103,885	\$ 939,337	\$ (21,550,037)
Adjustment:					
Adoption of GASB 68, pensions	(17,028,201)	(1,271,206)	(1,308,945)	(53,629)	(200,613)
Total Adjustments	(17,028,201)	(1,271,206)	(1,308,945)	(53,629)	(200,613)
Net Position at July 1, 2014, as adjusted	\$ 92,790,030	\$ 11,713,092	\$ 12,794,940	\$ 885,708	\$ (21,750,650)

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***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.”

***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).

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Q. Budgetary Accounting, Continued***

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, 2015, 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, 2015, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

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, 2015**

**2. CASH AND INVESTMENTS**

At June 30, 2015, 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	\$ -	\$ -	\$ -	\$ 6,652,842	\$ 6,652,842
Petty cash	-	-	-	6,450	6,450
Total pooled items	-	-	-	6,659,292	6,659,292
Pooled investments, at fair value					
<u>Interest obligations</u>					
Money market funds	13,447,739	-	-	-	13,447,739
State of California Local Agency Investment Fund	43,667,427	-	-	-	43,667,427
Total pooled investments - interest obligations	57,115,166	-	-	-	57,115,166
Total cash equivalents and investments pooled	\$ 57,115,166	\$ -	\$ -	\$ 6,659,292	\$ 63,774,458
Amounts reported in:					
Government activities					\$ 26,413,987
Business-type activities:					
Unrestricted cash and investments					17,907,507
Cash and investments with trustee/fiscal agent					977,667
Fiduciary activities:					
Unrestricted cash and investments					2,623,835
Cash and investments with trustee/fiscal agent					15,851,462
Total					\$ 63,774,458

Investment Type	Fair Value	Maturity (in years)
Money market funds	\$ 13,447,739	N/A
Local Agency Investment Fund	43,667,427	N/A
Total fair value	\$ 57,115,166	
Portfolio weighted average maturity		0.00

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, 2015, 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, 2015**

**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, 2015, 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.

<u>Investment Type</u>	<u>Credit Quality Ratings S&amp;P</u>	<u>Fair Value</u>
First American Prime Obligations Fund CD		\$ 13,447,739
Local Agency Investment Funds	Not Rated	<u>43,667,427</u>
Total Investments		<u>\$ 57,115,166</u>

*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, 2015, 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, 2015**

**2. CASH AND INVESTMENTS, Continued**

At June 30, 2015, the carrying amount of the City's deposits was \$6,652,842 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, 2015, 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 \$43,667,427 which approximated market value and was managed by the State Treasurer. Of the total invested, 99.03% was invested in non-derivative financial products and 0.97% 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, 2015:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Current:				
Accounts	\$ 631,167	\$ 922,992	\$ 355,170	\$ 1,909,329
Taxes	481,514	-	-	481,514
Interest	533,085	11,231	2,141	546,457
Intergovernmental	477,241	-	-	477,241
Other receivable	2,399,264	-	-	2,399,264
Total current	<u>4,522,271</u>	<u>934,223</u>	<u>357,311</u>	<u>5,813,805</u>
Noncurrent:				
Loans receivable	6,806,898	-	2,650,421	9,457,319
Total noncurrent	<u>6,806,898</u>	<u>-</u>	<u>2,650,421</u>	<u>9,457,319</u>
Total receivables	<u>\$ 11,329,169</u>	<u>\$ 934,223</u>	<u>\$ 3,007,732</u>	<u>\$ 15,271,124</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	6.3%
Individuals/Businesses	74.4%
Financial	3.6%
Other	15.7%



**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**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, 2015, consisted of the following:

Description	Beginning July 1, 2014	Additions	(Deletions)	Ending June 30, 2015
First-Time Homebuyer Loan	\$ 2,698,911	\$ 51,170	\$ (42,250)	\$ 2,707,831
Housing Rehabilitation Loans:				
CDBG Loans	254,539	1,382	(4,435)	251,486
Emergency Repair Loans	377,173	-	(1,560)	375,613
Begin Home Grant	390,000	524,960	(262,480)	652,480
Total Housing Rehabilitation Loans	<u>1,021,712</u>	<u>526,342</u>	<u>(268,475)</u>	<u>1,279,579</u>
Whitmore Oaks	865,361	-	-	865,361
Della Tiara	2,486,399	-	-	2,486,399
Total loans receivable	<u>7,072,383</u>	<u>577,512</u>	<u>(310,725)</u>	<u>7,339,170</u>
Allowance for loans receivable	<u>(520,651)</u>	<u>520,651</u>	<u>(532,272)</u>	<u>(532,272)</u>
Total loans receivables after allowance	<u>\$ 6,551,732</u>	<u>\$ 1,098,163</u>	<u>\$ (842,997)</u>	<u>\$ 6,806,898</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2015:

**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, 2015 were \$2,707,831.

**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, 2015 were \$1,279,579.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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, 2015 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, 2015 was \$2,486,399.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**5. CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Deletions	Adjustments/ Reclassifications	Balance June 30, 2015
<u>Governmental activities:</u>					
Nondepreciable assets:					
Land	\$ 10,837,139	\$ 1,699,817	\$ -		\$ 12,536,956
Total nondepreciable assets	<u>10,837,139</u>	<u>1,699,817</u>	<u>-</u>	<u>-</u>	<u>12,536,956</u>
Depreciable assets:					
Buildings and improvements	39,382,432	5,101,829	-	-	44,484,261
Machinery & equipment	11,828,266	40,961	(153,087)	-	11,716,140
Infrastructure	77,474,273	-	-	-	77,474,273
Total depreciable assets	<u>128,684,971</u>	<u>5,142,790</u>	<u>(153,087)</u>	<u>-</u>	<u>133,674,674</u>
Total	<u>139,522,110</u>	<u>6,842,607</u>	<u>(153,087)</u>	<u>-</u>	<u>146,211,630</u>
Accumulated depreciation:					
Buildings and improvements	(9,389,952)	(605,785)	-	-	(9,995,737)
Machinery & equipment	(9,866,770)	(284,431)	153,087	-	(9,998,114)
Infrastructure	(44,090,995)	(3,309,567)	-	-	(47,400,562)
Total accumulated depreciation	<u>(63,347,717)</u>	<u>(4,199,783)</u>	<u>153,087</u>	<u>-</u>	<u>(67,394,413)</u>
Net depreciable assets	<u>65,337,254</u>	<u>943,007</u>	<u>-</u>	<u>-</u>	<u>66,280,261</u>
Total net capital assets	<u>\$ 76,174,393</u>	<u>\$ 2,642,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,817,217</u>

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

General government	\$ 2,255,694
Public safety	47,750
Public works	1,810,592
Community services	14,281
Economic development	71,466
Total	<u>\$ 4,199,783</u>

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**5. CAPITAL ASSETS, Continued**

Capital asset activity for business-type activities for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions	Deletions	Adjustments/ Reclassifications	Balance June 30, 2015
<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	22,084,012	145,680	-	-	22,229,692
Machinery & equipment	3,419,650	827,245	-	-	4,246,895
Infrastructure	13,615,618	2,701,203	-	(12,571)	16,304,250
Total depreciable assets	<u>39,119,280</u>	<u>3,674,128</u>	<u>-</u>	<u>(12,571)</u>	<u>42,780,837</u>
Total	<u>40,903,092</u>	<u>3,674,128</u>	<u>-</u>	<u>(12,571)</u>	<u>44,564,649</u>
Accumulated depreciation:					
Buildings and improvements	(7,154,901)	(14,788)	-	-	(7,169,689)
Machinery & equipment	(3,156,170)	(270,726)	-	-	(3,426,896)
Infrastructure	(6,336,451)	(1,072,477)	-	12,571	(7,396,357)
Total accumulated depreciation	<u>(16,647,522)</u>	<u>(1,357,991)</u>	<u>-</u>	<u>12,571</u>	<u>(17,992,942)</u>
Net depreciable assets	<u>22,471,758</u>	<u>2,316,137</u>	<u>-</u>	<u>-</u>	<u>24,787,895</u>
Total net capital assets	<u>\$ 24,255,570</u>	<u>\$ 2,316,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,571,707</u>

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

Water	\$ 741,560
Sewer	564,493
STANCOG	<u>51,938</u>
Total	<u>\$ 1,357,991</u>

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2015:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 1,202,285	\$ 1,725,345	\$ 1,558,148	\$ 4,485,778
Accrued payroll and related liabilities	517,346	-	-	517,346
Total	<u>\$ 1,719,631</u>	<u>\$ 1,725,345</u>	<u>\$ 1,558,148</u>	<u>\$ 5,003,124</u>

These amounts resulted in the following concentrations in payables:

Vendors	89.7%
Employees	10.3%

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, 2015:

**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, 2015, the outstanding balance of the Westpointe Refunding Reassessment District Bonds amounted to \$1,265,000.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**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, 2015:

	Balance July 1, 2014	Additions	Retirements	Balance June 30, 2015	Due Within One Year
<b><i>Business-type Activities:</i></b>					
2009 Water Revenue Bonds, Series A	\$ 4,380,000	\$ -	\$ (100,000)	\$ 4,280,000	\$ 105,000
Bond discount	(86,842)	-	4,739	(82,103)	(3,407)
Water Loan payable	34,297	-	(7,945)	26,352	8,342
2009 Wastewater Revenue Bonds, Series A	7,590,000	-	(175,000)	7,415,000	180,000
Bond discount	(151,079)	-	7,830	(143,249)	(5,927)
Total business-type activities	<u>\$ 11,766,376</u>	<u>\$ -</u>	<u>\$ (270,376)</u>	<u>\$ 11,496,000</u>	<u>\$ 284,008</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, 2015**

**8. LONG-TERM LIABILITIES, Continued**

Future debt service at June 30, 2015, is as follows for all remaining debt except claims liabilities:

Business-type Activities								
Year Ending June 30,	2009 Water Revenue Bonds		Discount - 2009 Water Revenue Bonds		Water Loan Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2016	105,000	200,975	(3,407)	-	8,342	1,318	109,935
2017	110,000	196,775	(3,407)	-	8,760	900	115,353	197,675
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
2021-2025	685,000	836,788	(17,035)	-	-	-	667,965	836,788
2026-2030	860,000	669,525	(17,035)	-	-	-	842,965	669,525
2031-2035	1,085,000	438,500	(17,035)	-	-	-	1,067,965	438,500
2036-2039	1,080,000	138,250	(13,963)	-	-	-	1,066,037	138,250
Total	<u>\$ 4,280,000</u>	<u>\$ 3,043,938</u>	<u>\$ (82,103)</u>	<u>\$ -</u>	<u>\$ 26,352</u>	<u>\$ 2,680</u>	<u>\$ 4,224,249</u>	<u>\$ 3,046,618</u>
Due within one year	105,000	200,975	(3,407)	-	8,342	1,318	109,935	202,293
Due after one year	4,175,000	2,842,963	(78,696)	-	18,010	1,362	4,114,314	2,844,325
Total	<u>\$ 4,280,000</u>	<u>\$ 3,043,938</u>	<u>\$ (82,103)</u>	<u>\$ -</u>	<u>\$ 26,352</u>	<u>\$ 2,680</u>	<u>\$ 4,224,249</u>	<u>\$ 3,046,618</u>

Year Ending June 30,	2009 Wastewater Revenue Bonds		Discount - 2009 Wastewater Revenue Bonds		Totals		Grand Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
	2016	180,000	348,188	(5,927)	-	174,073	348,188	284,008
2017	185,000	340,988	(5,927)	-	179,073	340,988	294,426	538,663
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	300,387	(5,927)	-	204,073	300,387	320,666	483,362
2021-2025	1,200,000	1,450,625	(29,635)	-	1,170,365	1,450,625	1,838,330	2,287,413
2026-2030	1,485,000	1,159,625	(29,635)	-	1,455,365	1,159,625	2,298,330	1,829,150
2031-2035	1,880,000	760,250	(29,635)	-	1,850,365	760,250	2,918,330	1,198,750
2036-2039	1,875,000	257,450	(24,709)	-	1,850,291	257,450	2,916,328	395,700
Total	<u>\$ 7,415,000</u>	<u>\$ 5,276,889</u>	<u>\$ (143,249)</u>	<u>\$ -</u>	<u>\$ 7,271,751</u>	<u>\$ 5,276,889</u>	<u>\$ 11,496,000</u>	<u>\$ 8,323,507</u>
Due within one year	\$ 180,000	\$ 348,188	\$ (5,927)	\$ -	\$ 174,073	\$ 348,188	\$ 284,008	\$ 550,481
Due after one year	7,235,000	4,928,701	(137,322)	-	7,097,678	4,928,701	11,211,992	8,323,507
Total	<u>\$ 7,415,000</u>	<u>\$ 5,276,889</u>	<u>\$ (143,249)</u>	<u>\$ -</u>	<u>\$ 7,271,751</u>	<u>\$ 5,276,889</u>	<u>\$ 11,496,000</u>	<u>\$ 8,873,988</u>

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**9. NET POSITION/ FUND BALANCES**

**Net Position**

	Governmental Activities	Business-type Activities	Totals
Net investment in capital assets	\$ 78,284,945	\$ 15,359,715	\$ 93,644,660
Restricted	4,900,000	-	4,900,000
Unrestricted	12,568,012	14,818,657	27,386,669
Total	<u>\$ 95,752,957</u>	<u>\$ 30,178,372</u>	<u>\$ 125,931,329</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, 2015:

Nonspendable:	
Petty cash	\$ 6,450
Prepaid items	4,260
Total nonspendable	<u>\$ 10,710</u>
Restricted for:	
Home Program	\$ 190,116
CDBG Programs	453,777
Storm Drain Benefit Districts	2,022,966
Eastgate Street Benefit District	80,784
BEGIN Grant Program	328,572
Program Income BEGIN	33,745
Measure H Income	465,482
State Gas Tax	653,208
Street Light - Landscape District	64,243
Dept of Conservation Grant	63,313
Fire Hydrant Benefit District	123,636
Transportation Development Act	319,566
Ceres Community Foundation	100,592
Total restricted	<u>\$ 4,900,000</u>
Committed:	
General Fund Reserve	\$ 3,940,609
Street Expansion	55,653
Neighborhood Park Fees	288,932
State Gas Tax	31,634
Community Facilities District	155,837
Transportation Development Act	130,053
Total committed	<u>\$ 4,602,718</u>



**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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, 2015**

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**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:**

*Traffic Offender* - \$33,425 resulted from a delay in receipt of grant funds requested.

*CMAQ* – \$72,963 resulted from the advance of funds through a Federal grant setup on a cost reimbursement basis with revenues to be received in future years.

*Community Center* - \$989,489 resulted from capital costs advanced by the City to be paid from future revenues.

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

*2015 Public Safety Grants* - \$127,208 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, 2015**

**9. NET POSITION/ FUND BALANCES, Continued**

*Clinton Whitmore Mansion* - \$15,400 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, 2015, for the following funds:

	<u>Final Budget</u>	<u>Total Expenditures and Transfers</u>	<u>Excess Expenditures Over Appropriations</u>
<u>Governmental Activities</u>			
Non-major Funds:			
Special Revenue Funds:			
AB 939	32,095	32,347	(252)
SLESF	100,000	106,230	(6,230)
Seized Property	-	24,350	(24,350)
Community Facilities District	500,000	506,191	(6,191)
Clinton Whitmore Mansion	4,370	7,360	(2,990)

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**10. INTERFUND TRANSACTIONS**

Due to and due from other funds consisted of the following as of June 30, 2015:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 1,836,200	\$ -
Total Major Funds	<u>1,836,200</u>	<u>-</u>
Non-major Funds:		
Special Revenue Funds:		
Measure H	-	4,081
Traffic Offender	-	18,708
Traffic Safety	-	29,356
CMAQ	-	475,242
Transportation Development Act	-	136,946
Community Center	-	894,071
2015 Public Safety Grants	-	152,299
Clinton Whitmore Mansion	-	15,769
Total Non-major Special Revenue Funds	<u>-</u>	<u>1,726,472</u>
Total Non-major Funds	<u>-</u>	<u>1,726,472</u>
Internal Service Funds:		
Information Technology	-	109,728
Total Governmental Activities	<u>\$ 1,836,200</u>	<u>\$ 1,836,200</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, 2015**

**10. INTERFUND TRANSACTIONS, Continued**

Activity for advances for the year ended June 30, 2015, was as follows:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 495,276	\$ -
Total Major Funds	<u>495,276</u>	<u>-</u>
Non-major Funds:		
Special Revenue Funds:		
Neighborhood Park Fees	135,478	-
Public Facilities Fee	<u>-</u>	<u>135,478</u>
Total Non-major Special Revenue Funds	<u>135,478</u>	<u>135,478</u>
Total Non-major Funds	<u>135,478</u>	<u>135,478</u>
Total Governmental Activities	<u>630,754</u>	<u>135,478</u>
<u>Successor Agency</u>		
CRA	-	475,310
SCRC	<u>-</u>	<u>19,966</u>
Total Successor Agency	<u>-</u>	<u>495,276</u>
Total Advances	<u>\$ 630,754</u>	<u>\$ 630,754</u>

Advances from the General Fund to the Successor Agency - SCRC were for Redevelopment Agency start-up costs. The advance to the Successor Agency – CRA was to cover unfunded costs not supported by current revenues.

Advances from the Neighborhood Park Fees Fund to the Public Facilities Fee Fund were for the Ceres Sewer Force Main Outfall Project, per Resolution No. 2003-178.

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, 2015**

**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, 2015:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 537,941	\$ 6,869
Total Major Funds	<u>537,941</u>	<u>6,869</u>
Non-major Funds:		
Special Revenue Funds:		
Used Oil Grants	-	37,941
Community Facilities District	-	500,000
Daniel Whitmore House	6,869	-
Total Non-major Special Revenue Funds	<u>6,869</u>	<u>537,941</u>
Total Non-major Funds	<u>6,869</u>	<u>537,941</u>
Total Governmental Activities	<u>544,810</u>	<u>544,810</u>
Total Transfers	<u>\$ 544,810</u>	<u>\$ 544,810</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, 2015**

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**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, 2014, the most recent available, is presented below:

Total assets	\$	80,694,798
Total liabilities		65,440,947
Total equities		15,253,851
Total revenues		30,958,373
Total expenses		32,739,704
Revenues over (under) expenses		(1,781,331)

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 2014-2015, 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, 2015**

**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
2012-2013	1,031,873	1,360,384	(1,323,153)	1,069,104
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

**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 12<sup>th</sup> 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, 2015**

**12. PENSION PLAN, Continued**

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous Plan	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	Prior to January 1, 2013	On or after 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, 2015, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	71
Inactive employees entitled but not yet receiving benefits	54
Active employees	178
<b>Total</b>	<b>303</b>

**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 \$2,769,772 for the year ended June 30, 2015.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**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, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 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, 2013
Measurement date	June 30, 2014
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, 2015**

**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, 2014 and June 30, 2013 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, 2015, the City reported net pension liabilities for its proportionate share of the net pension liability of the Plan of \$13,266,900.

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, 2014, 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, 2013 rolled forward to June 30, 2014 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, 2014 and 2013 was 5.623% and 5.9310%, respectively.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**12. PENSION PLAN, Continued**

**B. Net Pension Liability, Continued**

For the year ended June 30, 2015, the City recognized pension expense of \$2,769,772. At June 30, 2015, 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	\$ 4,016,679	\$ -
Differences between actual and expected experience	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of the contributions	(727,086)	-
Net differences between projected and actual earnings on plan investments	-	7,115,514
Total	<u>\$ 3,289,593</u>	<u>\$ 7,115,514</u>

\$3,274,648 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	\$ (1,851,545)
2017	1,423,103
2018	1,423,103
2019	1,423,103
2020	1,423,102
Thereafter	-

**C. Changes in Net Pension Liability**

At June 30, 2014, the City reported a net pension liability of \$13,266,900. The City's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 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, 2015**

**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 6/30/2013	\$ 1,925,565,638	\$ 1,544,812,995	\$ 380,752,643
Balance at 6/30/2014	2,024,376,761	1,791,309,279	233,067,482
Net changes during 2013-14	\$ 98,811,123	\$ 246,496,284	\$ (147,685,161)

**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	\$ 498,955,783	\$ 233,067,482	\$ 12,742,703

*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, 2015, the City reported a payable of \$141,669 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

**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, 2015 as follows:

Revenues	\$ 44,370
Expenditures:	
Public safety	<u>29,867</u>
Revenues (under) expenditures	14,503
Fund balances:	
Beginning balance	<u>2,061</u>
Ending balance	<u><u>\$ 16,564</u></u>

AVA expenditures for 2015 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, 2015**

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**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, 2015**

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

Loans and notes receivable for the year ended June 30, 2015 for the Successor Agency, consisted of the following:

Description	Beginning July 1, 2014	Additions	(Deletions)	Ending June 30, 2015
First-Time Homebuyer Loans	\$ 13,499	\$ -	\$ (6,899)	\$ 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	\$ 2,657,320	\$ -	\$ (6,899)	\$ 2,650,421

The following is a summary of the loans and notes receivable outstanding as of June 30, 2015:

**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, 2015 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, 2015 were \$962,271.

**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, 2015 was \$612,500.



**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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

**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, 2015 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, 2015 was \$633,000.

**Long-term Liabilities**

The following is a summary of changes in long-term debt for fiduciary activities for the year ended June 30, 2015:

	Balance July 1, 2014	Transfers/ Additions	Retirements	Balance June 30, 2015	Due Within One Year
<b><u>Governmental Activities:</u></b>					
2000 SCRC Tax Allocation Bonds	\$ 1,075,000	\$ -	\$ -	\$ 1,075,000	\$ 40,000
2003 CRA Tax Allocation Bonds	12,635,000	-	(12,635,000)	-	-
2015 Successor CRA Tax Allocation Refunding Bonds	-	8,050,000	-	8,050,000	-
Bond premium	-	245,393	-	245,393	-
2006 CRA Housing Refunding Tax Allocation Bonds	1,180,000	-	(50,000)	1,130,000	50,000
Bond discount	(18,666)	-	1,124	(17,542)	(1,124)
Deferred amount on refunding	(13,771)	-	829	(12,942)	(829)
2006 CRA Non-Housing Refunding Tax Allocation Bonds	30,770,000	-	(850,000)	29,920,000	890,000
Bond discount	(525,994)	-	22,446	(503,548)	(22,446)
Deferred amount on refunding	(386,073)	-	16,254	(369,819)	(16,254)
Total governmental activities	<u>\$ 44,715,496</u>	<u>\$ 8,295,393</u>	<u>\$ (13,494,347)</u>	<u>\$ 39,516,542</u>	<u>\$ 939,347</u>

**2001 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.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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

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.

**2003 CRA Tax Allocation Bonds — Original Issue \$15,305,000**

On December 8, 2003, the CRA issued tax allocation bonds for the purpose of financing a portion of the costs of the Ceres Redevelopment Project Area No. 1 (Project Area). The bonds are payable from and secured by the tax revenues to be derived from the Project Area. The bonds mature annually through 2033, in amounts ranging from \$145,000 to \$1,490,000. Interest rates vary from 2% to a maximum of 5% and are payable semiannually on May 1 and November 1. The bonds maturing on or before November 1, 2015, are not subject to optional redemption prior to their stated maturities. Bonds maturing after November 1, 2015, are subject to redemption in whole or in part on any date thereafter prior to maturity. Redemption includes a premium of 2% commencing on November 1, 2015, and reduced by 1% on each November 1 thereafter. An escrow account was setup from the 2015 Refunding Bonds and the total amount was considered in substance defeased at June 30, 2015.

**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.

**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

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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

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, 2015, there were not arbitrage liabilities.

Future debt service at June 30, 2015, 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
2016	\$ 40,000	\$ 70,300	\$ -	\$ -	\$ 50,000	\$ 45,567	\$ 890,000	\$ 1,213,494
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	39,267	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
2021-2025	310,000	234,578	1,695,000	1,266,825	335,000	145,627	6,020,000	4,478,769
2026-2030	435,000	112,374	2,120,000	837,075	415,000	66,386	7,390,000	3,090,000
2031-2035	105,000	3,517	3,195,000	326,038	100,000	2,125	8,880,000	1,612,200
2036-2039	-	-	-	-	-	-	2,760,000	55,200
Total	\$ 1,075,000	\$ 673,568	\$ 8,050,000	\$ 3,764,543	\$ 1,130,000	\$ 421,072	\$ 29,920,000	\$ 14,884,888
Due within one year	\$ 40,000	\$ 70,300	\$ -	\$ -	\$ 50,000	\$ 45,567	\$ 890,000	\$ 1,213,494
Due after one year	1,035,000	603,268	8,050,000	3,764,543	1,080,000	375,505	29,030,000	13,671,394
Total	\$ 1,075,000	\$ 673,568	\$ 8,050,000	\$ 3,764,543	\$ 1,130,000	\$ 421,072	\$ 29,920,000	\$ 14,884,888
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		Totals			
	Principal	Interest	Principal	Interest	Principal	Interest		
2016	\$ (1,953)	-	\$ (38,700)	-	\$ 939,347	\$ 1,329,361		
2017	(1,953)	-	(38,700)	-	1,124,347	1,733,586		
2018	(1,953)	-	(38,700)	-	1,334,347	1,534,534		
2019	(1,953)	-	(38,700)	-	1,384,347	1,484,500		
2020	(1,953)	-	(38,700)	-	1,429,347	1,431,376		
2021-2025	(9,765)	-	(193,500)	-	8,156,735	6,125,799		
2026-2030	(9,765)	-	(193,500)	-	10,156,735	4,105,835		
2031-2035	(1,189)	-	(193,500)	-	12,085,311	1,943,880		
2036-2039	-	-	(99,367)	-	2,660,633	55,200		
Total	\$ (30,484)	\$ -	\$ (873,367)	\$ -	\$ 39,271,149	\$ 19,744,071		
Due within one year	\$ (1,953)	\$ -	\$ (38,700)	\$ -	\$ 939,347	\$ 1,329,361		
Due after one year	(28,531)	-	(834,667)	-	38,331,802	19,744,071		
Total	\$ (30,484)	\$ -	\$ (873,367)	\$ -	\$ 39,271,149	\$ 21,073,432		

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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

Activity for advances for the year ended June 30, 2015, was as follows:

	Advances to Other Funds	Advances from Other Funds
	<u>                    </u>	<u>                    </u>
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 495,276	\$ -
Total Major Funds	<u>495,276</u>	<u>-</u>
Total Governmental Activities	<u>495,276</u>	<u>-</u>
Fiduciary Activities:		
Private Purpose Trust Funds:		
Former Ceres Redevelopment Agency		
Non-Housing	-	475,310
Former Stanislaus - Cered Redevelopment		
Commission Successor Agency Non-Housing	-	19,966
Total Private Purpose Trust Funds	<u>-</u>	<u>495,276</u>
Total Fiduciary Activities	<u>-</u>	<u>495,276</u>
Totals	<u>\$ 495,276</u>	<u>\$ 495,276</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.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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 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. Effective Date: The provisions in Statement 74 are effective for fiscal years beginning after June 15, 2016.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2015**

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**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. Effective Date: The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017.

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 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.

**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 2015. 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
<b><u>Total Pension Liability</u></b>		
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	(101,858,156)	(94,782,471)
<b>Net change in total pension liability</b>	<b>103,383,198</b>	<b>98,811,123</b>
<b>Total pension liability - beginning</b>	<b>2,024,376,761</b>	<b>1,925,565,638</b>
<b>Total pension liability - ending</b>	<b>\$ 2,127,759,959</b>	<b>\$ 2,024,376,761</b>
<b><u>Fiduciary net position</u></b>		
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	(2,378,966)	(2,249,260)
<b>Net change in fiduciary net position</b>	<b>41,294,925</b>	<b>246,496,284</b>
<b>Fiduciary net position - beginning</b>	<b>1,791,309,279</b>	<b>1,544,812,995</b>
<b>Fiduciary net position - ending</b>	<b>\$ 1,832,604,204</b>	<b>\$ 1,791,309,279</b>
<b>Net pension liability - ending</b>	<b>\$ 295,155,755</b>	<b>\$ 233,067,482</b>
<b>Fiduciary net position as a percentage of the total pension liability</b>	<b>86.1%</b>	<b>88.5%</b>
<b>Covered employee payroll (1)</b>	<b>\$ 237,263,160</b>	<b>\$ 221,863,110</b>
<b>Net pension liability as a percentage of covered employee payroll</b>	<b>124.4%</b>	<b>105.1%</b>

#### 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 2015. 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.
2015 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, 2015**

	Street Tree	Storm Drain Benefit Districts	Brown Annex	Eastgate Street Benefit District	AB 939
<b>ASSETS</b>					
Cash and investments	\$ 120,768	\$ 2,021,690	\$ 8,956	\$ 80,733	\$ 476,088
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	76	1,276	6	51	300
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	-	9,977
Advances to other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 120,844</b>	<b>\$ 2,022,966</b>	<b>\$ 8,962</b>	<b>\$ 80,784</b>	<b>\$ 486,365</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 322
Deposits payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322</b>
Deferred inflows: Grants	-	-	-	-	-
<b>Total liabilities and deferred inflows</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>322</b>
<b>Fund Balances:</b>					
Restricted	-	2,022,966	-	80,784	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	120,844	-	8,962	-	486,043
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>120,844</b>	<b>2,022,966</b>	<b>8,962</b>	<b>80,784</b>	<b>486,043</b>
<b>Total liabilities and fund balances</b>	<b>\$ 120,844</b>	<b>\$ 2,022,966</b>	<b>\$ 8,962</b>	<b>\$ 80,784</b>	<b>\$ 486,365</b>



Neighborhood Park Fees	BEGIN Grant	Program Income BEGIN	Measure H Income	State Gas Tax	Prop 1B	SLESF
\$ 2,438,106	\$ 328,365	\$ 33,724	\$ -	\$ 728,334	\$ 54	\$ -
-	-	-	-	-	-	-
-	-	-	481,514	-	-	-
1,538	207	21	(4)	459	-	-
-	-	-	-	-	-	-
-	652,480	-	-	-	-	-
-	-	-	-	348	-	-
135,478	-	-	-	-	-	-
<u>\$ 2,575,122</u>	<u>\$ 981,052</u>	<u>\$ 33,745</u>	<u>\$ 481,510</u>	<u>\$ 729,141</u>	<u>\$ 54</u>	<u>\$ -</u>
\$ 43,702	\$ -	\$ -	\$ 11,947	\$ 44,299	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	4,081	-	-	-
-	-	-	-	-	-	-
<u>43,702</u>	<u>-</u>	<u>-</u>	<u>16,028</u>	<u>44,299</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>652,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>43,702</u>	<u>652,480</u>	<u>-</u>	<u>16,028</u>	<u>44,299</u>	<u>-</u>	<u>-</u>
-	328,572	33,745	465,482	653,208	-	-
288,932	-	-	-	31,634	-	-
2,242,488	-	-	-	-	54	-
-	-	-	-	-	-	-
<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>\$ 2,575,122</u>	<u>\$ 981,052</u>	<u>\$ 33,745</u>	<u>\$ 481,510</u>	<u>\$ 729,141</u>	<u>\$ 54</u>	<u>\$ -</u>

(continued)

**City of Ceres, California**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds, Continued**  
**June 30, 2015**

	Abandoned Vehicle Abatement	Seized Property	Downtown Revitalization	Street Light- Landscape District	Traffic Offender
<b>ASSETS</b>					
Cash and investments	\$ 16,554	\$ 149,725	\$ 78,023	\$ 78,487	\$ -
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	10	94	49	49	-
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	-	-
Advances to other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 16,564</b>	<b>\$ 149,819</b>	<b>\$ 78,072</b>	<b>\$ 78,536</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 3,795	\$ 881	\$ 14,293	\$ 14,717
Deposits payable	-	-	-	-	-
Intergovernmental payable	-	142,061	-	-	-
Due to other funds	-	-	-	-	18,708
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>145,856</b>	<b>881</b>	<b>14,293</b>	<b>33,425</b>
Deferred inflows: Grants	-	-	-	-	-
<b>Total liabilities and deferred inflows</b>	<b>-</b>	<b>145,856</b>	<b>881</b>	<b>14,293</b>	<b>33,425</b>
<b>Fund Balances:</b>					
Restricted	-	-	-	64,243	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	16,564	3,963	77,191	-	-
Unassigned (deficit)	-	-	-	-	(33,425)
<b>Total fund balances</b>	<b>16,564</b>	<b>3,963</b>	<b>77,191</b>	<b>64,243</b>	<b>(33,425)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,564</b>	<b>\$ 149,819</b>	<b>\$ 78,072</b>	<b>\$ 78,536</b>	<b>\$ -</b>

Traffic Safety	Used Oil Grants	ARRA	Dept of Conservation Grant	CMAQ	Community Facilities District
\$ -	\$ 6,278	\$ 313	\$ 50,805	\$ -	\$ 155,739
-	-	-	-	-	-
-	-	-	-	-	-
-	28	-	32	-	98
-	-	-	-	477,241	-
-	-	-	-	-	-
29,356	-	-	12,476	-	-
-	-	-	-	-	-
<u>\$ 29,356</u>	<u>\$ 6,306</u>	<u>\$ 313</u>	<u>\$ 63,313</u>	<u>\$ 477,241</u>	<u>\$ 155,837</u>
\$ -	\$ 6,306	\$ -	\$ -	\$ 74,962	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
29,356	-	-	-	475,242	-
-	-	-	-	-	-
<u>29,356</u>	<u>6,306</u>	<u>-</u>	<u>-</u>	<u>550,204</u>	<u>-</u>
-	-	-	-	-	-
<u>29,356</u>	<u>6,306</u>	<u>-</u>	<u>-</u>	<u>550,204</u>	<u>-</u>
-	-	-	63,313	-	-
-	-	-	-	-	155,837
-	-	313	-	-	-
-	-	-	-	(72,963)	-
-	-	313	63,313	(72,963)	155,837
<u>\$ 29,356</u>	<u>\$ 6,306</u>	<u>\$ 313</u>	<u>\$ 63,313</u>	<u>\$ 477,241</u>	<u>\$ 155,837</u>

(continued)

**City of Ceres, California**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds, Continued**  
**June 30, 2015**

	Fire Hydrant Benefit District	Transportation Development Act	Community Center	LLEBG	Public Facilities Fees
<b>ASSETS</b>					
Cash and investments	\$ 123,636	\$ -	\$ -	\$ 41,916	\$ 3,206,571
Receivables:					
Accounts	-	631,167	-	-	-
Taxes	-	-	-	-	-
Interest	-	(95)	(565)	26	2,023
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	3,324	1	-
Advances to other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 123,636</b>	<b>\$ 631,072</b>	<b>\$ 2,759</b>	<b>\$ 41,943</b>	<b>\$ 3,208,594</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 44,507	\$ 16,293	\$ -	\$ -
Deposits payable	-	-	41,884	-	-
Intergovernmental payable	-	-	-	-	-
Due to other funds	-	136,946	894,071	-	-
Advances from other funds	-	-	-	-	135,478
<b>Total liabilities</b>	<b>-</b>	<b>181,453</b>	<b>952,248</b>	<b>-</b>	<b>135,478</b>
Deferred inflows: Grants	-	-	-	-	-
<b>Total liabilities and deferred inflows</b>	<b>-</b>	<b>181,453</b>	<b>952,248</b>	<b>-</b>	<b>135,478</b>
<b>Fund Balances:</b>					
Restricted	123,636	319,566	-	-	-
Committed	-	130,053	-	-	-
Assigned, reported in:					
Special revenue funds	-	-	-	41,943	3,073,116
Unassigned (deficit)	-	-	(949,489)	-	-
<b>Total fund balances</b>	<b>123,636</b>	<b>449,619</b>	<b>(949,489)</b>	<b>41,943</b>	<b>3,073,116</b>
<b>Total liabilities and fund balances</b>	<b>\$ 123,636</b>	<b>\$ 631,072</b>	<b>\$ 2,759</b>	<b>\$ 41,943</b>	<b>\$ 3,208,594</b>

Daniel Whitmore House	RiverBluff Regional Park	Ceres Community Foundation	2015 Public Safety Grants	Clinton Whitmore Mansion	Totals
\$ 27	\$ 3,025	\$ 101,486	\$ -	\$ -	\$ 10,249,403
-	-	-	-	-	631,167
-	-	-	-	-	481,514
-	-	65	-	(10)	5,734
-	-	-	-	-	477,241
-	-	-	-	-	652,480
-	-	-	25,091	1,500	82,073
-	-	-	-	-	135,478
<u>\$ 27</u>	<u>\$ 3,025</u>	<u>\$ 101,551</u>	<u>\$ 25,091</u>	<u>\$ 1,490</u>	<u>\$ 12,715,090</u>
\$ 154	\$ 521	\$ 959	\$ -	\$ 1,121	\$ 278,779
-	-	-	-	-	41,884
-	-	-	-	-	142,061
-	-	-	152,299	15,769	1,726,472
-	-	-	-	-	135,478
<u>154</u>	<u>521</u>	<u>959</u>	<u>152,299</u>	<u>16,890</u>	<u>2,324,674</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>652,480</u>
<u>154</u>	<u>521</u>	<u>959</u>	<u>152,299</u>	<u>16,890</u>	<u>2,977,154</u>
-	-	100,592	-	-	4,256,107
-	-	-	-	-	606,456
-	2,504	-	-	-	6,073,985
(127)	-	-	(127,208)	(15,400)	(1,198,612)
(127)	2,504	100,592	(127,208)	(15,400)	9,737,936
<u>\$ 27</u>	<u>\$ 3,025</u>	<u>\$ 101,551</u>	<u>\$ 25,091</u>	<u>\$ 1,490</u>	<u>\$ 12,715,090</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, 2015**

	Street Tree	Storm Drain Benefit Districts	Brown Annex	Eastgate Street Benefit District	AB 939
<b>REVENUES:</b>					
Property and other taxes	\$ -	\$ 22,860	\$ -	\$ 14,397	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	35,841
Use of money and property	309	4,720	22	178	1,105
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>309</b>	<b>27,580</b>	<b>22</b>	<b>14,575</b>	<b>36,946</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Engineering and Transportation	-	-	-	-	32,347
Public works	-	-	-	-	-
Community services	20,422	-	-	-	-
Economic development	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>20,422</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,347</b>
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	<b>(20,113)</b>	<b>27,580</b>	<b>22</b>	<b>14,575</b>	<b>4,599</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>					
	<b>(20,113)</b>	<b>27,580</b>	<b>22</b>	<b>14,575</b>	<b>4,599</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year	140,957	1,995,386	8,940	66,209	481,444
End of year	<u>\$ 120,844</u>	<u>\$ 2,022,966</u>	<u>\$ 8,962</u>	<u>\$ 80,784</u>	<u>\$ 486,043</u>

Neighborhood Park Fees	BEGIN Grant	Program Income BEGIN	Measure H	State Gas Tax	Prop 1B	SLESF
\$ -	\$ -	\$ -	\$ 2,554,376	\$ 1,300,541	\$ -	\$ -
-	-	-	-	-	-	-
175,805	-	-	-	-	-	-
-	340,580	-	-	-	-	106,230
6,201	463	78	1,135	2,064	-	-
-	-	-	13,704	4,231	-	-
<u>182,006</u>	<u>341,043</u>	<u>78</u>	<u>2,569,215</u>	<u>1,306,836</u>	<u>-</u>	<u>106,230</u>
94	-	-	-	-	-	-
-	-	-	3,200,540	-	-	106,230
-	-	-	-	1,016,352	-	-
-	-	-	-	11,323	-	-
-	-	-	-	-	-	-
-	262,481	-	-	-	-	-
493,133	-	-	38,805	390,986	-	-
-	-	-	-	-	-	-
-	-	-	-	118,979	-	-
<u>493,227</u>	<u>262,481</u>	<u>-</u>	<u>3,239,345</u>	<u>1,537,640</u>	<u>-</u>	<u>106,230</u>
<u>(311,221)</u>	<u>78,562</u>	<u>78</u>	<u>(670,130)</u>	<u>(230,804)</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(311,221)	78,562	78	(670,130)	(230,804)	-	-
<u>2,842,641</u>	<u>250,010</u>	<u>33,667</u>	<u>1,135,612</u>	<u>915,646</u>	<u>54</u>	<u>-</u>
<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>

(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, 2015**

	Abandoned Vehicle Abatement	Seized Property	Downtown Revitalization	Street Light- Landscape District	Traffic Offender
<b>REVENUES:</b>					
Property and other taxes	\$ -	\$ -	\$ -	\$ 388,660	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	14,373	-	58,460
Intergovernmental	44,357	6,423	-	-	44,753
Use of money and property	13	342	190	207	-
Other revenues	-	-	410	-	-
<b>Total revenues</b>	<b>44,370</b>	<b>6,765</b>	<b>14,973</b>	<b>388,867</b>	<b>103,213</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	29,867	24,350	-	-	133,647
Engineering and Transportation	-	-	-	246,084	-
Public works	-	-	-	-	-
Community services	-	-	-	223,166	-
Economic development	-	-	17,365	-	-
Capital outlay	-	-	-	-	-
Debt service:	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>29,867</b>	<b>24,350</b>	<b>17,365</b>	<b>469,250</b>	<b>133,647</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>14,503</b>	<b>(17,585)</b>	<b>(2,392)</b>	<b>(80,383)</b>	<b>(30,434)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>14,503</b>	<b>(17,585)</b>	<b>(2,392)</b>	<b>(80,383)</b>	<b>(30,434)</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year	2,061	21,548	79,583	144,626	(2,991)
End of year	\$ 16,564	\$ 3,963	\$ 77,191	\$ 64,243	\$ (33,425)



Traffic Safety	Used Oil Grants	ARRA	Dept of Conservation Grant	CMAQ	Community Facilities District
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533,468
101,454	-	-	-	-	-
-	-	-	-	-	-
-	13,012	-	12,475	1,404,200	-
-	87	-	124	-	1,515
-	-	-	-	-	-
101,454	13,099	-	12,599	1,404,200	534,983
-	-	-	-	-	-
101,454	-	-	-	-	-
-	15,029	-	2,623	99,021	-
-	-	-	-	-	6,191
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	852,586	-
-	-	-	-	-	-
-	-	-	-	-	-
101,454	15,029	-	2,623	951,607	6,191
-	(1,930)	-	9,976	452,593	528,792
-	-	-	-	-	-
-	(37,941)	-	-	-	(500,000)
-	(37,941)	-	-	-	(500,000)
-	(39,871)	-	9,976	452,593	28,792
-	39,871	313	53,337	(525,556)	127,045
\$ -	\$ -	\$ 313	\$ 63,313	\$ (72,963)	\$ 155,837

(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, 2015**

	Fire Hydrant Benefit District	Transportation Development Act	Community Center	LLEBG	Public Facilities Fees
<b>REVENUES:</b>					
Property and other taxes	\$ 7,801	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	124,690	-	130,760
Intergovernmental	-	631,167	-	24,834	-
Use of money and property	-	599	-	83	7,497
Other revenues	-	467	-	-	-
<b>Total revenues</b>	<b>7,801</b>	<b>632,233</b>	<b>124,690</b>	<b>24,917</b>	<b>138,257</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	5,458	-	-	-
Public safety	-	-	-	21,221	-
Engineering and Transportation	-	310,677	-	-	-
Public works	-	-	-	-	-
Community services	-	-	388,425	-	-
Economic development	-	-	-	-	-
Capital outlay	-	696,834	-	-	93,809
Debt service:					
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>1,012,969</b>	<b>388,425</b>	<b>21,221</b>	<b>93,809</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,801</b>	<b>(380,736)</b>	<b>(263,735)</b>	<b>3,696</b>	<b>44,448</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>7,801</b>	<b>(380,736)</b>	<b>(263,735)</b>	<b>3,696</b>	<b>44,448</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year	115,835	830,355	(685,754)	38,247	3,028,668
End of year	<u>\$ 123,636</u>	<u>\$ 449,619</u>	<u>\$ (949,489)</u>	<u>\$ 41,943</u>	<u>\$ 3,073,116</u>

Daniel Whitmore House	RiverBluff Regional Park	Ceres Community Foundation	2015 Public Safety Grants	Clinton Whitmore Mansion	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,822,103
-	-	-	-	-	101,454
-	-	-	-	-	504,088
-	-	-	94,362	-	2,758,234
-	-	240	-	-	27,172
-	1,509	1,578	-	4,700	26,599
-	1,509	1,818	94,362	4,700	8,239,650
-	-	1,061	-	-	6,613
-	-	-	221,700	-	3,839,009
-	-	-	-	-	1,722,133
-	11,604	-	-	-	29,118
6,869	-	200	-	7,360	646,442
-	-	-	-	-	279,846
-	-	-	-	-	2,566,153
-	-	-	-	-	118,979
6,869	11,604	1,261	221,700	7,360	9,208,293
(6,869)	(10,095)	557	(127,338)	(2,660)	(968,643)
6,869	-	-	-	-	6,869
-	-	-	-	-	(537,941)
6,869	-	-	-	-	(531,072)
-	(10,095)	557	(127,338)	(2,660)	(1,499,715)
(127)	12,599	100,035	130	(12,740)	11,237,651
<u>\$ (127)</u>	<u>\$ 2,504</u>	<u>\$ 100,592</u>	<u>\$ (127,208)</u>	<u>\$ (15,400)</u>	<u>\$ 9,737,936</u>

(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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 500	\$ 500	\$ 309	\$ (191)
<b>Total revenues</b>	<u>500</u>	<u>500</u>	<u>309</u>	<u>(191)</u>
<b>EXPENDITURES:</b>				
Current:				
Community services	38,762	38,762	20,422	18,340
<b>Total expenditures</b>	<u>38,762</u>	<u>38,762</u>	<u>20,422</u>	<u>18,340</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(38,262)</u>	<u>(38,262)</u>	<u>(20,113)</u>	<u>18,149</u>
<b>Net change in fund balances</b>	(38,262)	(38,262)	(20,113)	18,149
<b>FUND BALANCES:</b>				
Beginning of year	140,957	140,957	140,957	-
End of year	<u>\$ 102,695</u>	<u>\$ 102,695</u>	<u>\$ 120,844</u>	<u>\$ 18,149</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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 9,500	\$ 9,500	\$ 22,860	\$ 13,360
Use of money and property	5,560	5,560	4,720	(840)
<b>Total revenues</b>	<u>15,060</u>	<u>15,060</u>	<u>27,580</u>	<u>12,520</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>15,060</u>	<u>15,060</u>	<u>27,580</u>	<u>12,520</u>
<b>Net change in fund balances</b>	15,060	15,060	27,580	12,520
<b>FUND BALANCES:</b>				
Beginning of year	<u>1,995,386</u>	<u>1,995,386</u>	<u>1,995,386</u>	-
End of year	<u>\$ 2,010,446</u>	<u>\$ 2,010,446</u>	<u>\$ 2,022,966</u>	<u>\$ 12,520</u>

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 30	\$ 30	\$ 22	\$ (8)
<b>Total revenues</b>	<u>30</u>	<u>30</u>	<u>22</u>	<u>(8)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>30</u>	<u>30</u>	<u>22</u>	<u>(8)</u>
<b>Net change in fund balances</b>	30	30	22	(8)
<b>FUND BALANCES:</b>				
Beginning of year	8,940	8,940	8,940	-
End of year	<u>\$ 8,970</u>	<u>\$ 8,970</u>	<u>\$ 8,962</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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Property and other taxes	\$ 20,000	\$ 20,000	\$ 14,397	\$ (5,603)
Use of money and property	110	110	178	68
<b>Total revenues</b>	<b>20,110</b>	<b>20,110</b>	<b>14,575</b>	<b>(5,535)</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	33,000	33,000	-	33,000
<b>Total expenditures</b>	<b>33,000</b>	<b>33,000</b>	<b>-</b>	<b>33,000</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(12,890)</b>	<b>(12,890)</b>	<b>14,575</b>	<b>27,465</b>
<b>Net change in fund balances</b>	<b>(12,890)</b>	<b>(12,890)</b>	<b>14,575</b>	<b>27,465</b>
<b>FUND BALANCES:</b>				
Beginning of year	66,209	66,209	66,209	-
End of year	\$ 53,319	\$ 53,319	\$ 80,784	\$ 27,465

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 35,841	\$ (14,159)
Use of money and property	1,100	1,100	1,105	5
<b>Total revenues</b>	<b>51,100</b>	<b>51,100</b>	<b>36,946</b>	<b>(14,154)</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	32,095	32,095	32,347	(252)
<b>Total expenditures</b>	<b>32,095</b>	<b>32,095</b>	<b>32,347</b>	<b>(252)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>19,005</b>	<b>19,005</b>	<b>4,599</b>	<b>(14,406)</b>
<b>Net change in fund balances</b>	<b>19,005</b>	<b>19,005</b>	<b>4,599</b>	<b>(14,406)</b>
<b>FUND BALANCES:</b>				
Beginning of year	481,444	481,444	481,444	-
End of year	\$ 500,449	\$ 500,449	\$ 486,043	\$ (14,406)



**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 150,000	\$ 150,000	\$ 175,805	\$ 25,805
Use of money and property	7,500	7,500	6,201	(1,299)
<b>Total revenues</b>	<b>157,500</b>	<b>157,500</b>	<b>182,006</b>	<b>24,506</b>
<b>EXPENDITURES:</b>				
Current:				
General government	550	550	94	456
Public works	20,000	20,000	-	20,000
Community services	6,000	6,000	-	6,000
Capital outlay	1,719,359	1,719,359	493,133	1,226,226
<b>Total expenditures</b>	<b>1,745,909</b>	<b>1,745,909</b>	<b>493,227</b>	<b>1,252,682</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(1,588,409)</b>	<b>(1,588,409)</b>	<b>(311,221)</b>	<b>1,277,188</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
<b>Net change in fund balances</b>	<b>(1,588,409)</b>	<b>(1,588,409)</b>	<b>(311,221)</b>	<b>1,277,188</b>
<b>FUND BALANCES:</b>				
Beginning of year	2,842,641	2,842,641	2,842,641	-
End of year	\$ 1,254,232	\$ 1,254,232	\$ 2,531,420	\$ 1,277,188

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 689,000	\$ 689,000	\$ 340,580	\$ (348,420)
Use of money and property	100	100	463	363
<b>Total revenues</b>	<b>689,100</b>	<b>689,100</b>	<b>341,043</b>	<b>(348,057)</b>
<b>EXPENDITURES:</b>				
Current:				
Economic development	722,000	722,000	262,481	459,519
<b>Total expenditures</b>	<b>722,000</b>	<b>722,000</b>	<b>262,481</b>	<b>459,519</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(32,900)</b>	<b>(32,900)</b>	<b>78,562</b>	<b>111,462</b>
<b>Net change in fund balances</b>	<b>(32,900)</b>	<b>(32,900)</b>	<b>78,562</b>	<b>111,462</b>
<b>FUND BALANCES:</b>				
Beginning of year	250,010	250,010	250,010	-
End of year	\$ 217,110	\$ 217,110	\$ 328,572	\$ 111,462

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	78	78
<b>Total revenues</b>	-	-	78	78
<b>EXPENDITURES:</b>				
Current:				
Economic development	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	78	78
<b>Net change in fund balances</b>	-	-	78	78
<b>FUND BALANCES:</b>				
Beginning of year	-	-	33,667	33,667
End of year	\$ -	\$ -	\$ 33,745	\$ 33,745

# 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, 2015

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 2,552,063	\$ 2,552,063	\$ 2,554,376	\$ 2,313
Use of money and property	2,600	2,600	1,135	(1,465)
Other revenues	44,200	44,200	13,704	(30,496)
<b>Total revenues</b>	<b>2,598,863</b>	<b>2,598,863</b>	<b>2,569,215</b>	<b>(29,648)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	3,222,708	3,222,708	3,200,540	22,168
Capital outlay	52,145	52,145	38,805	13,340
<b>Total expenditures</b>	<b>3,274,853</b>	<b>3,274,853</b>	<b>3,239,345</b>	<b>35,508</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(675,990)</b>	<b>(675,990)</b>	<b>(670,130)</b>	<b>5,860</b>
<b>Net change in fund balances</b>	<b>(675,990)</b>	<b>(675,990)</b>	<b>(670,130)</b>	<b>5,860</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,135,612	1,135,612	1,135,612	-
End of year	\$ 459,622	\$ 459,622	\$ 465,482	\$ 5,860

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Property and other taxes	\$ 1,330,098	\$ 1,330,098	\$ 1,300,541	\$ (29,557)
Use of money and property	1,800	1,800	2,064	264
Other revenues	3,700	3,700	4,231	531
<b>Total revenues</b>	<b>1,335,598</b>	<b>1,335,598</b>	<b>1,306,836</b>	<b>(28,762)</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	1,219,112	1,219,112	1,016,352	202,760
Public works	18,150	18,150	11,323	6,827
Capital outlay	936,803	936,803	390,986	545,817
Debt service:				
Interest and fiscal charges	119,000	119,000	118,979	21
<b>Total expenditures</b>	<b>2,293,065</b>	<b>2,293,065</b>	<b>1,537,640</b>	<b>755,425</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(957,467)</b>	<b>(957,467)</b>	<b>(230,804)</b>	<b>726,663</b>
<b>Net change in fund balances</b>	<b>(957,467)</b>	<b>(957,467)</b>	<b>(230,804)</b>	<b>726,663</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	915,646	915,646	915,646	-
End of year	\$ (41,821)	\$ (41,821)	\$ 684,842	\$ 726,663

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	-
<b>FUND BALANCES:</b>				
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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 106,230	\$ 6,230
<b>Total revenues</b>	<u>100,000</u>	<u>100,000</u>	<u>106,230</u>	<u>6,230</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	100,000	100,000	106,230	(6,230)
<b>Total expenditures</b>	<u>100,000</u>	<u>100,000</u>	<u>106,230</u>	<u>(6,230)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	-	-	-	-
<b>FUND BALANCES:</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 44,357	\$ 4,357
Use of money and property	-	-	13	13
<b>Total revenues</b>	<b>40,000</b>	<b>40,000</b>	<b>44,370</b>	<b>4,370</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	42,729	42,729	29,867	12,862
<b>Total expenditures</b>	<b>42,729</b>	<b>42,729</b>	<b>29,867</b>	<b>12,862</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,729)</b>	<b>(2,729)</b>	<b>14,503</b>	<b>17,232</b>
<b>Net change in fund balances</b>	<b>(2,729)</b>	<b>(2,729)</b>	<b>14,503</b>	<b>17,232</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	2,061	2,061	2,061	-
End of year	\$ (668)	\$ (668)	\$ 16,564	\$ 17,232



**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 4,000	\$ 4,000	\$ 6,423	\$ 2,423
Use of money and property	400	400	342	(58)
<b>Total revenues</b>	<b>4,400</b>	<b>4,400</b>	<b>6,765</b>	<b>2,365</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	24,350	(24,350)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>24,350</b>	<b>(24,350)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>4,400</b>	<b>4,400</b>	<b>(17,585)</b>	<b>(21,985)</b>
<b>Net change in fund balances</b>	<b>4,400</b>	<b>4,400</b>	<b>(17,585)</b>	<b>(21,985)</b>
<b>FUND BALANCES:</b>				
Beginning of year	21,548	21,548	21,548	-
End of year	\$ 25,948	\$ 25,948	\$ 3,963	\$ (21,985)

# 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, 2015

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 16,000	\$ 16,000	\$ 14,373	\$ (1,627)
Use of money and property	250	250	190	(60)
Other revenues	-	-	410	410
<b>Total revenues</b>	<b>16,250</b>	<b>16,250</b>	<b>14,973</b>	<b>(1,277)</b>
<b>EXPENDITURES:</b>				
Current:				
Economic development	32,790	32,790	17,365	15,425
<b>Total expenditures</b>	<b>32,790</b>	<b>32,790</b>	<b>17,365</b>	<b>15,425</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(16,540)</b>	<b>(16,540)</b>	<b>(2,392)</b>	<b>14,148</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,000)	(2,000)	-	2,000
<b>Total other financing sources (uses)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>-</b>	<b>2,000</b>
<b>Net change in fund balances</b>	<b>(18,540)</b>	<b>(18,540)</b>	<b>(2,392)</b>	<b>16,148</b>
<b>FUND BALANCES:</b>				
Beginning of year	79,583	79,583	79,583	-
End of year	\$ 61,043	\$ 61,043	\$ 77,191	\$ 16,148

# 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, 2015

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Property and other taxes	\$ 396,680	\$ 396,680	\$ 388,660	\$ (8,020)
Use of money and property	150	150	207	57
<b>Total revenues</b>	<b>396,830</b>	<b>396,830</b>	<b>388,867</b>	<b>(7,963)</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	287,951	287,951	246,084	41,867
Community services	278,712	278,712	223,166	55,546
<b>Total expenditures</b>	<b>566,663</b>	<b>566,663</b>	<b>469,250</b>	<b>97,413</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(169,833)</b>	<b>(169,833)</b>	<b>(80,383)</b>	<b>89,450</b>
<b>Net change in fund balances</b>	<b>(169,833)</b>	<b>(169,833)</b>	<b>(80,383)</b>	<b>89,450</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	144,626	144,626	144,626	-
End of year	\$ (25,207)	\$ (25,207)	\$ 64,243	\$ 89,450

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 75,000	\$ 75,000	\$ 58,460	\$ (16,540)
Intergovernmental	96,596	96,596	44,753	(51,843)
<b>Total revenues</b>	<b>171,596</b>	<b>171,596</b>	<b>103,213</b>	<b>(68,383)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	220,983	220,983	133,647	87,336
<b>Total expenditures</b>	<b>220,983</b>	<b>220,983</b>	<b>133,647</b>	<b>87,336</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(49,387)</b>	<b>(49,387)</b>	<b>(30,434)</b>	<b>18,953</b>
<b>Net change in fund balances</b>	<b>(49,387)</b>	<b>(49,387)</b>	<b>(30,434)</b>	<b>18,953</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(2,991)	(2,991)	(2,991)	-
End of year	\$ (52,378)	\$ (52,378)	\$ (33,425)	\$ 18,953

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 150,000	\$ 150,000	\$ 101,454	\$ (48,546)
<b>Total revenues</b>	<u>150,000</u>	<u>150,000</u>	<u>101,454</u>	<u>(48,546)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	165,944	165,944	101,454	64,490
<b>Total expenditures</b>	<u>165,944</u>	<u>165,944</u>	<u>101,454</u>	<u>64,490</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15,944)</u>	<u>(15,944)</u>	<u>-</u>	<u>15,944</u>
<b>Net change in fund balances</b>	(15,944)	(15,944)	-	15,944
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	-	-	-	-
End of year	<u>\$ (15,944)</u>	<u>\$ (15,944)</u>	<u>\$ -</u>	<u>\$ 15,944</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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 13,012	\$ 12
Use of money and property	100	100	87	(13)
<b>Total revenues</b>	<b>13,100</b>	<b>13,100</b>	<b>13,099</b>	<b>(1)</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	17,035	17,035	15,029	2,006
<b>Total expenditures</b>	<b>17,035</b>	<b>17,035</b>	<b>15,029</b>	<b>2,006</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(3,935)</b>	<b>(3,935)</b>	<b>(1,930)</b>	<b>2,005</b>
<b>Net change in fund balances</b>	<b>(3,935)</b>	<b>(3,935)</b>	<b>(1,930)</b>	<b>2,005</b>
<b>FUND BALANCES:</b>				
Beginning of year	39,871	39,871	39,871	-
End of year	\$ 35,936	\$ 35,936	\$ 37,941	\$ 2,005

**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, 2015**

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

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 12,000	\$ 12,000	\$ 12,475	\$ 475
Use of money and property	120	120	124	4
<b>Total revenues</b>	<b>12,120</b>	<b>12,120</b>	<b>12,599</b>	<b>479</b>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	11,400	11,400	2,623	8,777
<b>Total expenditures</b>	<b>11,400</b>	<b>11,400</b>	<b>2,623</b>	<b>8,777</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>720</b>	<b>720</b>	<b>9,976</b>	<b>9,256</b>
<b>Net change in fund balances</b>	<b>720</b>	<b>720</b>	<b>9,976</b>	<b>9,256</b>
<b>FUND BALANCES:</b>				
Beginning of year	53,337	53,337	53,337	-
End of year	\$ 54,057	\$ 54,057	\$ 63,313	\$ 9,256



**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 3,390,755	\$ 3,390,755	\$ 1,404,200	\$ (1,986,555)
<b>Total revenues</b>	<u>3,390,755</u>	<u>3,390,755</u>	<u>1,404,200</u>	<u>(1,986,555)</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	40,000	40,000	99,021	(59,021)
Capital outlay	<u>4,851,831</u>	<u>4,851,831</u>	<u>852,586</u>	<u>3,999,245</u>
<b>Total expenditures</b>	<u>4,891,831</u>	<u>4,891,831</u>	<u>951,607</u>	<u>3,940,224</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,501,076)</u>	<u>(1,501,076)</u>	<u>452,593</u>	<u>1,953,669</u>
<b>Net change in fund balances</b>	(1,501,076)	(1,501,076)	452,593	1,953,669
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>(525,556)</u>	<u>(525,556)</u>	<u>(525,556)</u>	<u>-</u>
End of year	<u>\$ (2,026,632)</u>	<u>\$ (2,026,632)</u>	<u>\$ (72,963)</u>	<u>\$ 1,953,669</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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 520,000	\$ 520,000	\$ 533,468	\$ 13,468
Use of money and property	1,100	1,100	1,515	415
<b>Total revenues</b>	<b>521,100</b>	<b>521,100</b>	<b>534,983</b>	<b>13,883</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	6,191	(6,191)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>6,191</b>	<b>(6,191)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>521,100</b>	<b>521,100</b>	<b>528,792</b>	<b>7,692</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(500,000)	(500,000)	(500,000)	-
<b>Total other financing sources (uses)</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>21,100</b>	<b>21,100</b>	<b>28,792</b>	<b>7,692</b>
<b>FUND BALANCES:</b>				
Beginning of year	127,045	127,045	127,045	-
End of year	<u>\$ 148,145</u>	<u>\$ 148,145</u>	<u>\$ 155,837</u>	<u>\$ 7,692</u>

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ -	\$ -	\$ 7,801	\$ 7,801
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>7,801</u>	<u>7,801</u>
<b>EXPENDITURES:</b>				
Capital outlay	100,000	100,000	-	100,000
<b>Total expenditures</b>	<u>100,000</u>	<u>100,000</u>	<u>-</u>	<u>100,000</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(100,000)</u>	<u>(100,000)</u>	<u>7,801</u>	<u>107,801</u>
<b>Net change in fund balances</b>	(100,000)	(100,000)	7,801	107,801
<b>FUND BALANCES:</b>				
Beginning of year	115,835	115,835	115,835	-
End of year	<u>\$ 15,835</u>	<u>\$ 15,835</u>	<u>\$ 123,636</u>	<u>\$ 107,801</u>

# 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, 2015

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 596,021	\$ 596,021	\$ 631,167	\$ 35,146
Use of money and property	750	750	599	(151)
Other revenues	-	-	467	467
<b>Total revenues</b>	<u>596,771</u>	<u>596,771</u>	<u>632,233</u>	<u>35,462</u>
<b>EXPENDITURES:</b>				
Current:				
General government	5,350	5,350	5,458	(108)
Engineering and Transportation	331,459	331,459	310,677	20,782
Capital outlay	<u>1,320,260</u>	<u>1,320,260</u>	<u>696,834</u>	<u>623,426</u>
<b>Total expenditures</b>	<u>1,657,069</u>	<u>1,657,069</u>	<u>1,012,969</u>	<u>644,100</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,060,298)</u>	<u>(1,060,298)</u>	<u>(380,736)</u>	<u>679,562</u>
<b>Net change in fund balances</b>	(1,060,298)	(1,060,298)	(380,736)	679,562
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>830,355</u>	<u>830,355</u>	<u>830,355</u>	<u>-</u>
End of year	<u>\$ (229,943)</u>	<u>\$ (229,943)</u>	<u>\$ 449,619</u>	<u>\$ 679,562</u>

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 105,000	\$ 105,000	\$ 124,690	\$ 19,690
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>105,000</u>	<u>105,000</u>	<u>124,690</u>	<u>19,690</u>
<b>EXPENDITURES:</b>				
Current:				
Community services	<u>411,291</u>	<u>411,291</u>	<u>388,425</u>	<u>22,866</u>
<b>Total expenditures</b>	<u>411,291</u>	<u>411,291</u>	<u>388,425</u>	<u>22,866</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(306,291)</u>	<u>(306,291)</u>	<u>(263,735)</u>	<u>42,556</u>
<b>Net change in fund balances</b>	(306,291)	(306,291)	(263,735)	42,556
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>(685,754)</u>	<u>(685,754)</u>	<u>(685,754)</u>	<u>-</u>
End of year	<u>\$ (992,045)</u>	<u>\$ (992,045)</u>	<u>\$ (949,489)</u>	<u>\$ 42,556</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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 22,507	\$ 22,507	\$ 24,834	\$ 2,327
Use of money and property	120	120	83	(37)
<b>Total revenues</b>	<b>22,627</b>	<b>22,627</b>	<b>24,917</b>	<b>2,290</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	22,507	22,507	21,221	1,286
<b>Total expenditures</b>	<b>22,507</b>	<b>22,507</b>	<b>21,221</b>	<b>1,286</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>120</b>	<b>120</b>	<b>3,696</b>	<b>3,576</b>
<b>Net change in fund balances</b>	<b>120</b>	<b>120</b>	<b>3,696</b>	<b>3,576</b>
<b>FUND BALANCES:</b>				
Beginning of year	38,247	38,247	38,247	-
End of year	\$ 38,367	\$ 38,367	\$ 41,943	\$ 3,576

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 148,375	\$ 148,375	\$ 130,760	\$ (17,615)
Use of money and property	10,500	10,500	7,497	(3,003)
<b>Total revenues</b>	<b>158,875</b>	<b>158,875</b>	<b>138,257</b>	<b>(20,618)</b>
<b>EXPENDITURES:</b>				
Capital outlay	492,745	492,745	93,809	398,936
<b>Total expenditures</b>	<b>492,745</b>	<b>492,745</b>	<b>93,809</b>	<b>398,936</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(333,870)</b>	<b>(333,870)</b>	<b>44,448</b>	<b>378,318</b>
<b>Net change in fund balances</b>	<b>(333,870)</b>	<b>(333,870)</b>	<b>44,448</b>	<b>378,318</b>
<b>FUND BALANCES:</b>				
Beginning of year	3,028,668	3,028,668	3,028,668	-
End of year	<b>\$ 2,694,798</b>	<b>\$ 2,694,798</b>	<b>\$ 3,073,116</b>	<b>\$ 378,318</b>

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Current:				
Community services	8,680	8,680	6,869	1,811
<b>Total expenditures</b>	<u>8,680</u>	<u>8,680</u>	<u>6,869</u>	<u>1,811</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(8,680)</u>	<u>(8,680)</u>	<u>(6,869)</u>	<u>1,811</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	8,000	8,000	6,869	(1,131)
<b>Total other financing sources (uses)</b>	<u>8,000</u>	<u>8,000</u>	<u>6,869</u>	<u>(1,131)</u>
<b>Net change in fund balances</b>	<u>(680)</u>	<u>(680)</u>	<u>-</u>	<u>680</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(127)	(127)	(127)	-
End of year	<u>\$ (807)</u>	<u>\$ (807)</u>	<u>\$ (127)</u>	<u>\$ 680</u>



**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Other revenues	3,000	3,000	1,509	(1,491)
<b>Total revenues</b>	<b>3,000</b>	<b>3,000</b>	<b>1,509</b>	<b>(1,491)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	44,800	44,800	11,604	33,196
<b>Total expenditures</b>	<b>44,800</b>	<b>44,800</b>	<b>11,604</b>	<b>33,196</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(41,800)	(41,800)	(10,095)	31,705
<b>Net change in fund balances</b>	<b>(41,800)</b>	<b>(41,800)</b>	<b>(10,095)</b>	<b>31,705</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	12,599	12,599	12,599	-
End of year	\$ (29,201)	\$ (29,201)	\$ 2,504	\$ 31,705

**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, 2015**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 240	\$ 240
Other revenues	-	-	1,578	1,578
<b>Total revenues</b>	-	-	1,818	1,818
<b>EXPENDITURES:</b>				
Current:				
General government	6,095	6,095	1,061	5,034
Community services	-	-	200	(200)
<b>Total expenditures</b>	6,095	6,095	1,261	4,834
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(6,095)	(6,095)	557	6,652
<b>Net change in fund balances</b>	(6,095)	(6,095)	557	6,652
<b>FUND BALANCES:</b>				
Beginning of year	100,035	100,035	100,035	-
End of year	\$ 93,940	\$ 93,940	\$ 100,592	\$ 6,652

**City of Ceres, California**

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

**2015 Public Safety Grants Special Revenue Fund**

**For the year ended June 30, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 242,143	\$ 242,143	\$ 94,362	\$ (147,781)
<b>Total revenues</b>	<u>242,143</u>	<u>242,143</u>	<u>94,362</u>	<u>(147,781)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	286,309	286,309	221,700	64,609
<b>Total expenditures</b>	<u>286,309</u>	<u>286,309</u>	<u>221,700</u>	<u>64,609</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(44,166)</u>	<u>(44,166)</u>	<u>(127,338)</u>	<u>(83,172)</u>
<b>Net change in fund balances</b>	(44,166)	(44,166)	(127,338)	(83,172)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	130	130	130	-
End of year	<u>\$ (44,036)</u>	<u>\$ (44,036)</u>	<u>\$ (127,208)</u>	<u>\$ (83,172)</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, 2015**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other revenues	\$ 1,000	\$ 1,000	\$ 4,700	\$ 3,700
<b>Total revenues</b>	<u>1,000</u>	<u>1,000</u>	<u>4,700</u>	<u>3,700</u>
<b>EXPENDITURES:</b>				
Current:				
Community services	4,370	4,370	7,360	(2,990)
<b>Total expenditures</b>	<u>4,370</u>	<u>4,370</u>	<u>7,360</u>	<u>(2,990)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(3,370)</u>	<u>(3,370)</u>	<u>(2,660)</u>	<u>710</u>
<b>Net change in fund balances</b>	(3,370)	(3,370)	(2,660)	710
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(12,740)	(12,740)	(12,740)	-
End of year	<u>\$ (16,110)</u>	<u>\$ (16,110)</u>	<u>\$ (15,400)</u>	<u>\$ 710</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.

<b>Fund</b>	<b>Description</b>
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, 2015

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 1,488,026	\$ -	\$ 878,886	\$ 292,203	\$ 2,659,115
Interest receivable	-	(69)	554	-	485
<b>Total current assets</b>	<b>1,488,026</b>	<b>(69)</b>	<b>879,440</b>	<b>292,203</b>	<b>2,659,600</b>
<b>Noncurrent assets:</b>					
Machinery and equipment	4,721,049	141,985	-	210,399	5,073,433
Less accumulated depreciation	(3,638,544)	(56,764)	-	(53,167)	(3,748,475)
<b>Total noncurrent assets</b>	<b>1,082,505</b>	<b>85,221</b>	<b>-</b>	<b>157,232</b>	<b>1,324,958</b>
<b>Total assets</b>	<b>\$ 2,570,531</b>	<b>\$ 85,152</b>	<b>\$ 879,440</b>	<b>\$ 449,435</b>	<b>\$ 3,984,558</b>
<b>LIABILITIES AND NET POSITION</b>					
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 52,582	\$ 2,506	\$ 1,050	\$ 32,616	\$ 88,754
Due to other funds	-	109,728	-	-	109,728
<b>Total current liabilities</b>	<b>52,582</b>	<b>112,234</b>	<b>1,050</b>	<b>32,616</b>	<b>198,482</b>
<b>Noncurrent liabilities:</b>					
Compensated absences	61,834	-	-	52,796	114,630
Liability for claims	-	-	856,472	-	856,472
<b>Total noncurrent liabilities</b>	<b>61,834</b>	<b>-</b>	<b>856,472</b>	<b>52,796</b>	<b>971,102</b>
<b>Total liabilities</b>	<b>114,416</b>	<b>112,234</b>	<b>857,522</b>	<b>85,412</b>	<b>1,169,584</b>
<b>Net Position:</b>					
Net investment in capital assets	1,082,505	85,221	-	157,232	1,324,958
Unrestricted net position (deficit)	1,373,610	(112,303)	21,918	206,791	1,490,016
<b>Total net position</b>	<b>2,456,115</b>	<b>(27,082)</b>	<b>21,918</b>	<b>364,023</b>	<b>2,814,974</b>
<b>Total liabilities and net position</b>	<b>\$ 2,570,531</b>	<b>\$ 85,152</b>	<b>\$ 879,440</b>	<b>\$ 449,435</b>	<b>\$ 3,984,558</b>

# City of Ceres, California

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

Internal Service Funds

For the year ended June 30, 2015

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
<b>OPERATING REVENUES:</b>					
Interdepartmental charges	\$ 1,526,179	\$ 513,056	\$ 2,396,383	\$ 999,238	\$ 5,434,856
Other	-	972	204,878	-	205,850
<b>Total operating revenues</b>	<b>1,526,179</b>	<b>514,028</b>	<b>2,601,261</b>	<b>999,238</b>	<b>5,640,706</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	510,532	364,371	428,972	648,236	1,952,111
Contractual and other services	9,597	124,656	-	84,716	218,969
Materials and supplies	553,089	130,516	-	63,433	747,038
Depreciation	278,970	19,956	-	11,175	310,101
Other operating costs	124,565	33,178	2,027,474	108,543	2,293,760
<b>Total operating expenses</b>	<b>1,476,753</b>	<b>672,677</b>	<b>2,456,446</b>	<b>916,103</b>	<b>5,521,979</b>
<b>OPERATING INCOME (LOSS)</b>	<b>49,426</b>	<b>(158,649)</b>	<b>144,815</b>	<b>83,135</b>	<b>118,727</b>
<b>NONOPERATING REVENUE:</b>					
Gain on sale of assets	1,500	-	-	-	1,500
<b>Total non-operating revenue</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>
<b>NET INCOME (LOSS)</b>	<b>50,926</b>	<b>(158,649)</b>	<b>144,815</b>	<b>83,135</b>	<b>120,227</b>
<b>CHANGE IN NET POSITION</b>	<b>50,926</b>	<b>(158,649)</b>	<b>144,815</b>	<b>83,135</b>	<b>120,227</b>
<b>NET POSITION (DEFICIT):</b>					
Beginning of year	2,405,189	131,567	(122,897)	280,888	2,694,747
End of year	<u>\$ 2,456,115</u>	<u>\$ (27,082)</u>	<u>\$ 21,918</u>	<u>\$ 364,023</u>	<u>\$ 2,814,974</u>



**City of Ceres, California**  
**Combining Statement of Cash Flows**  
Internal Service Funds  
For the year ended June 30, 2015

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from other funds for services	\$ 1,526,179	\$ 513,056	\$ 2,396,383	\$ 999,238	\$ 5,434,856
Cash received from loss claim recoveries	-	-	204,878	-	204,878
Cash payments to suppliers for goods and services	(665,979)	(319,237)	(7,039)	(244,995)	(1,237,250)
Cash payments to employees for services	(515,227)	(364,371)	(428,972)	(650,795)	(1,959,365)
Cash payments for loss claims	-	-	(2,202,875)	-	(2,202,875)
<b>Net cash provided (used) by operating activities</b>	<b>344,973</b>	<b>(170,552)</b>	<b>(37,625)</b>	<b>103,448</b>	<b>240,244</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers received (paid)	-	109,728	-	-	109,728
<b>Net cash provided by noncapital financing activities</b>	<b>-</b>	<b>109,728</b>	<b>-</b>	<b>-</b>	<b>109,728</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	(188,968)	(79,327)	-	(29,109)	(297,404)
<b>Net cash (used) by capital and related financing activities</b>	<b>(188,968)</b>	<b>(79,327)</b>	<b>-</b>	<b>(29,109)</b>	<b>(297,404)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income received	-	132	(98)	-	34
<b>Net increase in cash and cash equivalents</b>	<b>156,005</b>	<b>(140,019)</b>	<b>(37,723)</b>	<b>74,339</b>	<b>52,602</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	1,332,021	140,019	916,609	217,864	2,606,513
End of year	\$ 1,488,026	\$ -	\$ 878,886	\$ 292,203	\$ 2,659,115
<b>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:</b>					
Income (loss) from operations	\$ 49,426	\$ (158,649)	\$ 144,815	\$ 83,135	\$ 118,727
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:					
Depreciation	278,970	19,956	-	11,175	310,101
(Increase) decrease in current assets:					
Accounts receivable	-	-	-	-	-
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	21,272	(31,859)	(7,039)	11,697	(5,929)
Compensated absences	(4,695)	-	-	(2,559)	(7,254)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 344,973</b>	<b>\$ (170,552)</b>	<b>\$ (37,625)</b>	<b>\$ 103,448</b>	<b>\$ 240,244</b>

## TRUST AND AGENCY FUNDS

Fund	Description
<b>Private Purpose Trust Funds</b>	
<b>Former Ceres Redevelopment Agency</b>	
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.
<b>Former Stanislaus-Ceres Redevelopment Commission</b>	
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.
<b>Agency Funds</b>	
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, 2015

	Former Ceres Redevelopment Agency Successor Agency		Former Stanislaus - Ceres Redevelopment Commission Successor Agency		Totals
	Non-Housing	Housing	Non-Housing	Housing	2015
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Current assets:					
Cash and investments	\$ 2,058,529	\$ 51,378	\$ 5,190	\$ -	\$ 2,115,097
Cash and investments with trustee/fiscal agent	15,424,192	22,215	115,100	-	15,561,507
Interest receivable	1,489	-	147	-	1,636
Due from other funds	-	-	-	-	-
Total current assets	<u>17,484,210</u>	<u>73,593</u>	<u>120,437</u>	<u>-</u>	<u>17,678,240</u>
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	3,580,449	-	-	-	3,580,449
Total Non-current assets	<u>3,580,449</u>	<u>4,284,579</u>	<u>-</u>	<u>192,522</u>	<u>8,057,550</u>
<b>Total assets</b>	<u>21,064,659</u>	<u>4,358,172</u>	<u>120,437</u>	<u>192,522</u>	<u>25,735,790</u>
Deferred outflows: Pension plan	20,933	-	12,255	-	33,188
<b>Total assets and deferred outflows</b>	<u>\$ 21,085,592</u>	<u>\$ 4,358,172</u>	<u>\$ 132,692</u>	<u>\$ 192,522</u>	<u>25,768,978</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 1,554,928	\$ -	\$ 3,178	\$ -	\$ 1,558,106
Due to other funds	-	-	-	-	-
Interest payable	340,315	8,591	516,663	-	865,569
Due to others	27,603	-	3,357	-	30,960
Current portion of long term debt	851,300	48,047	40,000	-	939,347
Total current liabilities	<u>2,774,146</u>	<u>56,638</u>	<u>563,198</u>	<u>-</u>	<u>3,393,982</u>
Long-term liabilities:					
Advances from Stanislaus County	-	-	266,702	-	266,702
Advances from City of Ceres General Fund	475,310	-	19,966	-	495,276
Advances from other funds	1,826,680	-	-	-	1,826,680
Due after one year	36,490,726	1,051,469	1,035,000	-	38,577,195
Net pension obligation	84,908	-	49,088	-	133,996
Total long-term liabilities	<u>38,877,624</u>	<u>1,051,469</u>	<u>1,370,756</u>	<u>-</u>	<u>41,299,849</u>
<b>Total liabilities</b>	<u>41,651,770</u>	<u>1,108,107</u>	<u>1,933,954</u>	<u>-</u>	<u>44,693,831</u>
Deferred inflows: Pension plan	45,539	-	26,327	-	71,866
<b>Total liabilities and deferred inflows</b>	<u>41,697,309</u>	<u>1,108,107</u>	<u>1,960,281</u>	<u>-</u>	<u>44,765,697</u>
<b>Net Position (Deficit):</b>					
Net position held in trust for Redevelopment Dissolution	(20,611,717)	3,250,065	(1,827,589)	192,522	(18,996,719)
<b>Total liabilities, deferred inflows, and net position</b>	<u>\$ 21,085,592</u>	<u>\$ 4,358,172</u>	<u>\$ 132,692</u>	<u>\$ 192,522</u>	<u>\$ 25,768,978</u>

**City of Ceres, California**

**Combining Statement of Changes in Fiduciary Net Position**

Private Purpose Trust Funds

For the year ended June 30, 2015

	Former Ceres Redevelopment Agency Successor Agency		Former Stanislaus - Ceres Redevelopment Commission Successor Agency		Totals
	Non-Housing	Housing	Non-Housing	Housing	2015
<b>ADDITIONS:</b>					
Property taxes	\$ 3,590,686	\$ -	\$ 388,695	\$ -	\$ 3,979,381
Investment earnings	4,615	14,672	89	-	19,376
Gain on debt refunding	1,413,716	-	-	-	1,413,716
Transfers in	3,177,529	-	-	-	3,177,529
<b>Total additions</b>	<b>8,186,546</b>	<b>14,672</b>	<b>388,784</b>	<b>-</b>	<b>8,590,002</b>
<b>DEDUCTIONS:</b>					
General and administrative	394,609	-	1,776	-	396,385
Salaries and benefits	147,844	-	300,804	-	448,648
Contractual and other services	50,246	-	32,238	-	82,484
Materials and supplies	47,865	-	1,902	-	49,767
Economic development	478,650	-	-	-	478,650
Interest and debt service expenses	1,284,494	(162,215)	35,770	-	1,158,049
Amortization	38,700	5,859	-	-	44,559
Transfer out	-	3,177,529	-	-	3,177,529
<b>Total deductions</b>	<b>2,442,408</b>	<b>3,021,173</b>	<b>372,490</b>	<b>-</b>	<b>5,836,071</b>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	<b>5,744,138</b>	<b>(3,006,501)</b>	<b>16,294</b>	<b>-</b>	<b>2,753,931</b>
<b>NET POSITION (DEFICIT):</b>					
Beginning of year	(26,228,734)	6,256,566	(1,770,391)	192,522	(21,550,037)
Adjustments	(127,121)	-	(73,492)	-	(200,613)
Beginning of the year, as adjusted	(26,355,855)	6,256,566	(1,843,883)	192,522	(21,750,650)
End of year	\$ (20,611,717)	\$ 3,250,065	\$ (1,827,589)	\$ 192,522	\$ (18,996,719)

**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, 2015**

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
<b>ASSETS</b>				
Cash and investments	\$ 400,682	\$ 508,738	\$ (400,682)	\$ 508,738
Cash and investments held by fiscal agent	289,955	289,955	(289,955)	289,955
Receivables:				
Interest	314	505	(314)	505
Other	354,877	355,170	(354,877)	355,170
<b>Total assets</b>	<u>\$ 1,045,828</u>	<u>\$ 1,154,368</u>	<u>\$ (1,045,828)</u>	<u>\$ 1,154,368</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 74	\$ 42	\$ (74)	\$ 42
Due to (from) others	1,045,754	1,154,326	(1,045,754)	1,154,326
<b>Total liabilities</b>	<u>\$ 1,045,828</u>	<u>\$ 1,154,368</u>	<u>\$ (1,045,828)</u>	<u>\$ 1,154,368</u>

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