### SPECIAL MEETING AGENDA

The City Council/Successor Agency of the City of Firebaugh Vol. No.19/02-19

**Location of Meeting:** 

**Andrew Firebaugh Community Center** 

1655 13th Street, Firebaugh, CA 93622

February 19, 2019/6:00 p.m.

**CALL TO ORDER** 

**ROLL CALL** 

Date/Time:

Mayor Marcia Sablan

Mayor Pro Tem Elsa Lopez Council Member Freddy Valdez Council Member Brady Jenkins Council Member Felipe Pérez

In compliance with the Americans with Disabilities Act, if you need special assistance to access the Andrew Firebaugh Community Center to participate at this meeting, please contact the Deputy City Clerk at (559) 659-2043. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to the Andrew Firebaugh Community Center.

Any writing or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at City Hall, in the Deputy City Clerk's office, during normal business hours.

#### PLEDGE OF ALLEGIANCE

#### **PUBLIC COMMENT**

#### **CONSENT CALENDAR**

Items listed on the calendar are considered routine and are acted upon by one motion unless any Council member requests separate action. Typical items include minutes, claims, adoption of ordinances previously introduced and discussed, execution of agreements and other similar items.

- 1. APPROVAL OF MINUTES The City Council Regular Meeting on February 4, 2019.
- WARRANT REGISTER Period starting December 1, and ending on January 31, 2019.

January 2019

General Warrants
Payroll Warrants

#37708 - #37828

490,130.90

TOTAL

#70435 - #70580

314,024.72

\$ 804,155.62

#### **PUBLIC HEARING**

3. ORDINANCE NO. 19-01 - AN ORDINANCE OF THE CITY OF FIREBAUGH, COUNTY OF FRESNO, STATE OF CALIFORNIA, AMENDING ORDINANCE NO. 359, OF THE CITY OF FIREBAUGH, RELATING TO THE CLASSIFICATION OF THE ZONE OF PARTICULAR PARCELS OF REAL PROPERTY – SECOND READING.

Recommended Action: - Council receives public comment and approves of Ord. 19-01.

#### **NEW BUSINESS**

4. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS AND CONSIDER THE REQUEST FOR USE OF ANDREW FIREBAUGH COMMUNITY CENTER AND RODEO GROUNDS BY RIVER PARKWAY TRUST FOR CAMPING EVENT, AND WAIVER OF RENTAL FEES.

Recommended Action:

Council receives public comment & takes action.

5. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS AND CONSIDER RENEWING CONSULTING CONTRACT WITH CLAUDIA SOLIS-ALCALA FOR SOCIAL MEDIA AND MANAGEMENT SERVICES.

**Recommended Action:** 

Council receives public comment & gives staff direction.

6. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS AND REVIEW CITY'S WATER SCHEDULE – WATER CONSERVATION.

**Recommended Action:** 

Council receives public comment & gives staff direction.

7. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS AND REVIEW THE ANNUAL INDEPENDENT AUDITOR'S REPORT FOR THE PERIOD ENDING JUNE 30, 2018.

**Recommended Action:** 

Informational Item only.

8. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS AND CONSIDER COMMUNITY GARDEN FENCE AND AUTHORIZING THE CITY MANAGER TO ENTER INTO AGREEMENTS WITH A CONTRACTOR AND THE HEALTH COUNCIL.

Recommended Action:

Informational Item only.

**STAFF REPORTS** 

PUBLIC COMMENT ON CLOSED SESSION ITEM ONLY

**CLOSED SESSION** 

ANNOUNCEMENT AFTER CLOSED SESSION

**ADJOURNMENT** 

Certification of posting the Agenda

I declare under penalty of perjury that I am employed by the City of Firebaugh and that I posted this agenda on the bulletin boards at City Hall, February 14, 2019 at 5:00 p.m. by Rita Lozano Deputy City Clerk.

#### **MEETING MINUTES**

The City Council/Successor Agency of the City of Firebaugh Vol. No. 19/02-04

Location of Meeting:

**Andrew Firebaugh Community Center** 

1655 13th Street, Firebaugh, CA 93622

Date/Time:

February 4, 2019/6:00 p.m.

**CALL TO ORDER** 

Meeting called to order by Mayor Sablan at 6:00 p.m.

ROLL CALL PRESENT:

Mayor Marcia Sablan Mayor Pro Tem Elsa Lopez Council Member Freddy Valdez Council Member Brady Jenkins Council Member Felipe Perez

ABSENT:

OTHERS:

City Attorney J. Sanchez; City Manager/Acting Public Works Director, Ben Gallegos; Deputy City Clerk, Rita Lozano; Finance Director, Pio Martin; Police Chief, Sal Raygoza; Fire Chief, John Borboa, City Engineer Mario Gouveia, City Planner Karl Schoettler, Wanda Breshears, & others.

PLEDGE OF ALLEGIANCE:

Council Member Valdez led pledge of Allegiance.

Motion to approve agenda by Council Member Valdez, second by Council Member Jenkins; motion pass by unanimous 5-0 vote.

PUBLIC COMMENT: None

**CONSENT CALENDAR:** 

#### 1. APPROVAL OF MINUTES - The City Council Special meeting on January 22, 2019.

Motion to accept minutes by Council Member Jenkins, second by Council Member Perez; motion pass by unanimous 5-0 vote.

#### **PUBLIC HEARING**

Public Hearing Opened at 6:14 pm — Developer Tommy Phelen stated concerns about Diaz Street requirements, it would be too costly to pave at this time because Caltrans would also require two turning lanes one to the left and a right turning lane. Does the City really see the need for Diaz Street with Lyon currently there already? City Planner Schoettler advised that Diaz Street is a collector street for future subdivision traffic and has been part of the General Plan for several years prior. Developer Phelen informed the community that if he would not be required to add turning lanes by Caltrans if City doesn't require him to install Diaz, not to mention Caltrans is also requiring the developer to donate land for his proposed project for future street widening to turn the current two lane highway to a future four lane highway, which will also include a medium aside from the two turning lanes to the left & right. — Public Hearing Closed at 6:44 pm.

### 2. RESOLUTION NO. 19-08 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING GENERAL PLAN AMENDMENT 2018-01 (CEN CAL BUILDERS).

#### Motion to approve Res. No. 19-08 with added language:

"5. This General Plan Amendment is conditioned upon the Developer dedicating land for half of the Diaz street right of way and Highway 33 widening and deferring payment equal to construction costs for half the Diaz street improvement to a later date set by the City." by Council Member Valdez, second by Council Member Lopez; motion pass by unanimous 5-0 vote.

3. ORDINANCE NO. 19-01 - AN ORDINANCE OF THE CITY OF FIREBAUGH, COUNTY OF FRESNO, STATE OF CALIFORNIA, AMENDING ORDINANCE NO. 359, OF THE CITY OF FIREBAUGH, RELATING TO THE CLASSIFICATION OF THE ZONE OF PARTICULAR PARCELS OF REAL PROPERTY – FIRST READING.

Motion to waive the first reading of Ord. No. 19-01 with added language:

"SECTION 2. This Ordinance is conditioned upon Developer dedicating land for half of the Diaz street right of way and Highway 33 widening and deferring payment equal to construction costs for half the Diaz street improvement to a later date set by the City." by Council Member Lopez, second by Council Member Perez; motion pass by unanimous 5-0 vote.

4. RESOLUTION NO. 19-09 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING TENTATIVE SUBDIVISION MAP 2018-01 (CEN CAL BUILDERS (DEL RIO PLACE)).

Motion to approve Res. No. 19-09 with added language: Street Condition #22.

"Construct a second ingress/egress for the proposed subdivision connecting to the required Diaz Street improvements. Subdivider shall dedicate land for half of the Diaz street right of way and Highway 33 widening and defer payment equal to construction costs for half the Diaz street improvement to a later date set by the City." by Council Member Valdez, second by Council Member Jenkins; motion pass by unanimous 5-0 vote.

5. RESOLUTION NO. 19-10 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH ADOPTING A MITIGATED NEGATIVE DECLARATION FOR THE CEN CAL BUILDERS PROJECT (DEL RIO PLACE).

Motion to approve Res. No. 19-10 with added language:

"4. Transportation/Traffic

b. The project shall dedicate land for half of the Diaz street right of way and Highway 33 widening and shall defer payment equal to construction costs for half the Diaz street improvement to a later date set by the City." by Council Member Lopez, second by Council Member Perez; motion pass by unanimous 5-0 vote.

#### **NEW BUSINESS**

6. RESOLUTION NO. 19-11 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH FOR THE ACCEPTANCE OF Q STREET ROADWAY IMPROVEMENTS, AUTHORIZING THE CITY CLERK TO RECORD A NOTICE OF COMPLETION WITH FRESNO COUNTY AND AUTHORIZING THE CITY TO MAKE FINAL PAYMENT OF RETENTION MONIES TO AJ EXCAVATION, INC.

Motion to accept Res. No. 19-11 by Council Member Valdez, second by Council Member Perez; motion pass by unanimous 5-0 vote.

7. THE CITY COUNCIL OF THE CITY OF FIREBAUGH TO DISCUSS AND CONSIDER CLOSURE OF THE AIRPORT ON FEBRUARY 22<sup>ND</sup> & FEBRUARY 24<sup>TH</sup>.

All Council Members voted in favor & agreement of closing airport for the requested days by unanimous vote.

8. RESOLUTION NO. 19-12 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FIREBAUGH APPROVING AMENDMENT TO EMPLOYMENT AGREEMENT FOR BENJAMIN GALLEGOS TO EXTEND TERM OF EMPLOYMENT.

Motion to accept Res. No. 19-12 with two year extension to Nov. 6, 2022, by Council Member Valdez, second by Council Member Jenkins; motion pass by unanimous 5-0 vote.

#### **STAFF REPORTS**

Police Chief Sal Raygoza — Will do a walk through tomorrow of the courthouse, transferred water, PG&E and other services to the City of Firebaugh. Staffing has been hard with many staff members attending training and being sick.

- Fire Chief, John Borboa Nothing to report.
- Eity Manager Ben Gallegos Attended airport commission meeting & they stated Karl had the best report they ever read & they will support anything that Firebaugh is planning on doing. Will have a joint meeting with the School District March 11, 2019 @ 6:00 pm, City will host it at the community center. Deputy Clerk Lozano advised the Planning Commission meeting is March 11<sup>th</sup> at that time. City Planner Schoettler stated there aren't any items for a March meeting. Toma-Tek has new management and would like to meet with City Reps at Toma-Tek the 21<sup>st</sup> at 1:00 pm, will need to verify if they mean February or March? Will be meeting with the future owner of the San Joaquin Villas tomorrow to see if the project will get completed.
- <u>City Attorney James Sanchez</u> Working on the cannabis ordinance to amendment it, but an amendment will also be required to change the General Plan, so it will go before Planning Commission for approval prior to being presented to City Council.
- Finance Director, Pio Martin Hopefully the audit will be presented Feb. 19<sup>th</sup> meeting, AT&T to install new lines & change service on Friday.
- <u>City Engineer, Mario Gouveia</u> Nothing to report.
- ▶ <u>Deputy City Clerk, Rita Lozano</u> Asked for items for joint meeting with the school board. Council provided the following: Shared Park & rec space, joint use of the greenspace, Impact fees, pesticide policy, consider holding regular joint meetings between the city and school.
- <u>Council Member Lopez</u> Would like to discuss and consider changing the water scheduled, request a copy of Fresno's water schedule for review.
- Council Member Sablan Inquired about the status of the smoking ordinance. Police Chief Raygoza is working on it and will submit to City Attorney for review.

#### PUBLIC COMMENT ON CLOSED SESSION ITEM ONLY

#### **CLOSED SESSION**

#### 9. Government Code Section 54957

PUBLIC EMPLOYEE EVALUATION: City Manager.

**ANNOUNCEMENT:** 

No need for closed session.

#### ADJOURNMENT

Motion adjourn by Council Member Jenkins, second by Council Member Perez; motion pass by unanimous 5-0 vote at 7:17 p.m.



# <u>REPORT TO CITY COUNCIL</u> MEMORANDUM

COUNCIL MEETING DATE: February 19, 2019

SUBJECT: Warrant Register Dated: January 1, 2019 - January 31, 2019

#### **RECOMMENDATION:**

In accordance with Section 37202 of the Government Code of the State of California there is presented here with a summary of the demands against the City of Firebaugh covering obligations to be paid during the period of:

JANUARY 1, 2019 – JANUARY 31, 2019

Each demand has been audited and I hereby certify to their accuracy and that there are sufficient funds for their payment as of this date.

### IT IS HEREBY RECOMMENDED THE CITY COUNCIL APPROVE THE REGISTER OF DEMANDS AS FOLLOWS:

GENERAL WARRANTS	# 37708 — #3	37828 <u>\$</u>	490,130.90
PAYROLL WARRANTS	# 70435 – #	70580 \$	314,024.72

TOTAL WARRANTS..... \$ 804,155.62

Check Number 37508	<u>Check</u> <u>Date</u> 1/18/2019	Name BECS PACIFIC LTD	\$	Net Amount (45.00)	<u>Description</u> Ck# 037508 Reversed
37708	1/2/2019	CITY OF FIREBAUGH	\$	37,026.53	MONTH END CHECKS FOR PR
37709	1/3/2019	U.S. POSTMASTER	\$	723.33	UTILITY BILLING JANUARY 2019
37710	1/4/2019	ALA	\$	76.20	5 CALENDARS/77 LISTINGS
37711	1/4/2019	ALERT-O-LITE, INC.	\$	544.49	DIAMOND BLADE
37712	1/4/2019	AT&T	\$	272.67	ALL DEPTS TELEPHONE
37713	1/4/2019	JOHN BORBOA	\$	151.97	REFUND OFFICE DEPOT
37714	1/4/2019	FERNANDO CAMPA	\$	250.00	HEALTH INSURANCE STIPEND
37715	1/4/2019	CASCADE FIRE EQUIPMENT (	\$	93.25	FD-HOSE
37716	1/4/2019	CVR & ASSOCIATES, INC.	\$	2,049.61	BLDG & INSPECTION
37717	1/4/2019	EPPLER TOWING & RECOVER	\$	375.00	PW-TOWING FREIGHTLINER ST
37718	1/4/2019	EPPLER TRUCK SALES	\$	1,134.94	DUMP TRUCK REPAIR
37719	1/4/2019	FIREBAUGH HARDWARE CON	\$ \$		COMMUNITY CTR-SHEETROCK SENIOR CENTER KEY
		Check Total:	_	55.54	SERVICE CERTIFICATE
37720	1/4/2019	GOLDEN ONE CREDIT UNION	\$	1,666.66	J.BORBOA MONTHLY STIPEND
37721	1/4/2019	GOODALL TRUCKING, INC.	\$	1,638.52	BASE ROCK/COLDMIX
37722	1/4/2019	GRAINGER, INC.	\$	529.57	MALDONADO PARK-FAUCET
37723	1/4/2019	HOBBYTOWN USA	\$	2,134.33	TAC TRAINING EQUIPMENT
37724	1/4/2019	KER WEST, INC. DBA	\$ \$		CDBG-SPANISH ADVERTISEMENT CDBG APPLICATION ADVERTISE
		Check Total:		440.00	CDBG ANTERCATION AND VERTISE
37725	1/4/2019	RODDY A. LAKE	\$	250.97	POLICE HEALTH INS
37726	1/4/2019	SANDRA J. MARQUEZ	\$	250.00	HEALTH INSURANCE STIPEND
37727	1/4/2019	MID-VALLEY DISPOSAL		28,500.89	DISPOSAL SERVICE JANUARY

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<u>Check</u> Number 37728	<u>Check</u> <u>Date</u> Name 1/4/2019 RICARDO MONAY	\$ Net Amount 250.00	Description HEALTH INSURANCE STIPEND
37729	1/4/2019 NORTHSTAR CHEMICAL	\$ 1,684.09	WATER PLANT -FERRIC CHLORIC
37730	1/4/2019 PITNEY BOWES #8000-9090-	\$ 520.99	POSTAGE MACHINE 12/4/18
37731	1/4/2019 QUILL CORPORATION	\$ 454.37	OFFICE SUPPLIES CITY HALL
37732	1/4/2019 GRACIELA V. RODRIGUEZ	\$ 250.00	HEALTH INSURANCE STIPEND
37733	1/4/2019 SCBA SALES & RENTALS	\$ 168.80	FD-GASKETS/HUD BOOT COVER
37734	1/4/2019 SOLORIO TAYLOR TRANSLAT	\$ 115.00	TRANSLATION PUBLIC NOTICE
37735	1/4/2019 SWRCB ACCOUNTING OFFICE	\$ 3,184.00	WATER SYSTEM FEES
37736	1/4/2019 TECH MASTER MANAGEMEN	\$ 40.00	POLICE DEPARTMENT
37737	1/4/2019 TPX COMMUNICATIONS	\$ 1,617.08	ALL DEPTS TELEPHONE/INTER
37738	1/4/2019 THARP'S FARM SUPPLY	\$ 23.81	BARRACADES-NUT/PLATED CAR
		\$ 25.32	VAC TRUCK-HAND SANITIZER
		\$ 28.98	MALE POPPET TIP/RECTORSEA
		\$ 25.62	XMAS ORNAMENTS-CONNECTOR
		\$ 8.04	XMAS ORNAMENTS-CONNECTOR
		\$ 16.74	PD#4-HOOK LOOP
		\$ 41.72	POLYESTER YELLOW RAINSUIT
		\$ 46.69	PW-TRAILER BALL/DROP MOUNT
		\$ 3.43	COMMUNITY CTR-TEFLON TAPE
		\$ 42.53	PW#23-REDUCR ADAPTOR
		\$ 26.48	1207 N ST-CAP SCREW/NUT/L
		\$ 17.17	OUTLET STRIP-XMAS TREE
		\$ 25.91	MARKING FLAGS-FLAG WHITE
		\$ 60.15	PW#35-AIR FILTER/BULB
		\$	TRUCK#5-TRAILER BALL
		\$	1225 12TH- CAP SCREW/STAIN
		\$	ELECTRIC TESTER-AA BATTERY
		\$	PD#5-FLAT STOCK
		\$	COMMUNITY CENTER-KEYS
		\$	FLOOD LAMP BULB-MURAL
		\$	WWTP-WEB DUSTER
		\$	FD-BRUSH/PAPER ROLL
		\$	SITE#2-BUSH/NIPPLE/ADAPTER
		\$	BACKFLOWS-TAPE
		\$ 6.42	FD-GORILLA GLUE

Check	Check		<u>Net</u>	
Number	<u>Name</u>		Amount	Description
37738	1/4/2019 THARP'S FARM SUPPLY	\$		PW#15-CAP SCREW/LOCK/FLAT
		\$		CITY HALL BOLT FOR WALL
		\$		COMMUNITY CENTER-STUD
		\$		SENIOR CENTER-CURTIS KEYS
		\$		MALDONADO RESTROOMS-TOWEL
		\$ \$		PD-GORILLA TAPE WATER SITES-BULB/GAL NIPPLE
		\$		TRUCK#38-HOSE SPLICER
		\$		PW329-SPLIT LOOM
		\$		MASTER LOCKS/WINDEX CLEAN
		\$		WWTP-BOLTS/LOCK NUT/WASHER
		\$		SPRAY RIG-LINK
		\$	29.73	VALVE-GALOONS
		\$	34.98	PD#4-FUSE BLOCK/RINGS
	Check Total:	\$	868.46	
37739	1/4/2019 THOMASON TRACTOR COMP.	Φ	2.07	CHAIN SAW-FILTER
31139	1/4/2019 THOMASON TRACTOR COMP.	Þ	2.97	CHAIN SAW-FILTER
37740	1/4/2019 U.S. BANK EQUIPMENT FINAL	\$	140.39	RNT/LEASE EQUIP 12/20/18
37741	1/4/2019 U.S. POSTMASTER	\$	225.00	PRESORT PERMIT FEE
37742	1/4/2019 DATAPATH	\$	992.50	MONTHLY BILLING FOR JAN.2019
37743	1/4/2019 WITMER PUBLIC SAFETY GRO	\$	79.95	FD-LINED AIRMASK BAG
37744	1/4/2019 WOLFE COMMUNICATIONS	\$	978.47	FD-PAGER DESKTOP CHARGER
37745	1/4/2019 JOSE GUZMAN	\$	2.14	MQ CUSTOMER REFUND
37746	1/4/2019 MICHAEL J. PEREZ	\$	78.04	MQ CUSTOMER REFUND
37747	1/9/2019 U.S. POSTMASTER	\$	1,296.76	PROP 218 WATER & SEWER IN
37748	1/11/2019 AA.J EXCAVATION INC.	\$	500.00	WATER METER DEPOSIT REFUND
37749	1/11/2019 ADAMS ASHBY GROUP, LLC	\$	4,500.00	GENERAL ADMINISTRATION-17
37750	1/11/2019 AGRI-VALLEY IRRIGATION L	\$	207.44	PARKERS PARK-CONCRETE
		\$		SITE#2-PIPE PVC
		\$		PARKERS PARK-CONCRETE
		\$		PARKERS PARK-COUPLING/PVC
		\$	24.18	FATHER CRAIG PROJECT-CONC
		\$	25.81	#37-SHOVEL HANDLES

Check	Check		Net	
<u>Number</u> 37750	Date Name	<b>ው</b>	Amount	<u>Description</u>
37730	1/11/2019 AGRI-VALLEY IRRIGATION LI Check Total:			PARKERS PARK
	Check Total.	Φ	445.01	
37751	1/11/2019 ALA	\$	60.00	PD-CALENDAR AD 2019
37752	1/11/2019 FLEX ACCOUNT ADMINISTRA	\$	648.30	AMER PRETAX HEALTH
37753	1/11/2019 AUTOZONE COMMERCIAL (13			TRUCK#38-DURALAST CONNECT
		\$		PD#5-WIPER BLADE
		\$		PW#29-OIL FILTER WWTF-MALE PLUGS/INFLATOR
		\$ \$		SEWER CAMER TRAILER
		\$		PD-WASH BRUSH
	Check Total:		63.60	TO WILLIAM DATE SALE
37754	1/11/2019 AVENAL REGIONAL LANDFIL	\$	50.00	ANIMAL CONTROL 5 DOGS
37755	1/11/2019 EKI ENVIRONMENT AND WA	\$	7,653.00	PROFESSIONAL SERVICES
37756	1/11/2019 EPPLER TRUCK SALES	\$	685.65	STREET CLEANER-REPAIR/LAB
		\$	450.00	DUMP TRUCK-TOWED/REPAIR
	Check Total:	\$	1,135.65	
37757	1/11/2019 EXCEL SIGN COMPANY	\$	578.61	PD-CHARGER VEHICLE GRAPHIC
37758	1/11/2019 FERGUSON ENTERPRISES, INC	\$	210.49	PW-PARTS
37759	1/11/2019 FRESNO OXYGEN	\$	56.31	PW-SHOP PARTS
37760	1/11/2019 GOUVEIA ENGINEERING, INC	\$	482.49	725.01 PUBLIC WORKS GENERATOR
	,	\$	779.63	725.08 5-YEAR CIP
		\$	125.00	740.12 HUD TANK
		\$	828.19	745.01 STREETS GENERAL
		\$		745.10C CML-5224(015)POSO CANAL
		\$		745.19C CML-5224(019)PEDESTRAIN
		\$		745.23C "Q" STREET ROADWAY
		\$		785.22 "N" STREET APARTME
	Check Total:	\$	14,699.50	
37761	1/11/2019 GRAND FLOW	\$	1,600.80	UTILITY LASER BILLING
37762	1/11/2019 GUTHRIE PETROLEUM, INC.	\$	1,103.09	BULK UNLEADED GASOLINE
		\$	885.38	BULK UNLEADED GASOLINE
		\$	-	BULK UNLEADED GASOLINE
		\$	1,160.50	BULK DIESEL FUEL

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<u>Check</u> Number	<u>Check</u> Date Name	-	Net Amount	Description
37762	1/11/2019 GUTHRIE PETROLEUM, INC.	\$		Description BULK UNLEADED GASOLINE
37702	Check Total:		5,321.20	DOEK CHEERDED GASCEINE
	Check Total:	Þ	3,321.20	
37763	1/11/2019 HOME DEPOT CREDIT SERVIC	\$	290.76	SUPPLIES-PARKERS PARK/COM
37703	THE DELOT CREDIT SERVIC	\$		RETURN
		\$		SUPPLES-COMMUNITY CENTER
	Check Total:		538.48	
	Check Total.	Ψ	330.40	
37764	1/11/2019 KER WEST, INC. DBA	\$	680.00	PLANNING COMMISSION PUBLIC
37765	1/11/2019 MANUELS TIRE SERVICE, INC	\$	165.46	PD#6-GOODYEAR TIRE
	,	\$		RADIAL PATCH
	Check Total:	\$	181.72	
		Ψ	1011,72	
37766	1/11/2019 MID-VALLEY DISPOSAL	\$	66.26	1800 HELM CANAL
2006	1/11/2010 1/2000 7/1/10/10/10/10/10/10/10/10/10/10/10/10/1	Φ	0.505.00	DD OFFICIAL AND WORK
37767	1/11/2019 MOORE TWINING ASSOCIATE	\$	2,725.00	PROFESSIONAL SERVICES
37768	1/11/2019 PACIFIC GAS & ELECTRIC	\$	20.04	FIRE DEPT #3228327255-0
		_		
37769	1/11/2019 CALIF PUBLIC EMPLOYEES R	\$	200.00	UNFUNDED ACCRUED LIABILITY
		\$	9,189.51	ANNUAL UNFUNDED ACCRUED
		\$	-	ANNUAL UNFUNDED ACCRUED
	Check Total:	\$	23,960.16	
			,	
37770	1/11/2019 QUILL CORPORATION	\$	(19.46)	ISABEL/NANCY-RULER
		\$	19.46	ISABEL/NANCY-RULER
		\$	155.55	COMMUNITY CENTER-PURELL
		\$	203.23	PW-TOILET PAPER/CITY HALL
	Check Total:	\$	358.78	
37771	1/11/2019 RAZZARI AUTO CENTER	\$	70.67	PD-FORD FUSION OIL/FILTER
37772	1/11/2019 TUCKFIELD & ASSOCIATES	\$	34,199.36	WATER AND WASTEWATER RATE
		\$	(34,199.36)	Ck# 037772 Reversed
	Check Total:	\$	쓸	
37773	1/11/2019 UNITED STATES TREASURY	\$	975.04	CHANGES TO FORM 941
37774	1/11/2019 WITMER PUBLIC SAFETY GRO	\$	364.55	FD-EQUIPMENT PURCHASE NEW
2222	1/15/0010 CVCV OF TWO TO	_	00 =0 = ==	DAMPON ENTERS OF THE
37775	1/15/2019 CITY OF FIREBAUGH	\$	88,586.89	PAYROLL ENDING 01-11-19

Check	Check	Net	
Number	Date Name	Amount	Description
37776	1/18/2019 SYNCB/AMAZON	\$ 14.94	PD-2019 MONTHLY PLANNER
		\$ 72.85	PD-USB/FLASH CRUZER
	Check Total:	\$ 87.79	
37777	1/18/2019 A.M. PECHE & ASSOCIATES L	\$ 566.02	CONSULTING SERVICES-WATER
37778	1/18/2019 BECS PACIFIC LTD	\$ 45.00	OPACITY TEST
37779	1/18/2019 CENCAL HOLDINGS INC.	\$ 4,250.00	PD-NEW DODGE CHARGER LABOR
37780	1/18/2019 CINTAS	\$ 20.34	CITY HALL
		\$ 21.73	COMMUNITY CENTER
		\$ 15.51	8000 HELM CANAL RD
		\$ 98.17	CITY SHOP
		\$	8000 HELM CANAL
		\$ 	CITY HALL
		\$ 24.09	COMMUNITY CENTER
		\$	CITY SHOP
		\$	CITY HALL
		\$	CITY SHOP
		\$	8000 HELM CANAL RD
		\$	COMMUNITY CENTER
		\$	8000 HELM CANAL RD
		\$	CITY HALL
		\$	CITY SHOP
		\$	COMMUNITY CENTER
		\$	CITY HALL
		\$	COMUNITY CENTEE
		\$	CITY SHOP
		\$	8000 HELM CANAL
	Check Total:	\$ 782.49	
37781	1/18/2019 COMCAST	\$ 670.85	PD INTERNET
37782	1/18/2019 COOK'S COMMUNICATIONS	\$ 262.60	PD-NEW PATROL CAR RADIO
37783	1/18/2019 CORELOGIC SOLUTIONS, LLC	\$ 206.00	REALQUEST DECEMBER 2018
37784	1/18/2019 DEPARTMENT OF JUSTICE	\$ 147.00	DECEMBER 2018 FINGERPRINT
37701	DEFINITION OF JUSTICE	\$	DECEMBER 2018 BLOOD ALCOHOL
	Check Total:	322.00	
37785	1/18/2019 DISH	\$ 5.43	SENIOR CENTER CABLE
37786	1/18/2019 ELITE UNIFORMS	\$ 756.67	PD-VEST MAGDA MARTINEZ

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Check	Check		Net	
Number	<u>Name</u>		Amount	Description
37787	1/18/2019 FIREBAUGH SUPER MARKET	\$		DOG KENNELS-DOG FOOD
		\$		SENIOR CENTER-PEPPER
		\$		CATCH DOGS-WINNIES
		\$		DOG FOOD
		\$		DOG KENNELS-DOG FOOD
		\$		SENIOR CENTER-CLEANING SUPPLY
	Check Total:	\$	109.06	
37788	1/18/2019 FIREBAUGH AUTO REPAIR	\$	860.03	PD-2006 CROWN VIC UNIT #6
37789	1/18/2019 FRESNO COUNTY TREASURE	\$	164.04	DECEMBER 2018 ACCESS FEES
37790	1/18/2019 FRESNO/MADERA CO. POLICE	\$	150.00	YEARLY MEMBERSHIP DUE
37791	1/18/2019 JOSEPH ANTHONY FRIAS	\$	200.00	UNIFORM REIMBURSEMENT
37792	1/18/2019 IAPE	\$	50.00	2019 IAPE MEMBERSHIP
37793	1/18/2019 KER WEST, INC. DBA	\$	4,800.00	PUBLIC NOTICE PROPOSED IN
37794	1/18/2019 LOZANO SMITH, LLP	\$	425.50	LEGAL SERVICES THROUGH DEC18
		\$	166.50	MARIJUANA REGULATION
	Check Total:	\$	592.00	
37795	1/18/2019 PG&E, NON-ENERGY COLLEC	\$	2,137.29	REPAIR/LABOR GAS FACILITY
37796	1/18/2019 PECK'S PRINTERY	\$	445.94	NO 10 WINDOW ENVELOPES
		\$		REGULAR ENVELOPES BLUE PRINT
	Check Total:	\$	804.10	
37797	1/18/2019 CSG CONSULTANTS, INC.	\$	1,255.00	BUILDING PLAN REVIEW/INSPEC
	· ·	\$		BUILDING PLAN REVIEW SERVICE
	Check Total:	\$	1,463.81	
37798	1/18/2019 RSG, INC.	\$	2,428.75	2018-19 SUCCESSOR AGENCY
	,	\$	31.25	HOUSING SUCCESSOR AGENCY
	Check Total:	\$	2,460.00	
37799	1/18/2019 SALEM ENGINEERING GROUF	\$	1,010.00	Q STREET ROADWAY IMPROVEMENT
27900	1/19/2010 CLATIDIA SOLIS ALCALA	¢	150.00	EACEDOOV EOD NOVEMBED 2019
37800	1/18/2019 CLAUDIA SOLIS-ALCALA	\$ \$		FACEBOOK FOR NOVEMBER 2018 FACEBOOK FOR OCTOBER 2018
	Ø11- T1	_		FACEBOOK FOR OCTOBER 2018
	Check Total:	\$	300.00	

Check Number 37801	<u>Check</u> <u>Date</u> 1/18/2019 SPARKLETTS	\$	Net Amount 209.45	Description ALL DEPTS
37802	1/18/2019 TELSTAR	\$		CALIBRATION OF WATER EQUIP
37803	1/18/2019 TUCKFIELD & ASSOCIATES	\$	2,910.07	WATER AND WASTEWATER RATE
37804	1/18/2019 VERIZON WIRELESS	\$	189.94	CELLPHONE SERVICE
37805	1/25/2019 AT&T MOBILITY	\$ \$		PW/COUNCIL MEMBERS CELL PHONE PD CELLPHONES/AIR CARDS
	Check Total:		2,070.04	
37806	1/25/2019 BSK & ASSOCIATES, INC.	\$		LAB ANALYSIS
		\$ \$		LAB ANALYSIS LAB ANALYSIS
		\$		LAB ANALYSIS
		\$		LAB ANALYSIS
		\$		LAB ANALYSIS
		\$		LAB ANALYSIS
		\$		LAB ANALYSIS
		\$	60.50	LAB ANALYSIS
		\$	236.50	LAB ANALYSIS
		\$	37.50	LAB ANALYSIS
		\$	49.50	LAB ANALYSIS
		\$	236.50	LAB ANALYSIS
		\$	60.50	LAB ANALYSIS
		\$	37.50	LAB ANALYSIS
	Check Total:	\$	1,913.10	
37807	1/25/2019 CALIF WATER ENVIRONMEN	\$	87.00	CERTIFICATION RENEWAL
37808	1/25/2019 CITY CLERKS ASSOCIATION (	\$	90.00	RITA LOZANO MEMBERSHIP RE
37809	1/25/2019 COLLINS & SCHOETTLER	\$	1,183.98	DECEMBER 2018 PLANNING
		\$	•	PLANNING CONSULTING OCTOBER
		\$	1,551.25	NOVEMBER 2018 PLANNING
	Check Total:	\$	4,838.98	
37810	1/25/2019 CORBIN WILLITS SYSTEMS	\$	1,020.18	ADMINISTRATION C/W SERVICE
37811	1/25/2019 D & L REFRIGERATION, LLC	\$	1,060.33	A/C UNIT REPAIR COMMUNITY
37812	1/25/2019 EKI ENVIRONMENT AND WAT	\$	7,308.00	PROFESSIONAL SERVICES

Check	Check	Net	
Number	Date Name	Amount	Description
37813	1/25/2019 FIRST BANKCARD	\$ (400.00)	BEN-CREDIT LEAGUE OF CITIES
		\$ 10.00	BEN-CHEVRON NEW TRUCK GAS
		\$ 49.95	BEN-JOHN SANCHEZ SYSTEM
		\$ 78.00	FD-TRAVEL CAR CHARGER/WALL
		\$ 18.47	FD-3A CAR CHARGER
		\$ 307.72	PIO-DESK FOR NANCY
		\$ 37.78	PIO- OFFICE DEPOT BATTERIES
		\$ 13.98	PIO-AMAZON ETHERNET CABLE
		\$ 25.73	FD-AMAZON CHROME EXHAUST
		\$	FD-AMAZON CAR MUFFLER TIP
		\$ 50.99	FD-BACKUP CAMERA KIT
		\$	FD-BODY CAMERA WITH NIGHT
		\$	FD-COPPERPEAK EXTENSION CORD
		\$	FD-HOLSTER BELT CASE
		\$	FD-CELLET CD SLOT MOUNT
		\$	PD-FIREBAUGH RESTAURANT
		\$	PD-PEOPLEFACTS
		\$	PIO-AMAZON WALL MOUNT
	Check Total:	\$ 583.16	
37814	1/25/2019 GOUVEIA ENGINEERING, INC	\$ 275.63	725.01 PUBLIC WORKS GENERATOR
	· · · · · · · · · · · · · · · · · · ·	\$	725.08 5-YEAR CIP
		\$ 850.50	745.01 STREETS GENERAL
		\$	745.10C CML-5224(015)POSO CANAL
		\$	74519C CML-5224(019)PEDESTRIAN
		\$	745.23C "C" STREET ROADWAY
		\$ 322.88	760.04 A.C.I.P/CAAP
		\$ 67.50	795.15 HUD TANK SRF
	Check Total:	\$ 15,820.61	
37815	1/25/2019 BRADY JENKINS	\$ 300.00	MONTHLY SALARY ATTENDANCE
37816	1/25/2019 KUUBIX ENERGY, INC.	\$ 66.30	PARTIAL REFUND BUILDING PERMIT
5,010		\$	PARTIAL REFUND BUILDING PERMIT
	Check Total:	321.79	
37817	1/25/2019 LEAGUE OF CA CITIES SSJVD	\$ 98.83	MEMBERSHIP DUES
37818	1/25/2019 MACLEOD WATTS, INC.	\$ 5,700.00	FYE 2019 GASB 75 REPORTING
37819	1/25/2019 PACIFIC GAS & ELECTRIC	\$ 35,298.88	ALL DEPTS #7355932148-1
37820	1/25/2019 FELIPE PEREZ	\$ 150.00	MONTHLY SALARY ATTENDANCE

Check	Check	Net	
Number	<u>Date</u> <u>Name</u>	Amount	Description
37821	1/25/2019 PETTY CASH	\$ 40.08	PIZZA FACTORY MTG ATTORNEY
		\$ 21.67	SMART AND FINAL-SENIOR CTR
		\$ 7.66	SENIOR CENTER-BINGO BALLS
		\$ 16.74	SENIOR CENTER-SUPPLIES
	Check Total:	\$ 86.15	
37822	1/25/2019 QUILL CORPORATION	\$ 21.58	RITA-CALENDAR 2019
		\$ 302.32	NANCY-MICR TONER FOR CHECKS
		\$ 350.37	NANCY-NEW FOLDERS 2019 STAFF
		\$ 58.72	CITY HALL-FILE FOLDERS YEAREND
		\$ 527.93	HP CARTRIDGE REGISTER PRINTER
		\$ 13.59	CODE ENFORCEMENT-STAMP
		\$ 17.59	CODE ENFORCEMENT-STAMP
	Check Total:	\$ 1,292.10	
37823	1/25/2019 RENO'S MEGA MART	\$ 31.16	FORKLIFT PROPANE
37824	1/25/2019 MARCIA SABLAN	\$ 300.00	MONTHLY SALARY ATTENDANCE
37825	1/25/2019 CLAUDIA SOLIS-ALCALA	\$ 180.00	FACEBOOK FOR DECEMBER 2018
37826	1/25/2019 ALFRED VALDEZ	\$ 300.00	MONTHLY SALARY ATTENDANCE
37827	1/29/2019 CITY OF FIREBAUGH	\$ 93,290.73	PAYROLL ENDING 01-25-19
37828	1/30/2019 CITY OF FIREBAUGH	\$ 43,360.83	ME CHECK JANUARY 2019

#### **ORDINANCE NO. 19-01**

AN ORDINANCE OF THE CITY OF FIREBAUGH, COUNTY OF FRESNO, STATE OF CALIFORNIA, AMENDING ORDINANCE NO. 359, OF THE CITY OF FIREBAUGH, RELATING TO THE CLASSIFICATION OF THE ZONE OF PARTICULAR PARCELS OF REAL PROPERTY

The City Council of the City of Firebaugh does ordain as follows:

**SECTION 1.** Section 25-2.1 of the Municipal Code of the City of Firebaugh is amended by changing the Zoning Map to redesignate two existing parcels zoned C-1 (Neighborhood Commercial) to R-1-5 (Single Family Residential (5,000 square foot minimum lot size) and two parcels zoned C-1 (Neighborhood Commercial) to R-3 (Medium Density Multiple Family Residential) as shown on Map 1. The subject parcels are situated on the east side of North Dos Palos Road (State Highway 33) on both sides of the Lyon Avenue alignment.

**SECTION 2.** This Ordinance is conditioned upon Developer dedicating land for half of the Diaz street right of way and Highway 33 widening and deferring payment equal to construction costs for half the Diaz street improvement to a later date set by the City.

**SECTION 3.** Severability. If any part of this Ordinance is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions of this Ordinance, and the City Council hereby declares that it would have passed the remainder of this Ordinance, as if such invalid portion thereof had been deleted.

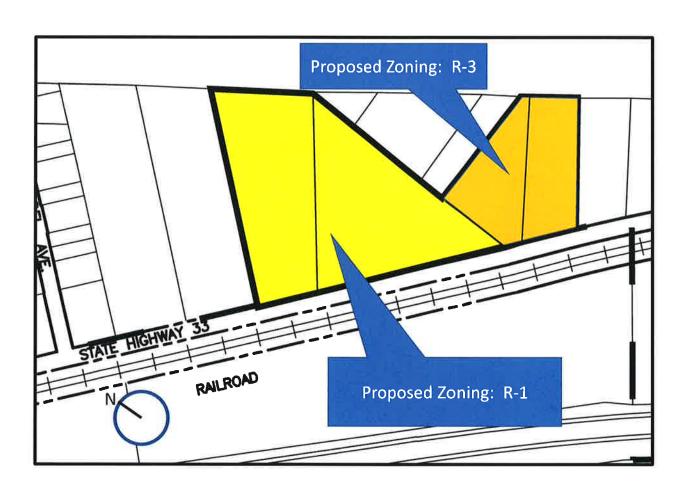
**SECTION 3.** This Ordinance shall take effect thirty (30) days after its passage.

**SECTION 4.** The City Clerk is hereby ordered and directed to certify the passage of this Ordinance and to cause the same to be published once in a newspaper of general circulation, published in the County of Fresno.

I hereby certify that the foregoing Ordinance was introduced at a regular meeting of the City Council of the City of Firebaugh held on the 4th day of February, 2019, and passed and adopted at a special meeting of the City Council held on the 19<sup>th</sup> day of February, 2019, by the following vote:

AYES: NOES: ABSTAIN: ABSENT:	
APPROVED:	ATTEST:
Marcia Sablan, Mayor City of Firebaugh	Rita Lozano, Deputy City Clerk City of Firebaugh

Map 1: Zone Change 2018-02





San Joaquin River Parkway and Conservation Trust, Inc.

January 2, 2019

The Honorable Felipe Perez City of Firebaugh 1133 "P" Street Firebaugh, CA 93622

### BOARD OF DIRECTORS

Bart Bohn **President** 

Anna Wattenbarger Vice President

Janice Bissonnette Treasurer

Julia O'Kane Secretary

Coke Hallowell

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Dowling Aaron Inc. Christopher A. Brown **General Counsel** 

Jennifer Williamson

Sharon Weaver Executive Director Dear Mayor Perez,

I am writing on behalf of the San Joaquin River Parkway and Conservation Trust's River Camp Firebaugh program. For 7 years we have had the privilege of offering this program to the children of Firebaugh, Mendota, and surrounding areas, and we would be thrilled to continue it once again in 2018.

River Camp is designed to provide children with the opportunity to reconnect to the natural world. At camp we provide a fun and safe environment for kids to be physically active, imaginative, and curious about nature. In 2018 we welcomed over 250 campers, over 100 of them new to camp, over the 5 week-long sessions we offered. In 2019 we would like to expand by one week to offer 6 sessions of camp. We are also changing registration so that participants may choose how much they would like to pay for camp (\$10, \$20, \$30, \$40, or \$50) to make sure this opportunity is available to every child in Firebaugh.

In 2019 we would once again request use of the Andrew Firebaugh Community Center and Park with rental fees waived for this program. We would like to use the Community Center storage room for program supplies, and the park for daily camp operation. Our proposed schedule is as follows:

June 21: River Camp Firebaugh Staff Site Training & Set Up

June 24-28: River Camp Firebaugh Week 1
July 8-12: River Camp Firebaugh Week 2

July 15-19: River Camp Firebaugh Week 3

July 22-26: River Camp Firebaugh Week 4

**July 29-August 2:** River Camp Firebaugh Week 5

**August 5-9:** River Camp Firebaugh Week 6

Over the past few years, we have been lucky enough to work closely with both the City of Firebaugh and the Firebaugh Las-Deltas School District to create memorable outdoor experiences for local youth. We hope to continue to increase our engagement with the community and impact more children over the years to come.

Thank you once again in allowing us the opportunity to make this request. If you need any additional information, please let me know. I can be reached by phone at (559) 248-8480 ext. 104. We are so appreciative of the support we have received from your community, and are looking forward to another amazing year in 2019.

Sincerely

Molly Schnur-Salimbene Community Programs Director





#### **RESOLUTION NO. 17-53**

# A RESOLUTION OF THE CITY OF FIREBAUGH APPROVING A CONSULTING AGREEMENT FOR SOCIAL MEDIA MANAGEMENT AUTHORIZING CITY MANAGER TO SIGN SAID AGREEMENT

WHEREAS, the City of Firebaugh has the need for social media management services; and WHEREAS, Claudia Solis-Alcala is trained and experienced to provide such services; and WHEREAS, the Council desires to hire Claudia Solis-Alcala to provide such services; and

WHEREAS, the Council wishes to authorize the City Manager to sign an Agreement with Claudia Solis-Alcala in its behalf.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the governing body of the City of Firebaugh hereby approves the attached Consulting Agreement for Social Media Management with Claudia Solis-Alcala, which is incorporated herein by this reference, and authorizes the City Manager, Benjamin Gallegos, to sign the Agreement in behalf of the City.

The foregoing Resolution was approved and adopted at a regular meeting of the City Council of the City of Firebaugh held on the 4<sup>th</sup> day of December, 2017, by the following vote:

AYES: Valdez, Sablan, Lopez, Perez, Jenkins

NOES:

ABSTAIN:

ABSENT:

APPROVED: ATTEST:

Brady Jenkins Mayor Rita Lozano Deputy City Clerk

# CONSULTING AGREEMENT BETWEEN CITY OF FIREBAUGH AND CLAUDIA SOLIS-ALCALA

This Agreement is made and entered into this  $\underline{\mathcal{L}^{\prime}}$  day of December, 2017, by and between the CITY OF FIREBAUGH, a municipal corporation, hereinafter "City", and CLAUDIA SOLIS-ALCALA, hereinafter "Consultant".

#### WITNESSETH

WHEREAS, City has a requirement for consulting services in connection with the City's efforts to secure and, establish its presence on social media; and

WHEREAS, Consultant is trained and experienced in this field and is willing to perform the services required by the City.

NOW, THEREFORE, City and Consultant, for the consideration hereinafter set forth, agree as follows:

#### 1. SERVICES BY CONSULTANT

City shall employ Consultant who is properly skilled in the various aspects of the services to be furnished under this Agreement. Services to be performed by Consultant are described in Exhibit "A", which is attached and incorporated herein by this reference.

#### 2. <u>COMPENSATION FOR CONSULTING SERVICES</u>

Compensation for consulting services is set forth in Exhibit "A", which shall not exceed explicitly Mind Refollars (\$ 1800 .00) for the term of this Agreement.

Consultant shall submit to City monthly itemized invoices for the services rendered. If the work is satisfactorily completed, City shall pay such invoice within thirty (30) days of its receipt. Should City dispute any portion of any invoice, City shall pay the undisputed portion within the time stated above, and at the same time advise Consultant in writing of the disputed portion.

#### 3. TERM

This Agreement shall be in full force and effect for well (2)-months from its effective date. The parties may review and negotiate a new agreement thirty (30) days prior to the expiration of the original term.

#### 4. **INSURANCE**

Consultant shall maintain the following insurance and shall submit certificates of insurance evidencing the same:

a. Errors and Omissions Insurance. Consultant shall have such errors and omissions insurance as shall protect City, its officers, directors, employees and agents from claims based on errors or negligent acts or omissions which may arise from Consultant's operations or performance under this Agreement, whether claims be made during or subsequent to the term of this Agreement, and whether such operations or performance be by Consultant or its employees, Consultants, agents or anyone else directly or indirectly employed by any of the foregoing. The amount of this insurance shall not be less than \$1,000,000.

Said policy shall be continued in full force and effect during the term of this Agreement. In the event of termination of said policy, new coverage shall be obtained for the required period to insure for the prior acts of Consultant during the course of performing services under the terms of this Agreement.

- b. <u>Automobile Liability.</u> Consultant shall maintain automobile liability insurance with coverage for any vehicle including those owned, leased, rented or borrowed. This insurance shall have a standard cross liability clause or endorsement. The limit amount for this insurance shall be no less than \$1,000,000 per occurrence combined single limit for bodily injury and property damage.
- c. Within thirty (30) days of the date of this Agreement, the Consultant shall provide the City with Certificates of Insurance demonstrating compliance with paragraphs 4 a. and b. above. Said certificates shall specify or be endorsed to provide that ten (10) days notice shall be given in writing to the City of any cancellations.

#### 5. <u>INDEMNIFICATION AND HOLD HARMLESS</u>

Consultant shall protect, indemnify, hold harmless and defend City, its directors, officers, employees and agents, from any and all claims, fines, demands, costs, expenses (including but not limited to attorney fees and costs of litigation or arbitration), liability, losses, penalties, causes of action, awards, suits or judgments for damages of any nature whatsoever (hereinafter collectively referred to as Claims) to the extent arising out of the breach of this Agreement in whole or in part by willful or fraudulent misconduct or negligent acts, by Consultant, its employees, agents or Consultants, or the agent, employee or Consultant of any one of them in the performance of their duties or under this Agreement.

#### 6. RECORDS OF CONSULTANT

Records of Consultant pertaining to the services hereunder shall be kept on a generally recognized accounting basis, and shall be available for inspection by City or its designees at reasonable times.

#### 7. TERMINATION

Either party may terminate this Agreement by giving thirty (30) days prior written notice to the other. Upon termination, Consultant shall be paid for services performed to date of termination.

#### 8. ASSIGNMENT

Consultant shall not assign this Agreement, or any part thereof, or any monies due hereunder, without the prior written consent of City.

#### 9. OWNERSHIP OF DOCUMENTS, APPLICATIONS AND DATA

Originals of all documents and data in any form prepared by Consultant pursuant to this Agreement shall be and remain the property of City.

#### 10. NOTICES

All notices, statements, reports, approvals, or requests or other communications that are required to be given by either party to the other under this Agreement shall be in writing. Unless, and until formally notified otherwise, all notices shall be addressed to the parties at their address shown below:

**CITY** 

CONSULTANT

CITY OF FIREBAUGH 1133 "P" Street Firebaugh, California 93622 (559) 659-2043 CLAUDIA SOLIS-ALCALA

#### 11. <u>ATTORNEY FEES</u>

In the event of any action or proceeding of any nature, between City and Consultant becomes necessary to enforce or interpret all or any portion of this Agreement, or because of an alleged breach by either party of any of the terms hereof, it is mutually agreed that the losing or defaulting party shall pay the prevailing party reasonable attorney fees, costs and expenses incurred in connection with the prosecution or defense of such action or proceeding.

#### 12. ENTIRE AGREEMENT

This writing constitutes the entire Agreement between the parties relative to the services specified herein, and no modifications hereof shall be effective unless and until such modification is evidenced by a writing signed by both parties to this Agreement. There are no understandings, agreements, conditions, representations, warranties or promises with respect to this Agreement except those contained or referenced to in this writing.

#### 13. INDEPENDENT CONTRACTOR/AGENT OF CITY

In performing the services required under this Agreement, Consultant is acting as an independent contractor and agent of City, subject to the general supervision and control of its governing body. As such, Consultant shall be entitled to the same immunities and protections as any other governmental employee exercising discretion under all applicable statutes, regulations, and judicial and administrative precedent, subject to City's rights of action against Consultant for any professional errors or omissions of Consultant. Notwithstanding the foregoing, Consultant shall not be entitled to receive any employee rights or benefits, other than payment for services provided in Exhibit "A".

#### 14. SEVERABILITY

If any provision of this Agreement is held to be unenforceable, the remainder of this Agreement shall be severable and not affected thereby.

#### 15. WAIVER OF RIGHTS

Any waiver at any time by either party hereto of its rights with respect to a breach or default, or any other matter arising in connection with this Agreement, shall not be deemed to be a waiver with respect to any other breach, default or matter.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first hereinabove written.

CITY OF FIREBAUGH

Ben Gallegos

City Manager

ATTEST:

Rita Lozano

Deputy City Clerk

**CONSULTANT** 

Claudia Calia Alasla

### City of Firebaugh

### Claudia Solis-Alcala, Social Media Management

#### Scope of Work

**Objective:** Consultant will establish the City of Firebaugh's presence on social media. The goal is to highlight news and upcoming events that are important to city residents.

The City (Client) will retain the rights to all content created by the Consultant (Claudia Solis-Alcala) for the Client.

#### **MONTHLY COST**

#### Consultation with the City of Firebaugh

- Discussion of campaign strategy for upcoming month. I will come up with the topics for each week, unless the Council requests a specific topic
- Monthly email with follow-up phone call with designated administrator within Firebaugh City Government (currently Pio Martin)
- \$30 Consultation Fee

#### Social Media Posting

- Publish one post per week on Facebook
- Posts could include the following visual options: photos, raw video or graphics.
- If client prefers to use specific images, will need to provide artwork 5 days in advance to ensure uniformity and size specifications are appropriate
- Client must provide info at least 5 days in advance of desired publication/distribution date
- In the case of an emergency, would need half hour notice
- o \$30 per post

The above services add up to \$900 for first six months. That's an increase of \$200 over the previous six month trial period.

#### **ADVERTISING ON FACEBOOK PAGE**

Consultant would like to explore advertising on the City Facebook page. Consultant would like to approach local businesses and ask them about possible interest in using the page as a tool to reach consumers to boost Consultant income.

#### **ADDITIONAL SERVICES AVAILABLE**

Additional Services could include:

- Twitter Page Launch and Posting
- Press Release Creation and distribution
- Facebook Training Workshops for residents

#### CITY OF FIREBAUGH

#### CONSERVE WATER FOR YOUR FUTURE

#### 2008 WATER REGULATIONS

Once again, the word is CONSERVATION. Citizens of Firebaugh, effective immediately, the following must be observed.

#### **WATERING SCHEDULE:**

- 1. All outside watering is prohibited every day between 12 noon and 6:00 pm.
- 2. Water users with addresses on the EVEN numbered side of streets may water on MONDAY, WEDNESDAY and FRIDAY.
- 3. Water users with addresses on the ODD numbered side of streets may water on TUESDAY, THURSDAY and SATURDAY.
- 4. No watering on SUNDAY during permissible hours.

#### WATER USE GUIDE LINES:

- 1. DO NOT:
- a. Allow water to run down the gutter or street.
- b. Water with an open-end hose.
- c. Hose off drive way, side walk or paved areas at residence or business.
- d. Wash downs street gutters.
- 2. Avoid running sprinklers for more than ten to fifteen minutes per setting.
- 3. Equip all evaporated coolers with water-saving devices.
- 4. Repair all leaks of any type of size as soon as possible.

### FAILURE TO COMPLY WITH THESE REGULATIONS WITH RESULT IN THE FOLLOWING:

VIOLATION #1. Verbal or written warning issue.

VIOLATION #2. \$30.00 surcharge on next water bill.

VIOLATION #3. \$60.00 surcharge on next water bill, and/or discontinuance of

service.

VIOLATION #4. Additional violation after restoration of water service may result in

a fine per violation not to exceed five hundred dollars (\$500.00).

#### FRESNO, Calif. — The City of Fresno watering schedule for 2018:

January, February, March - One watering day per week

Odd addresses: Saturday. Even addresses: Sunday.

April, May - Two watering days per week

Odd addresses: Tuesday, Saturday. Even addresses: Wednesday, Sunday.

June, July, August - Three watering days per week

Odd addresses: Tuesday, Thursday, Saturday. Even addresses: Wednesday, Friday, Sunday.

**September, October** - Two watering days per week

Odd addresses: Tuesday, Saturday. Even addresses: Wednesday, Sunday.

**November**, **December** - One watering day per week. Odd addresses: Saturday. Even addresses: Sunday.

Watering is only permitted between 6PM and 9AM. NO watering between 9AM and 6PM.

#### WATERING SCHEDULE COMPARISON

CITY	ODD DAYS	EVEN DAYS	PROHIBITED DAYS	PROHIBITED TIMES			
FIREBAUGH	TUESDAY/THURSDAY/SATURDAY	MONDAY/WEDNESDAY/FRIDAY	SUNDAY	NOON - 6pm			
DOS PALOS	TUESDAY/SATURDAY	WEDNESDAY/SUNDAY	MONDAY/THURSDAY/FRIDAY	11am - 7pm			
MENDOTA	THURSDAY/SUNDAY	WEDNESDAY/SATURDAY	MONDAY/TUESDAY/FRIDAY	11am - 8pm			
LOS BANOS	BANOS TUESDAY/THURSDAY/SATURDAY SUNDAY/WEDNES		MONDAY	11am - 7pm			
MADERA	TUESDAY/THURSDAY/SATURDAY	SUNDAY/WEDNESDAY/FRIDAY	MONDAY	10am - 7pm			
FRESNO	SATURDAY	SUNDAY	MONDAY - FRIDAY	9am - 6pm			
CLOVIS NOV 1 - MARCH 31	SATURDAY	SUNDAY	MONDAY - FRIDAY	48 HOURS AFTER RAINFALL			
CLOVIS APRIL 1 - OCT 31	TUESDAY/THURSDAY/SATURDAY	SUNDAY/WEDNESDAY/FRIDAY	MONDAY	48 HOURS AFTER RAINFALL			

### **CITY OF FIREBAUGH**

INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2018

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CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A. Ryan P. Jolley C.P.A. Darryl L. Smith C.P.A. Jaribu Nelson C.P.A. Lan T. Kimoto Jeffrey M. Schill

#### INDEPENDENT AUDITOR'S REPORT

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

#### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Firebaugh, California, (the City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

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

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

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

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Firebaugh, California, as of June 30, 2018, 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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions on pages 46 – 48, page 49, and page 50, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Firebaugh's basic financial statements. The combining and individual nonmajor financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements.

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

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 1, 2019, on our consideration of the City of Firebaugh's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Firebaugh's internal control over financial reporting and compliance.

February 1, 2019

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#### **CITY OF FIREBAUGH**

### STATEMENT OF NET POSITION JUNE 30, 2018

	Primary Government								
	Governmental		Bu	siness-Type					
	, A	Activities		Activities		Total			
ASSETS									
Cash and investments	\$	6,638,784	\$	4,228,408	\$	10,867,192			
Accounts receivable (net of allowance)		341,098		286,686		627,784			
Due from other governments		305,399		3,520		308,919			
Interest receivable		20,188		94		20,188			
Notes and loans receivable		1,906,293				1,906,293			
Internal balances		(815,007)		815,007					
Capital assets, net of allowance									
for depreciation		3,104,789		16,028,229		19,133,018			
Total assets		11,501,544		21,361,850		32,863,394			
DEFERRED OUTFLOWS OF RESOURCES		1,288,477		232,562		1,521,039			
LIABILITIES		262 720		00.076		245.006			
Accounts payable		262,730		82,276		345,006			
Accrued expenses		71,782		32,622		104,404			
Accrued interest payable		12 700		57,346		57,346			
Deposits		13,790		79,924		93,714			
Compensated absences		78,835		32,700		111,535			
Long-term liabilities:									
Bonds payable:				222 695		222 695			
Due within one year		-		222,685		222,685			
Due in more than one year		2,405,490		8,068,513 1,053,158		8,068,513 3,458,648			
Net other post employment benefits		3,355,450		557,738		3,913,188			
Net pension liability	÷		·	10,186,962	_				
Total liabilities		6,188,077	-	10,180,902	-	16,375,039			
DEFERRED INFLOWS OF RESOURCES		315,551		109,322		424,873			
NET POSITION									
Net investment in capital assets		3,104,789		7,737,031		10,841,820			
Restricted for:									
Public ways and facilities		1,409,862		:#::		1,409,862			
Public safety programs		137,078		148		137,078			
Low-income housing activities		135,745		353		135,745			
Capital projects and improvements		1,477,347		91		1,477,347			
Unrestricted	-	21,572	_	3,561,097	-	3,582,669			
Total net position	\$	6,286,393	<u>\$</u>	11,298,128	\$	17,584,521			

### CITY OF FIREBAUGH

### STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2018

Functions/Programs			Program Revenue							Net Revenue/(Expense) and Changes in Net Position						
		D	Charges for Services		Operating Grants and Contributions		Capital Grants and Contributions		Governmental Activities		Business-Type Activities		Total			
		Expense		Services		Contributions		Contributions		Activities		Activities		10181		
Primary Government																
Governmental activities																
General government	\$	664,071	\$	60,823	\$	12,148	\$	9)	\$	(591,100)	\$	-	\$	(591,100)		
Public ways and facilities		1,426,427		469,943		369,892		283,427		(303,165)		-		(303,165)		
Public protection		2,096,137		202,944		225,999		1,200,000		(467,194)		-		(467,194)		
Culture and recreation		460,763		41,098		-				(419,665)		*		(419,665)		
Community development		432,391		106,143	_		_	1,452,726		1,126,478			-	1,126,478		
Total governmental activities		5,079,789	-	880,951	_	608,039	-	2,936,153		(654,646)				(654,646)		
Business-type activities																
Sewer		1,640,341		1,541,266		68,225		æ:		± <b>2</b> 7		(30,850)		(30,850)		
Water		1,915,064		1,663,225		. <del></del>		752			(	251,839)		(251,839)		
Airport		22,600	-	21,030		20,000	_		_			18,430	_	18,430		
Total business-type activities	_	3,578,005		3,225,521	_	88,225						264,259)		(264,259)		
Total primary government	\$	8,657,794	\$	4,106,472	\$	696,264	\$	2,936,153	_	(654,646)	(	264,259)	_	(918,905)		
General Revenue																
Property taxes										392,285		5,808		398,093		
Sales and use taxes										2,659,380		5		2,659,380		
Franchise taxes										118,894		¥		118,894		
Grants and contributions - unrestricted										2,543				2,543		
Interest and investment earnings										27,905		18,998		46,903		
Miscellaneous										197.476		7,361		204,837		
Gain on sale of assets									-	18,974			-	18,974		
Total general revenue									_	3,417,457		32,167	_	3,449,624		
Change in Net Position										2,762,811	(	232,092)		2,530,719		
Net Position																
Beginning of year, re-stated										3,523,582	11.	530,220		15,053,802		
End of year									\$	6,286,393	\$ 11	298,128	\$	17,584,521		

# BALANCE SHEET – GOVERNMENTAL FUNDS JUNE 30, 2018

		General	Community Development		Housing	Non-Major Governmental Funds	•	Total Governmental Funds
ASSETS								
Cash and investments	\$	4,795,324	\$	\$	115,557	\$ 1,727,903	\$	6,638,784
Accounts receivable		193,264	-		·	147,834		341,098
Due from other governments		1,437	303,962		~	-		305,399
Due from other funds		221,234			*			221,234
Interest receivable		(+)	:-	,	20,188			20,188
Notes and loans receivable		:=0			1,906,293			1,906,293
Total assets	\$	5,211,259	\$ 303,962	\$	2,042,038	\$ 1,875.737	\$	9,432,996
LIABILITIES, DEFERRED INFLOWS OF RESOURCE	ES,							
Liabilities								
Accounts payable and accrued expense		100,531	136,655			25,544		262,730
Accrued salaries and benefits		123,660	1,449			25,508		150,617
Due to other funds		:=:	220,836			398		221,234
Advances from other funds		815,007	,					815,007
Deposits		13,790			<u> </u>			13,790
Total liabilities		1,052.988	358,940			51,450		1,463,378
Deferred inflows of resources								
Unavailable revenues					1,906,293	*		1,906,293
Total deferred inflows of resources					1,906,293		-	1,906,293
Fund Balance								
Restricted								
Public ways and facilities		<b>3</b>	<del>:</del>		×	1,409,862		1,409,862
Public safety programs		-			8	137,078		137,078
Low-income housing activities		*	:		135,745	#:		135,745
Capital projects and improvements		1,200,000				277.347		1,477,347
Unassigned		2,958,271	(54,978			s	_	2,903,293
Total fund balance		4,158,271	(54.978	) _	135,745	1,824,287		6,063,325
Total liabilities, deferred inflows of resources, and fund balance	\$	5,211,259	\$ 303,962	<u>\$</u>	2,042,038	\$ 1,875,737	\$	9,432,996

# RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES JUNE 30, 2018

Total governmental fund balance \$ 6,0	063,325
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Notes receivable are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	906,293
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds 3,	104,789
Post-retirement health benefits are not due and payable in the current period and, therefore, are not reported in the governmental funds (2,	,405,490)
Deferred outflows of resources related to net pension liability, represent an consumption of net position or fund balance that applies to future period(s) and so will not be recognized as an outflow of resources (expenses) until that time	,288,477
Net pension liability applicable to governmental activities are not due and payable in the current period and accordingly is not reported in the governmental funds  (3,	,355,450)
Deferred inflows of resources related to net pension liability, represent an acquisition of net position or fund balance that applies to future period(s) and so will not be recognized as an inflow of resources	(215 551)
	(315,551)

# STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE – GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2018

		Community		Non-Major Governmental	Total Governmental
	General	Development	Housing	Funds	Funds
Revenue					
Taxes	\$ 2,968,720	\$	- \$	\$ 225,971	\$ 3,194,691
Licenses and permits	164,127	a		751	164,878
Intergovernmental	1,234,348	1,592,173	B = =	740,650	3,567,171
Charges for services	600,845	9	e :		600,845
Fines and forfeitures	22,823	39	£ #	*	22,823
Loan repayments	123	9	60,407	*	60,407
Investment income	48,655	19	19,890		73,198
Other	190,694			9,325	200,019
Total revenue	5,230,212	1,592,173	80,297	981,350	7,884,032
Expenditures					
Сиптепт					
General government	232,035	9	÷	33,746	265,781
Public ways and facilities	473,134	2	e ê	508,694	981,828
Public protection	1,899,616	9	: :	118,725	2,018,34
Culture and recreation	284,488		= =	4,980	289,468
Community development	147,364	283,553	3 -	#6	430,917
Capital outlay	30,000	1,356,642	2	30,282	1,416,924
Total expenditures	3,066,637	1,640,195	5	696,427	5,403,259
Revenue over/(under) expenditures	2,163,575	(48,022	2) 80,297	284,923	2,480,773
Other Financing Sources/(Uses)					
Sale of assets	18,974	3	i		18,974
Total other financing sources/(uses)	18,974	·			18,974
Change in Fund Balance	2,182,549	(48,022	2) 80,297	284,923	2,499,747
Fund Balance					2 - 42
Beginning of year, re-stated	1,975,722	(6,956			3,563,578
End of year	\$ 4,158,271	\$ (54,978	B) \$ 135,745	\$ 1,824,287	\$ 6,063,32

# RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITES YEAR ENDED JUNE 30, 2018

Net change in fund balance - total governmental funds	\$ 2,499,747
Amounts reported for governmental activities in the Statement of Activities are different because:	
Depreciation expense on capital assets is reported in the Statement of Activities, but they do not require the use of current financial resources, therefore, depreciation expense is not reported as expenditures in the Governmental Funds	(179,153)
Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets are capitalized as an asset and depreciated over the period of service	1,416,924
In the Statement of Activities loss on uncollectible loans does not require the use of current financial resources and, therefore, is not reported as expenditures in the Governmental Funds	(112,613)
Post-retirement benefit costs in the Statement of Activities does not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds	(235,946)
Repayment of long-term notes receivable is revenue in governmental funds, but the repayment reduces long-term assets in the statement of net position	(60,407)
Pension expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds	 (565,741)
Change in net position of governmental activities	\$ 2,762,811

# STATEMENT OF NET POSITION – PROPRIETARY FUNDS JUNE 30, 2018

		Busine	ess-T	Гуре Activities	s - E	nterprise F	unds
S.		Sewer		Water		Airport	Total Proprietary Funds
ASSETS							
Current assets							
Cash and investments	\$	1,941,794	\$	2,240,194	\$	46,420	\$ 4,228,408
Accounts and interest receivable		134,320		150,595		1,771	286,686
Due from government		311		3,209		4	3,520
Total current assets		2,076,425		2,393,998	_	48,191	4,518,614
Non-current assets							
Advances to other funds		735,007		80,000			815,007
Property, plant and equipment,							
net of allowance for depreciation		5,593,843		10,434,386			16,028,229
Total noncurrent assets		6,328,850		10,514,386	_		16,843,236
Total assets		8,405,275	-	12,908,384	_	48,191	21,361,850
DEFERRED OUTFLOWS OF RESOURCES	-	113,651	_	116,981	_	1,930	232,562
LIABILITIES							
Current liabilities							
Accounts payable		26,706		54,596		974	82,276
Accrued expenses		29,457		35,588		277	65,322
Accrued interest		40,973		16,373			57,346
Deposits		:=:		79,924		2	79,924
Current portion of long-term debt		152,685	_	70,000	_		222,685
Total current liabilities		249,821	5000	256,481		1,251	507,553
Non-current liabilities							
Bonds payable		3,167,315		4,901,198		-	8,068,513
Net other pension benefits		518,797		534,361		2	1,053,158
Net pension liability		272,154	_	280,519	2	5,065	557,738
Total noncurrent liabilities	-	3,958,266	-	5,716,078		5,065	9,679,409
Total liabilities	_	4,208,087		5,972,559	_	6,316	10,186,962
DEFERRED INFLOWS OF RESOURCES	-	53,753	_	55,372	? <u></u>	197	109,322
NET POSITION							
Net investment in capital assets		2,273,843		5,463,188		8	7,737,031
Unrestricted		1,983,243		1,534,246		43,608	3,561,097
Total net position	\$	4,257,086	\$	6,997,434	\$	43,608	\$ 11,298,128

# STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET POSITION – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2018

	Business-Type Activities - Enterprise Funds							
	Sewer	Water	Airport	Total Proprietary Funds				
Operating Revenue								
Charges for services	\$ 1,541,266	\$_1,663,225	\$ 21,030	\$ 3,225,521				
Total operating income	1,541,266	1,663,225	21,030	3,225,521				
Operating Expense								
Personnel	383,236	383,535	4,805	771,576				
Utilities	138,502	352,430	3,437	494,369				
Supplies and materials	64,747	81,123	900	145,870				
Maintenance and operations	361,992	233,295	3,286	598,573				
Contractual services	256,179	132,830	2,715	391,724				
Depreciation	258,207	481,274	1,51	739,481				
Other expenses	82,072	87,019	8,357	177,448				
Total operating expense	1,544,935	1,751,506	22,600	3,319,041				
Operating income/(loss)	(3,669)	(88,281)	(1,570)	(93,520)				
Nonoperating Revenue/(Expense)								
Intergovernmental	68,225		20,000	88,225				
Investment income	8,446	10,552	-	18,998				
Other revenue	666	6,694	5,809	13,169				
Interest expense	(95,406)	(163,558)		(258,964)				
Total nonoperating revenue/(expense)	(18,069)	(146,312)	25,809	(138,572)				
Change in Net Position	(21,738)	(234,593)	24,239	(232,092)				
Net Position								
Beginning of year, as restated	4,278,824	7,232,027	19,369	11,530,220				
End of year	\$ 4,257,086	\$ 6,997,434	\$ 43,608	\$ 11,298,128				

# STATEMENT OF CASH FLOW – PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2018

		Busine	ess-î	Гуре Activitie	s -	Enterpris	e F	unds
•		Saman		Water				Total Proprietary
On social on A salutation	S====	Sewer		Water	A	irport	-	Funds
Operating Activities								
Receipts from customers and users	\$	1,556,521	\$	1,743,419	\$	19,259	\$	3,319,199
Payment to suppliers of goods and services		(1,345,070)		(874,637)		(18,896)		(2,238,603)
Payment to employees	-	(472,229)	-	(455,763)	_	(7,422)	_	(935,414)
Net cash provided by (used in) operating activities	-	(260,778)		413,019	-	(7,059)	-	145,182
Non-capital Financial Activities								
Payments from other governments		68,580		3,485		25,809		97,874
Net cash provided by (used in)								
noncapital financing activities		68,580		3,485	_	25,809		97,874
Capital and Related Financing Activities								
Purchase of property, plant and equipment		(78,679)		341				(78,679)
Principal paid on long-term debt		(95,000)		(150,046)				(245,046)
Interest paid on long-term debt		(110,213)		(167,201)		3.00		(277,414)
Net cash provided by (used in) capital	-	(110,210)	_	(10/,=01)	-	110	_	(
and related financing activities	-	(283,892)		(317,247)	_		_	(601,139)
Investing Activities								
Interest received		8,446		10,552		2		18,998
Net cash provided by investing activities	-	8,446		10,552	_	-		18,998
Net Increase (Decrease) in Cash		(467,644)		109,809		18,750		(339,085)
Code								
Cash  Beginning of year		2,409,438		2,130,385		27,670		4,567,493
Beginning of year	\$	1,941,794	\$	2,240,194	\$	46,420	\$	4,228,408
End of year	Ð	1,941,794	Φ	2,240,134	Ф	40,420	Φ	4,228,408
Cash Flows from Operating Activities								
Operating income (loss)	\$	(3,669)	\$	(88,281)	\$	(1,570)	\$	(93,520)
Adjustments to reconcile operating income (loss)								
to net cash provided (used) by operating activities:								
Depreciation		258,207		481,274		-		739,481
(Increase) Decrease in Accounts Receivable		15,255		77,254		(1,771)		90,738
(Increase) Decrease in Deferred Outflows of Resources		103,506		106,845		1,956		212,307
Increase (Decrease) in Accounts Payable		(444.570)		10.000		(1.101)		(420 (10)
and Accrued Liabilities		(441,578)		12,060		(1,101)		(430,619)
Increase (Decrease) in Deposits		340		2,940		(24)		2,940
Increase (Decrease) in Compensated Absences		14,558		35,390		277		50,225
Increase (Decrease) in Deferred Inflows of Resources		22,445		22,101		(386)		44,160
Increase (Decrease) in OPEB liability		10,348		10,658		VX 4224		21,006
Increase (Decrease) in Net Pension Liability	_	(239,850)	-	(247,222)	_	(4,464)	-	(491,536)
Net Cash Provided (Used) by Operating Activities	\$	(260,778)	\$	413,019	\$	(7,059)	\$	145,182

# STATEMENT OF FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUND – SUCCESSOR AGENCY JUNE 30, 2018

Assets  Cash and investments  Total assets	\$ 1,011,511 1,011,511
Liabilities	
Accounts payable and accrued liabilities	5,135
Interest payable	25,954
Long-term debt	
Due within one year	212,753
Due in more than one year	5,614,388
Total liabilities	_5,858,230
Net Position	
Held in trust for other governments	<u>\$(4,847,772)</u>

# STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PRIVATE-PURPOSE TRUST FUND – SUCCESSOR AGENCY JUNE 30, 2018

Additions	
Property taxes	\$ 799,853
Investment earnings	801
Total additions	800,654
Deductions	
Program expenses	818,697
Interest and fiscal agency expenses	299,254
Loss on sale of land held for resale	143,042
Total deductions	1,260,993
Change In Net Position	(460,339)
Net Position	
Beginning of year, re-stated	(4,387,433)
End of year	\$ (4,847,772)

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Firebaugh (the City) have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

These financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units is combined with data of the primary government. Each blended component unit has a June 30 fiscal year end. There are no discretely presented component units included in these financial statements. The following sections further describe the significant accounting policies of the City.

#### Reporting Entity

The City of Firebaugh, State of California (the "City"), was incorporated in 1914. The City operates under a Council-Manager form of government. The City's major operations include public safety; highways and streets; water and sewer; parks and recreation; building inspection; public improvements; planning and zoning, and general administrative services.

#### Basis of Presentation - Fund Accounting

Government-Wide Financial Statements - The Government-Wide Financial Statements (the Statement of Net Position and the Statement of Activities and Changes in Net Position) report information of all of the nonfiduciary activities of the primary government and its component units. For the most part, eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City and between the City and its component unit. Governmental activities, which normally are supported by taxes and inter-governmental revenues, are reported separately from business-type activities, which rely significantly on fees charged to external parties.

The Statement of Activities and Changes in Net Position presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Net position is restricted when constraints placed on them are either externally imposed or are imposed by constitutional provisions or enabling legislation. Internally imposed designations of resources are not presented as restricted net position. When both restricted and unrestricted resources are available for use, generally, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 1 - Summary of Significant Accounting Policies (Continued)

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The City reports the following major governmental funds:

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

Community Development Fund – The Community Development Fund was established to account for the monies received from various sources which are to be used for the design and construction of various projects.

Housing Fund – The Housing Fund is used to account for grant revenues and expenditures related to housing assistance loans for low income individuals (HOME grants) and businesses (Low Moderate Housing Assets).

The City reports the following additional fund types:

Private-Purpose Trust Fund – The Private-Purpose Trust Fund accounts for assets held by the City as trustee for the Successor Agency.

#### **Basis of Accounting**

The Government-Wide and Proprietary Fund Financial Statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 1 – Summary of Significant Accounting Policies (Continued)

Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Revenues and expenses not meeting this definition are reported as non-operating.

#### **Financial Statement Amounts**

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

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

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

Accounts Receivable – Billed but unpaid services provided to individuals or non-governmental entities are recorded as accounts receivable. The Proprietary Funds include a year-end accrual for services through June 30, 2018, which have not yet been billed.

Fresno County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Secured property taxes are due in two installments, on November 1 and March 1, and become a lien on those dates. They become delinquent on December 10 and April 10, respectively. Collection of delinquent accounts is the responsibility of the County, which retains all penalties collected. Property taxes are accounted for in the General Fund. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after year end. Property tax on the unsecured roll are due on July 1 and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year end accrual.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 1 – Summary of Significant Accounting Policies (Continued)

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

Interfund Receivables/Payables – Items classified as interfund receivable/payable represent short-term lending/borrowing transactions between funds. This classification also includes the current portion of an advance to or from another fund.

Advances To/From Other Funds – This classification represents non-current portions of any long-term lending/borrowing transactions between funds. This amount will be equally offset by a reserve of fund balance which indicates that it does not represent available financial resources and therefore, is not available for appropriation. The current portion of any interfund long-term loan (advance) is included as an interfund receivable/payable.

Capital Assets – Capital outlays are recorded as expenditures of the General, Special Revenue, and Capital Projects Funds and as assets in the Government-Wide Financial Statements to the extent the City's capitalization threshold are met.

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the Government-Wide Financial Statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight line method over the following estimated useful lives:

	Years
Buildings, structures and improvements	40
Infrastructure	40
Utility plant	40
Furniture and equipment	7
Automobiles and trucks	5

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 1 – Summary of Significant Accounting Policies (Continued)

Compensated Absences – It is the City's policy to permit all employees to accumulate earned but unused vacation and compensatory time benefits. Those employees on shift work schedules may also accumulate hours for holiday time benefits.

Vested or accumulated vacation, holiday and any compensation time that is expected to be paid with expendable available financial resources is reported as expenditure in the fund financial statements of the Governmental Fund that will pay for it. Amounts not expected to be liquidated with expendable available financial resources are reported in the Government-Wide Financial Statements.

Vested leave of Proprietary Funds are recorded as an expense and liability as the benefits accrue.

Sick leave can be accumulated, but vesting is limited and will not be paid upon termination. However, in past years unused sick leave could be used to pay post-employment health insurance. One retiree has unused benefits of \$58,271 at year end and this amount is reported as a compensated absence liability. For this reason, the City does not accrue any costs relating to sick leave.

*Unearned Revenue* – Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records unearned revenue related to uncollected outstanding, performing loans and intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred).

Long-Term Obligations – In the Government-Wide Financial Statements, and Proprietary Fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or Proprietary Fund Type Statement of Net Position. Debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, however, debt principal payments of Governmental Funds are recognized as expenditures when paid. Governmental Fund types 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 financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Non-Current Governmental Assets/Liabilities – GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the Government-Wide Statement of Net Position.

Pension Plan – All full-time City employees are members of the State of California Public Employees' Retirement System. The City's policy is to fund all pension costs accrued; such costs to be funded are determined annually as of July 1 by the System's actuary. See note 9 for further discussion.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 1 – Summary of Significant Accounting Policies (Continued)

Bond Discount and Issuance Costs — For governmental funds, bond discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable discount. Issuance costs, whether or not withheld form the actual net proceeds received, are reported as debt service expenditures. For business-type funds, bond discounts, are deferred and amortized over the life, of the bonds. Bonds payable are reported net of applicable bond discounts. Issuance costs are expensed.

Net Position/Fund Equity - The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position are categorized as net investment in capital assets, restricted and unrestricted.

- Net Investment in Capital Assets This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position This category presents external restrictions on net position imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position This category represents net position of the City, not restricted for any project or other purpose.

Fund Equity – In the fund financial statements, governmental fund balance is made up of the following components:

- Nonspendable fund balance typically includes inventories, prepaid items, and other items that must be maintained intact pursuant to legal or contractual requirements, such as endowments.
- Restricted fund balance category includes amounts that can be spent only for specific purposes imposed by creditors, grantors, contributors, or laws or regulations of other governments or through enabling legislations.
- Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City Council. The City Council has the authority to establish, modify, or rescind a fund balance commitment.
- Assigned fund balance are amounts designated by the City Council for specific purposes and do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification that includes all spendable amounts in the General Fund not contained in other classifications.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 1 – Summary of Significant Accounting Policies (Continued)

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to apply restricted first. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Implementation of New GASB Pronouncement – For the year ended June 30, 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pension Plans. The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2017. See notes 10 and 13 for details and impact of implementation on the financial statements.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

### Note 2 - Stewardship, Compliance and Accountability

California law authorizes the City to invest in obligations of the United States Treasury, agencies and instrumentalities, certificates of deposit or time deposits in banks and savings and loan associations which are insured by the Federal Deposit Insurance Corporation.

In accordance with applicable sections of the California Government Code and the Firebaugh Municipal Code, the City prepares and legally adopts an annual balanced budget on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the General Fund, specific Special Revenue Funds, and specific Capital Projects Funds. Budget plans are adopted for Proprietary Funds. A proposed budget is presented to the City Council during June of each year for review. The Council holds public hearings and may add to, subtract from, or change appropriations within the revenues and reserves estimated as available. Expenditures may not legally exceed budgeted appropriations at the fund level. Supplementary appropriations which alter the total expenditures of any fund, or expenditures in excess of total budgeted fund appropriations, must be approved by the City Council.

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

#### Note 3 - Cash and Investments

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

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Net	. г	OSI	HOII.
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Cash and Investments	\$	10,867,191
Fiduciary Funds:		
Cash and Investments	_	1,011,511
Total Cash and Investments	\$	11,878,702

#### Cash and investments as of June 30, 2018 consist of the following:

Cash on hand	\$ 575
Deposits with Financial Institutions	9,429,864
Local Agency Investment Fund	 2,448,263
Total Cash and Investments	\$ 11,878,702

### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 3 – Cash and Investments (Continued)

#### Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs to valuation methodology include inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments by fair value level:	Lev	el 1	Level 2	Lev	vel 3		ne 30, 2018 Balance
Equity Securities:	\$	-	\$ 2,448,263	\$		\$	2,448,263
Total Equity Securities			2,448,263				2,448,263
Investments carried at amortized con Bank Deposits and Cash on Hand Total Investments amortized at co						-	9,430,439 9,430,439
Total Investments						\$	11,878,702

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 3 – Cash and Investments (Continued)

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

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

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

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

#### Note 3 – Cash and Investments (Continued)

#### **Investments Authorized by Debt Agreements**

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

		Maximum	Maximum
	Maximum	Percentage	Investment
Authorized Investment Type	Maturity	of Portfolio	In One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	1 year	None	None
Commercial Paper	None	None	None
Money Market Mutual Funds	None	None	None
Investment Contracts	None	None	None
Certificates of Deposits	1 year	None	None
Repurchase Agreements	30 days	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Municipal Bonds	None	None	None

#### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2018 the City had the following investments.

	June 30, 2018	
	Balance	Maturity Date
Investment Type		
Equity Securities:		
LAIF	\$ 2,448,263	N/A
Total Equity Securities	\$ 2,448,263	

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

#### Note 3 – Cash and Investments (Continued)

#### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

	June 30, 2018 Balance	Minimum Legal Rating	Rating of Year End
Investment Type	3		
Equity Securities:			
LAIF	\$ 2,448,263	N/A	Not Rated
Total Equity Securities	\$ 2,448,263		

#### Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of the total City investments.

#### Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

#### Note 3 – Cash and Investments (Continued)

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

#### **Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire 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.

#### Note 4 – Notes Receivable

Revolving Loan Program — Long-term loans receivable of \$1,556,293 represent monies loaned to homebuyers in connection with a downpayment assistance programs. The loans are secured by real property with repayment due upon the sale of real property or starting at the end of the 30 year deferral period. At the time of sale, the seller pays the loan balance in full plus interest, ranging from 0% to 4%. For the homebuyer loan program, starting at the end of the 30 year deferral period, the borrower is required to repay the loan over the following 15 years.

Firebaugh San Joaquin Vista Associates – During fiscal year 2000, the Redevelopment Agency of the City of Firebaugh loaned Firebaugh San Joaquin Vista Associates \$200,000 as a subsidy in connection with a low income apartment. The note carries an interest rate of 3% and matures during 2055. The terms of the agreement specify that payments of the outstanding principal and accrued interest shall be paid annually in the amount equal to 30% of available project revenues. Payments made shall be credited first against accrued interest and then against outstanding principal. There have been no required payments to date on this note.

San Joaquin Development LLC – During fiscal year 2009, the Redevelopment Agency of the City of Firebaugh loaned San Joaquin Development LLC \$150,000 in connection with the construction of low-income condominiums. The note is non-interest bearing and is repayable upon sale of each unit at the rate of \$7,134 per unit. There have been no repayments on principal to date on this note.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

Note 5 – Capital Assets

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Retirements	Balance June 30, 2018
Governmental Activities	July 1, 2017	Additions	Kethements	June 30, 2010
Capital assets, not being depreciated				
		_		
Land	\$ 137,047	\$	\$	\$ 137,047
Construction in progress	267,365	1,356,642		1,624,007
Total capital assets, not being depreciated	404,412	1,356,642		1,761,054
Capital assets, being depreciated				
Buildings and improvements	1,338,503	<u></u>	<u> </u>	1,338,503
Infrastructure	514,825		Ē	514,825
Machinery and equipment	2,103,888	60,282		2,164,170
Total capital assets, being depreciated	3,957,216	60,282		4,017,498
Y and a communitate of demonstration from				
Less accumulated depreciation for: Buildings and improvements	(672.044)	(42.296)		(714.420)
Infrastructure	(672,044) (128,710)	(42,386) (12,871)		(714,430) (141,581)
Machinery and equipment	(1,693,856)	(12,871)	5	(1,817,752)
Total accumulated depreciation	(2,494,610)	(179,153)		(2,673,763)
rotar accumulated depreciation	(2,474,010)	(177,133)		(2,073,703)
Total capital assets, being depreciated, net	1,462,606	(118,871)	*	1,343,735
Governmental activities capital assets, net	\$ 1,867,018	\$ 1,237,771	\$ -	\$ 3,104,789
Business-Type Activities Capital assets, not being depreciated				
Land	\$ 203,705	\$	\$ -	\$ 203,705
Total capital assets, not being depreciated	203,705			203,705
Capital assets, being depreciated	24.284.041			04.004.041
Buildings and infrastructure	24,284,841	79 670	Ē	24,284,841
Machinery and equipment	1,067,924	78,679		1,146,603
Total capital assets, being depreciated	25,352,765	78,679	/ <del></del>	25,431,444
Less: accumulated depreciation	(8,867,439)	(739,481)		(9,606,920)
Total capital assets, being depreciated, net	16,485,326	(660,802)		15,824,524
Business-type activities capital assets, net	\$ 16,689,031	\$ (660,802)	\$	\$ 16,028,229

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 5 - Capital Assets (Continued)

Depreciation and amortization expense were charged to the following functions in the Statement of Activities:

Governmental Functions:		
General Government	\$	60,626
Public Safety		86,447
Public Works	:	32,080
	\$	179,153
Business-Type Functions:		
Sewer	\$	258,207
Water	-	481,274
	\$	739,481

#### Note 6 - Long-term Liabilities

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. The City's debt transactions are summarized below and discussed in detail thereafter:

		Balance uly 1, 2017	Ad	ditions	Re	tirements	Ju	Balance ne 30, 2018		Current Portion
Business-Type Activity Long Term Debt										
Bonds payable:										
2013 Water Revenue Refunding Bond	\$	1,316,244	\$	-	\$	75,046	\$	1,241,198	\$	72,685
2016 Wastewater Refunding Bond		3,415,000		-		95,000		3,320,000		70,000
2016 Water Refunding Bund	-	3,805,000				75,000		3,730,000	_	80,000
Total long-term debt	\$	8,536,244	\$		\$	245,046	\$	8,291,198	\$	222,685

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2014

#### Note 6 – Long-Term Liabilities (Continued)

Long-term debt payable at June 30, 2018 was comprised of the following individual issues:

2013 Water Revenue Refunding Bond – In November 2013, the City issued revenue bonds in the amount of \$1,512,415. The funds were used for the purpose of refinancing the 2005 Water Revenue Bond. Principal and interest is payable semi-annually on December 1 and June 1 each year, with an interest rate of 3.85%.

2016 USDA Water Refunding Bonds - In 2016 the City issued \$3,945,000 of Water Revenue Refunding Bonds. The proceeds of the issue were used to refinance the 2007 USDA Water Certificate of Participation. Interest on the Bond is payable semi-annually on November 1 and June 1 each year, with an interest rate of 3.5% per annum. Principal is paid annually on June 1. 100% of water revenues are pledged for the repayment of principal. The City realized a gain of \$315,253 on the refinance as measured by the difference between the net present value of the old payment and the net present value of the new payment stream. Pursuant to the provisions of the Bond agreement, the City has established a Rate Stabilization Fund and made an initial deposit of \$500,000 in fiscal year 2016-17, \$250,000 was used to cover debt ratio, leaving a current ending balance of \$250,000 at June 30, 2018. Debt service is secured by a pledge of net revenues of the City's Water System. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the water system which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all water operation and maintenance costs and all bond installment payments and produce net water revenues equal to at least 1.25 times debt service coming due and payable during such fiscal year. The City is in compliance with those covenants as of June 30, 2018. Cash basis debt service paid during the fiscal year ended June 30, 2018 totaled \$323,560. Total water system net revenues calculated in accordance with the covenants were \$410,242 and net revenue available for debt service was 1.27 times debt service at June 30, 2018.

Refunding Bonds. The proceeds of the issue were used for refinance of the 2008 USDA Sewer Loan Payable. Interest on the Bond is payable semi-annually on February 1 and August 1 each year, with an interest rate of 3.5% per annum. Principal is paid annually on August 1. 100% of wastewater revenues are pledged for the repayment of principal. The City realized a gain of \$326,903 on the refinance as measured by the difference between the net present value of the old payment stream and the net present value of the new payment stream. The City covenants that it shall prescribe, revise and collect such charges for the services and facilities of the sewer system which shall produce revenues sufficient in each fiscal year to provide gross revenues which are sufficient to pay all sewer operation and maintenance costs and all bond installment payments and produce net sewer revenues equal to at least 1.25 times debt service coming due and payable during such fiscal year. The City is in compliance with those covenants as of June 30, 2018. Cash basis debt service paid during the fiscal year ended June 30, 2018 totaled \$177,163. Total sewer system net revenues calculated in accordance with the covenants were \$263,648 and net revenue available for debt service was 1.49 times debt service at June 30, 2018.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

### Note 6 - Long-Term Liabilities (Continued)

The annual requirement to amortize the principal and interest on all long-term debt at June 30, 2018 are as follows:

	Business-Type Activities					
Years ending June 30,	Principal			Interest		
2019	\$	222,685	\$	281,087		
2020		232,444		274,944		
2021		242,222		267,972		
2022		251,886		260,387		
2023		256,459		252,048		
2024-2028		1,383,575		1,129,111		
2029-2033		1,416,928		866,652		
2034-2038		1,255,000		659,944		
2039-2043		1,480,000		438,606		
2044-2048		1,550,000		166,513		
2049-2053	_		_	3,063		
	\$	8,291,198	\$	4,600,325		

#### Note 7 – Interfund Balances

Interfund balances as of June 30, 2018 consist of the following:

	D	Due From		Due To		
Major Funds:	•					
General Fund	\$	221,234	\$	=		
Community Development		9		220,836		
Non Major Funds:						
Gas Tax				398		
	\$	221,234	\$	221,234		
	Adva	ances From	Ad	vances To		
Major Funds:	3,-111		-			
General Fund	\$	-	\$	815,007		
Enterprise Funds:						
Sewer		735,007		2.		
Water	Sentan-	80,000				
	\$	815,007	\$	815,007		

All balances reported as "due to/due from" are short-term loans to cover temporary fund cash shortages as of June 30, 2018, and were repaid early in fiscal year 2019.

Balances reported as "advance to/advance from" were for capital project expenditures and have scheduled repayments in future years.

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 8 - Deficit Fund Balance

Fund Balance Deficits — The Community Development Fund has a deficit fund balance as of June 30, 2018 of \$8,506. The deficit is expected to be relieved from future revenues or transfers from other funds.

#### Note 9 - Pension Plan

Plan Description – The City contributes to the California Public Employees' Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office - 400 P Street - Sacramento, CA 95814.

Funding Policy – Participants are required to contribute eight percent (nine percent for safety employees) of their annual covered salary. The City contributes the employees required share for administrative and public works employees and 5% and 4% of the police and dispatchers required share, respectively. The City is required to contribute at an actuarially determined rate; the current rate is 6.533 - 10.110 percent for non-safety employees and 11.990 - 17.875 percent for safety employees of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

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

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 9 – Pension Plan (continued)

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	Safety
	Prior to	Prior to
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2.5% at 55;	3.0% at 55;
	maximum 2%	maximum 2%
	COLA	COLA
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	55	55
Monthly Benefits, as a % of Eligible Compensation	2.50%	3.00%
Required Employee Contribution Rates	8.00%	9.00%
Required Employer Contribution Rates	10.110%	17.875%
	PEPRA	
	Miscellaneous	PEPRA Safety
	On or After	On or After
Hire Date	January 1, 2013	January 1, 2013
Benefit Formula	2.0% at 62;	2.7% at 57;
	maximum 2%	maximum 2%
	COLA	COLA
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	62	57
Monthly Benefits, as a % of Eligible Compensation	2.00%	2.70%
Required Employee Contribution Rates	6.25%	11.50%
Required Employer Contribution Rates	6.533%	11.990%

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 July 1 following the notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2018, the contributions recognized as part of the pension expense is as follows:

Contributions – employer	\$ 455,915
Contributions – employee	\$ 152,553

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 9 – Pension Plan (continued)

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate shares of the net pension liability as follows:

	Proportionate Share of					
	Net F	Pension Liability				
Miscellaneous	\$	1,831,727				
Safety		2,081,461				
Total	\$	3,913,188				

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each Plan is measured as of June 30, 2017, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2016	0.04584%	0.03579%
Proportion - June 30, 2017	0.04647%	0.03483%
Change - Increase/(Decrease)	0.00063%	-0.00096%

For the year ended June 30, 2018, the District recognized pension expense of \$750,983. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	rred Outflows Resources	Deferred Inflows of Resources	
Pension contributions subsequent to	 		
measurement date	\$ 455,917	\$	; <b>=</b> ;
Change in employer's proportion	134,776		(51,054)
Differences between employer's contributions and			
proportionate share of contributions	71,696		:=:
Differences between expected and actual			
experience	25,987		(38,431)
Changes of assumptions	623,480		(47,697)
Differences between projected and actual			
investment earnings	138,208	-	
Total	\$ 1,450,064	\$	(137,182)

## NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 9 – Pension Plan (continued)

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

\$455,917 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended		
June 30		
2019	- \$	270,649
2020		405,563
2021		262,161
2022		(81,409)
	\$	856,964

Actuarial Assumptions – The total pension liability in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

•	
Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method in
	accordance with the requirements of
	GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership 1
	Date for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until
	Purchasing Power Protection
	Allowance Floor on Purchasing Power
	applies, 2.75% thereafter
	* * '

<sup>&</sup>lt;sup>1</sup> The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 experience study report (based on CalPERS demographic data from 1997 to 2011) available online.

All other actuarial assumptions used in the June 30, 2017 valuation was based on the results of an actuarial experience study for fiscal years 1997-2011, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 9 – Pension Plan (continued)

Change of assumptions – In fiscal year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions presented in the Schedule of Collective Pension Amounts represent the unamortized portion of this assumption change.

Discount rate – The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investement expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), the amortization and smoothing periods recently adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent rate plan and a safety agent rate plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of retrun on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained on CalPERS' website under the GASB 68 section.

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

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

The long-term expected real rates of return by asset class can be found in CalPERS' Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 9 - Pension Plan (continued)

The table below reflects long-term expected real rates of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The geometric rates of return are net of administrative expenses.

	New Strategic	Real Return	Real Return 2
Asset Class	Allocation	Years 1-10	Years 11+
Global Equity	47%	4.90%	5.38%
Fixed Income	19%	0.80%	2.27%
Inflation Assets	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	0.40%	-0.90%
Total	100%		

An expected inflation of 2.5% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following presents the District's proportionate share of the net pension liability for each Plan, calculating using the discount rate of each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	1% Decrease (6.15%)		Discount Rate (7.15%)		1% Increase	
					(8.15%)	
Miscellaneous	\$	2,752,152	\$	1,831,727	\$	1,069,415
Safety	\$	3,218,715	\$	2,081,461	\$	1,151,812

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

#### Payable to the Pension Plan

At June 30, 2018, the District has no reported outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2018.

<sup>&</sup>lt;sup>2</sup> An expected inflation of 3.0% used for this period

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 10 - Post-Employment Health Care Benefits

#### Plan Description

The City reported that the only OPEB provided is medical plan coverage.

Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS, which requires (1) attainment of age 50 (age 52, if a new miscellaneous member to PERS on or after January 1, 2013) with 5 years of State or public agency service or (2) an approved disability retirement.

As a PEMHCA employer, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's lifetime or until coverage is discontinued. This City most recently executed resolution with CalPERS defines the level of the City's contribution to be 100% of the retiree's monthly medical premium, but not more than \$347.77 per month.

#### **Employees Covered**

Membership in the plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

Summary of Plan Member Counts	
Number of active plan members	36
Number of inactive plan members currently receiving benefits	6
Number of inactive plan members entitled but not receiving benefits	0

#### **Contributions**

The contribution requirements of plan members and the City are established and may be amended by the City. The City determines the required contributions using the Entry Age Normal Cost Method. The required contribution is based on projected pay-as-you-go financing requirements.

### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 10 - Post-Employment Health Care Benefits (Continued)

#### **Actuarial Assumptions**

The City's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date as of June 30, 2018.

Valuation Date 6/30/2018

Funding Method Entry Age Normal Cost, percent of pay
Asset Valuation Method Market Value (\$0, plan is not yet funded)

Actuarial Assumptions:

Discount Rate 2.68% as of June 30, 2016

3.13% as of June 30, 2017

Inflation Rate 2.75% Salary Increase 3.25%

Health Cost Trend Rates Medical premiums and claims costs by age are assumed

to increase once each year. The increases over the prior year's levels are assumed to be effective on the dates

shown below:

Effective January 1 Premium Increase
2019 7.5%
2020 7.0%
2021 6.5%
2022 6.0%
2023 5.5%
2024 & later 5.0%

The PEMHCA minimum required contribution (MEC)

is assumed to increase annually by 4.5 %

Mortality rate Pre-retirement mortality rates were based on the

CalPERS 2014 experience study. Mortality

Improvement rates were based on the MacLeod Watts

Scale 2017 applied generationally from 2018.

#### Long Term Expected Rate of Return

Not applicable, the City has reported no plan assets as of June 30, 2018.

### **Discount Rate**

The rate of return is based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

### Note 10 - Post-Employment Health Care Benefits (Continued)

#### Changes in the Net OPEB Liability

	Increase (Decrease)						
		Total OPEB Liability (a)		Plan Fiduciary Net Position (b)		Net OPEB Liability (a) - (b)	
Balance at 06/30/17	\$	3,389,661	\$ - \$ 3,38		3,389,661		
Changes for the year:							
Service cost		314,831				314,831	
Interest		98,956				98,956	
Changes of benefit terms		<u>22</u> 1		:27		192	
Differences between expected and actual experience		5				×.	
Changes of assumptions		(320,608)		396		(320,608)	
Contributions - employer		2		24,191		(24,191)	
Net investment income				(m)			
Benefit payments		(24,191)	_	(24,191)			
Net changes		68,988		-		68,988	
Balance at 06/30/18	\$	3,458,649	\$	-	\$	3,458,649	

The only assumption change reflected during this period is the change in the discount rates as required by GASB 75.

#### Sensitivity of the City's Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	19	% Decrease	Discount Rate		I.	% Increase
		(2.13%)		(3.13%)		(4.13%)
Net OPEB liability	\$	4,226,979	\$	3,458,649	\$	2,865,956

#### Sensitivity of the City's Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Curre	nt Trend -1%	Cu	rrent Trend	Current Trend +1%		
Net OPEB liability	\$	2,759,349	\$	3,458,649	\$	4,580,169	

Healthcare cost trend rate was assumed to start at 8.0% (effective January 1, 2009) and grade down to 5% for years 2025 and thereafter.

# NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

### Note 10 - Post-Employment Health Care Benefits (Continued)

#### OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of \$380,870. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
OPEB contributions subsequent to				
measurement date	\$	39,396	\$	
Assumption changes				(287,691)
Deferred contributions		31,579		<u>-</u>
	\$	70,975	\$	(287,691)

The City will recognize the Deferred Contributions in the next fiscal year. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ended	
June 30:	
2019	\$ (32,917)
2020	(32,917)
2021	(32,917)
2022	(32,917)
2023	(32,917)
Thereafter	\$ (123,106)

### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 11 - Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports the following deferred outflows related to net pension liability and net OPEB liability in the Statement of Net Position:

Deferred outflows related to net pension liability:				
Pension contributions subsequent to measurement date	\$	455,917		
Change in employer's proportion		140,453		
Differences between employer's contributions and				
proportionate share of contributions		71,696		
Differences between expected and actual experience		25,987		
Changes in assumptions		623,480		
Differences between projected and actual investment earnings		138,208		
Total Deferred outflows related to net pension liability				1,455,741
Deferred outflows related to net OPEB liability:				
OPEB contributions subsequent to measurement date		39,396		
Deferred contributions	7	31,579		
Total Deferred outflows related to net pension liability			-	70,975
TOTAL DEFERRED OUTFLOWS OF RESOURCES			\$	1,526,716

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, represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports the following deferred inflows related to net pension liability and net OPEB liability in the Statement of Net Position:

Deferred inflows related to net pension liability:			
Change in employer's proportion	\$ 51,054		
Differences between expected and actual experience	38,431		
Changes of assumptions	47,697		
Total Deferred inflows related to net pension liability			137,182
Deferred inflows related to net OPEB liability: Assumption changes	287,691		
Total Deferred inflows related to net OPEB liability		-	287,691
TOTAL DEFERRED INFLOWS OF RESOURCES		\$	424,873

#### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 12 - Risk Management

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

The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each worker's 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 \$10,000 and workers' compensation losses under \$10,000. The CSJVRMA purchases excess reinsurance from \$1,000,000 to \$15,000,000. The CSJVRMA participates in an excess pool which provides Workers' Compensation coverage from \$500,000 to \$1,500,000 and purchases excess reinsurance above \$1,500,000 to the statutory limit.

The CSJVRMA is a consortium of 55 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 each year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA. The financial statements of CSJVRMA can be obtained at 1831 K Street, Sacramento, CA 95814.

The latest audited financial information and the most current information available for CSJVRMA for fiscal year ended June 30, 2017 is as follows:

Total assets	\$ 100,984,219
Total liabilities	83,009,648
Net position	\$ 17,974,571
Total revenues	\$ 44,757,809
Total expenses	42,218,070
Increase/(decrease) in net position	\$ 2,539,739

#### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 13 - Prior Period Adjustments

The City recorded the following prior period adjustments:

- 1. The City implemented GASB Statement No. 75. As a result, net OPEB liability increased by \$280,369 in the Governmental Activities and \$1,032,152 in the Business-Type Activities of the Statement of Net Position, deferred outflows increased by an immaterial amount; net position decreased by \$241,581 and \$1,015,170 for Governmental Activities and Business-Type Activities, respectively, in the Statement of Activities, deferred outflows increased by an immaterial amount. In the Fund Financials, net OPEB liability increased by \$508,449 and 523,703 in the Sewer and Water Proprietary Funds, respectively, in the Statement of Net Position Proprietary Funds; net position decreased by like amounts, respectively, in the Statement of Revenues, Expenses and Changes in Net Position.
- 2. The City corrected the Governmental Activities Capital Assets schedule, certain assets were not properly included or were improperly included in the schedule and depreciation expense was not properly computed. As a result, net position of the governmental activities in the Statement of Activities increased by \$214,858.
- 3. The City corrected the balance of compensated absences for Governmental Activities, the balance was improperly duplicated in a prior year. As a result, net position of the Governmental Activities in the Statement of Activities increased by \$154,797.
- 4. The City corrected the utilities accounts receivable accrual to properly match its billing period. As a result, net position increased by \$35,281 and \$267,096 for Governmental Activities and Business-type Activities, respectively, in the Statement of Activities. At the fund level, fund balance increased by \$35,281 in the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balance; net position increased by \$118,401 and \$148,695 in the Sewer and Water Proprietary Funds in the Statement of Revenues, Expenditures and Changes in Net Position.
- 5. The City corrected the beginning balance of the 2016A bond refunding, outflows related to bond inssuance costs were improperly deferred. As result, net position decreased by \$346,137 in the Business-type Activities of the Statement of Activities; net position decreased by \$161,068 and \$185,069 in the Sewer and Water Proprietary Funds, respectively in the Statement of Revenues, Expenses and changes in Net Position.
- 6. The City corrected the Business-type Capital Assets schedule, certain assets were not properly depreciated. As result net position increased by \$399,517 in the Business-type Activities of the Statement of Activities and in the Water Proprietary Fund in the Statement of Revenues, Expenses and Changes in Net Position.
- 7. The City corrected accounts receivable previously collected. As a result, net position decreased \$13,856 in the Governmental Activities of the Statement of Activities; fund balance decreased \$13,856 in the Gas tax fund in the Statement of Revenues, Expenditures and Changes in Fund Balance.

#### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 13 - Prior Period Adjustments (Continued)

- 8. The City corrected the balance of interest receivable, on a long term note receivable, previously not recorded. As a result, net position/fund balance increased by \$25,553 in both the Statement of Activities, Governmental Activities and the Statement of Revenues, Expenditures and Changes in Fund Balance, General Fund.
- 9. The City reclassified certain sub-funds within the Governmental Funds. As a result, fund balance decreased by \$29,894 in the Low-Moderate Housing Assets fund and increased by the same amount in the Housing fund, fund balance in the Development Impact Fees fund increased by \$1,001 and the Community Development fund decreased by the same amount.

The following table illustrates the prior period adjustments, described above, as of July 1, 2017:

	Government-wide Fund Level																	
		Statement of	of Activities		Statement of Revenues, Expenditures/Expenses and Changes in Fund Balan											ce/Net Position		
				Governmental Funds									Proprietary			ry Funds		
			Business-type		Comn	nunity				1	Development	Lo	w-Moderate					
		Activities	Activities	General Fund	Develo	pment	Hou	using	Gas Tax		Impact Fees	Ho	using Assets		Sewer		Water	
Net position/Fund balance at June 30, 2017, as previously reported:	\$	3,348,530	\$ 12,224,914	\$ 1,940,441	\$	(5,955)	a part of the co	-	\$ 108,133	3 S	306,906	\$	29,894	<u> </u>	4,821,575	s	7,383,970	
reported.	Φ	3,346,330	Φ 12,224,714	\$ 1,240,441	Ψ	(3,755)	Ψ		Ψ 100,15.	J 4	300,500	•	25,05	•	1,0=1,010	-	,,,,,,,,,,	
PPA No. 1		(241,581)	(1,015,170)	-		-		(9)		-			₹:		(500,084)		(515,086)	
PPA No. 2		214,858	3. <del>0</del> 5			=		270		-	曼		8		-		-	
PPA No. 3		154,797	*			<u> </u>		27		-	141		-		-		:=:	
PPA No. 4		35,281	267,096	35,281		-		*		-	-		=		118,401		148,695	
PPA No. 5		5 <b>2</b> 8	(346,137)	2.00		~							W 5		(161,068)		(185,069)	
PPA No. 6			399,517	-		*		:•0		<b>#</b> 2			₹.		-		399,517	
PPA No. 7		(13,856)	3.65	: <del></del>		-		5 <b>7</b> .V	(13,85)	6)	-		3		-		2	
PPA No. 8		25,553				ş	25	5,554		-	<u> </u>		-		<b>2</b>		( <b>*</b> )	
PPA No. 9						(1,001)	29	9,894			1,001		(29,894)	_				
Net position/Fund balance at June 30,					<b>(D)</b>	46.056)	Φ.σ.	~ 440	. 04.27	7 6	207.007	ď		ď	4 279 924	e.	7 222 027	
2017, re-stated:	\$	3,523,582	\$11,530,220	\$ 1,975,722	\$	(6,956)	3 5:	5,448	\$ 94,27	7 \$	307,907	\$		<u>\$</u>	4,278,824	Φ	7,232,027	

#### NOTES TO BASIC FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2018

#### Note 14 - Stewardship, Compliance and Accountability

Excess of expenditures over appropriations – The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2018:

#### General Fund:

#### Current:

General government	\$ (16,261)
Public ways and facilities	\$ (36,424)
Public protection	\$ (16,456)
Culture and recreation	\$ (5,548)
Community development	\$ (28,746)

#### Community Development:

#### Current:

Community development \$ (95,403)

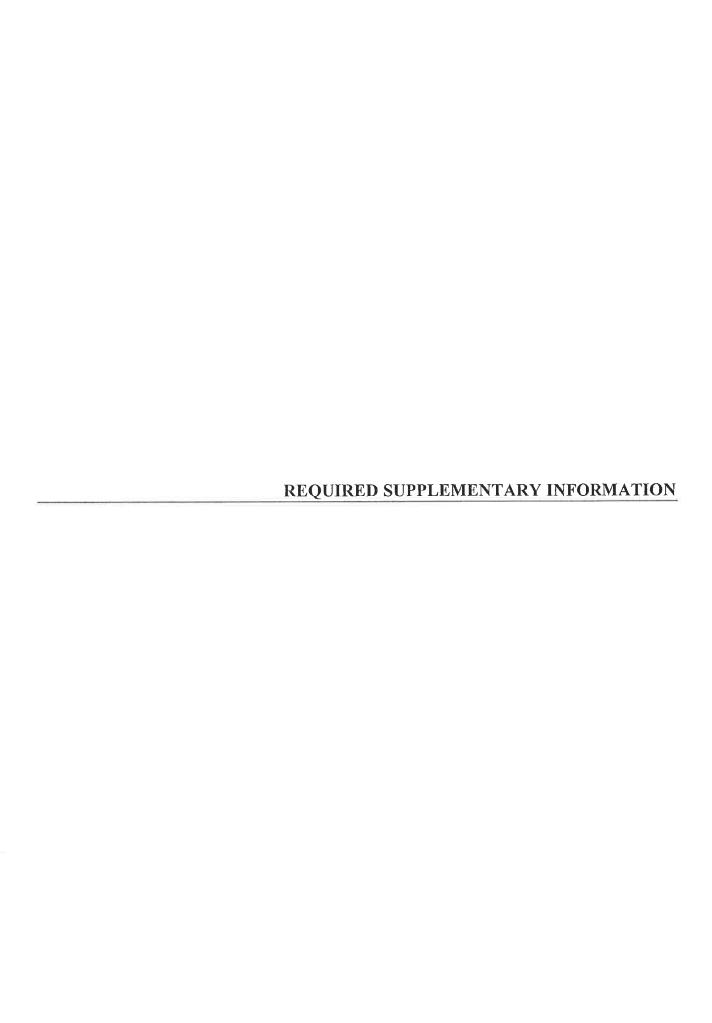
The excess expenditures were covered by available fund balance in the funds.

#### Note 15 - Contingencies

Federal and State Government Programs – The City participates in several federal and state grant programs. These programs have been audited, as needed, in accordance with the provisions of the Uniform Guidance and applicable state requirements. No cost disallowances were proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

#### Note 16 – Subsequent Events

The City evaluated subsequent events for recognition and disclosure through February 1, 2019 the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2018 that required recognition or disclosure in such financial statements.



#### BUDGETARY COMPARISON SCHEDULE GENERAL FUND YEAR ENDED JUNE 30, 2018

		Budgeted Original	An	nounts		Actual Amounts	Fi	riance with nal Budget Positive/ Negative)
Revenue							-	
Taxes	\$	2,606,819	\$	2,606,819	\$	2,968,720	\$	361,901
Licenses and permits	Ψ	113,650	*	113,650	Ψ	164,127	•	50,477
Intergovernmental		33,658		33,658		1,234,348		1,200,690
Charges for services		594,500		594,500		600,845		6,345
Fines and forfeitures		36,100		36,100		22,823		(13,277)
Investment income		25,608		25,608		48,655		23,047
Other		156,348	9500	156,348		190,694		34,346
Total revenue		3,566,683		3,566,683	_	5,230,212	R=++	1,663,529
Expenditures								
Current								
General government		224,876		224,876		232,035		(7,159)
Public ways and facilities		436,710		436,710		473,134		(36,424)
Public protection		1,883,160		1,883,160		1,899,616		(16,456)
Culture and recreation		266,761		266,761		284,488		(17,727)
Community development		121,695		121,695		147,364		(25,669)
Capital outlay	_	70,100	_	70,100	-	30,000		40,100
Total expenditures	_	3,003,302	_	3,003,302	-	3,066,637		(63,335)
Revenue over (under) expenditures		563,381		563,381		2,163,575		1,600,194
Other Financing Sources/(Uses)								
Sales of assets		- 4	-			18,974		18,974
Total other financing sources/(uses)	Y					18,974	_	18,974
Net Change in Fund Balance	\$	563,381	\$	563,381		2,182,549	\$	1,600,194
Fund Balance								
Beginning of year, restated					1	1,940,441		
End of year					\$	4,158,271		

#### BUDGETARY COMPARISON SCHEDULE COMMUNITY DEVELOPMENT FUND YEAR ENDED JUNE 30, 2018

	Rudgeted	Amounts	Actual	Variance with Final Budget Positive/
	Original	Final	Amounts	(Negative)
Revenue	***************************************			
Intergovernmental	\$ 3,498,279	\$ 3,498,279	\$ 1,592,173	\$ (1,906,106)
Total revenue	3,498,279	3,498,279	1,592,173	(1,906,106)
Expenditures				
Current				
Community development	1,960,128	1,960,128	283,553	1,676,575
Capital outlay	1,538,151	1,538,151	1,356,642	181,509
Total expenditures	3,498,279	3,498,279	1,640,195	1,858,084
Revenue over (under) expenditures	-	an -	(48,022)	(48,022)
Net Change in Fund Balance	<u> </u>	\$ -	(48,022)	\$ (48,022)
Fund Balance Beginning of year, restated End of year			(6,956) \$ (54,978)	

#### BUDGETARY COMPARISON SCHEDULE HOUSING FUND YEAR ENDED JUNE 30, 2018

	Budgete	l An	nounts	Actual	Variance with Final Budget Positive/	
	Original		Final	Amounts	(Negative)	
Revenue						
Loan repayments	\$ -	\$	-	\$ 60,407	\$ 60,407	
Investment income			- 2	19,890	19,890	
Total revenue				80,297	80,297	
Expenditures						
Current						
Planning and community development Total expenditures		8 *				
Revenue over (under) expenditures		a a <del></del>		80,297	80,297	
Net Change in Fund Balance	\$ -	\$	-	80,297	\$ 80,297	
Fund Balance						
Beginning of year, restated						
End of year				\$ 135,745		

## SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY LAST 10 YEARS\* AS OF JUNE 30, 2018

		Mise	cellaneous	
	2015	2016	2017	2018
Proportion of the net pension liability	0.04155%	0.04681%	0.04584%	0.04647%
Proportionate share of the net pension liability	\$ 1,026,968	\$ 1,284,149	\$ 1,592,387	\$ 1,831,727
Covered - employee payroll	\$ 1,142,658	\$ 1,185,040	\$ 1,135,047	\$ 1,085,707
Proportionate share of the net pension liability as a percentage of				
covered-employee payroll	89.88%	108.36%	140.29%	168.71%
Plan's fiduciary net position	\$ 4,258,380	\$ 4,422,483	\$ 4,509,211	\$ 4,859,986
Plan's fiduciary net position as a percentage of the Total Pension Liability	80.57%	77.50%	73.90%	72.63%
			Safety	
	2015	2016	Safety 2017	2018
Proportion of the net pension liability	2015 0.04123%			2018 0.03484%
Proportion of the net pension liability Proportionate share of the net pension liability		2016	2017	
	0.04123%	2016 0.03571%	2017 0.03579%	0.03484%
Proportionate share of the net pension liability  Covered - employee payroll  Proportionate share of the net pension liability as a percentage of	0.04123% \$ 1,546,431 \$ 799,827	2016 0.03571% \$ 1,471,316 \$ 692,501	2017 0.03579% \$ 1,853,650 \$ 692,040	0.03484% \$ 2,081,461 \$ 683,756
Proportionate share of the net pension liability  Covered - employee payroll  Proportionate share of the net pension liability as a percentage of covered-employee payroll	0.04123% \$ 1,546,431 \$ 799,827	2016 0.03571% \$ 1,471,316 \$ 692,501 212.46%	2017 0.03579% \$ 1,853,650 \$ 692,040 267.85%	0.03484% \$ 2,081,461 \$ 683,756
Proportionate share of the net pension liability  Covered - employee payroll  Proportionate share of the net pension liability as a percentage of	0.04123% \$ 1,546,431 \$ 799,827	2016 0.03571% \$ 1,471,316 \$ 692,501	2017 0.03579% \$ 1,853,650 \$ 692,040	0.03484% \$ 2,081,461 \$ 683,756

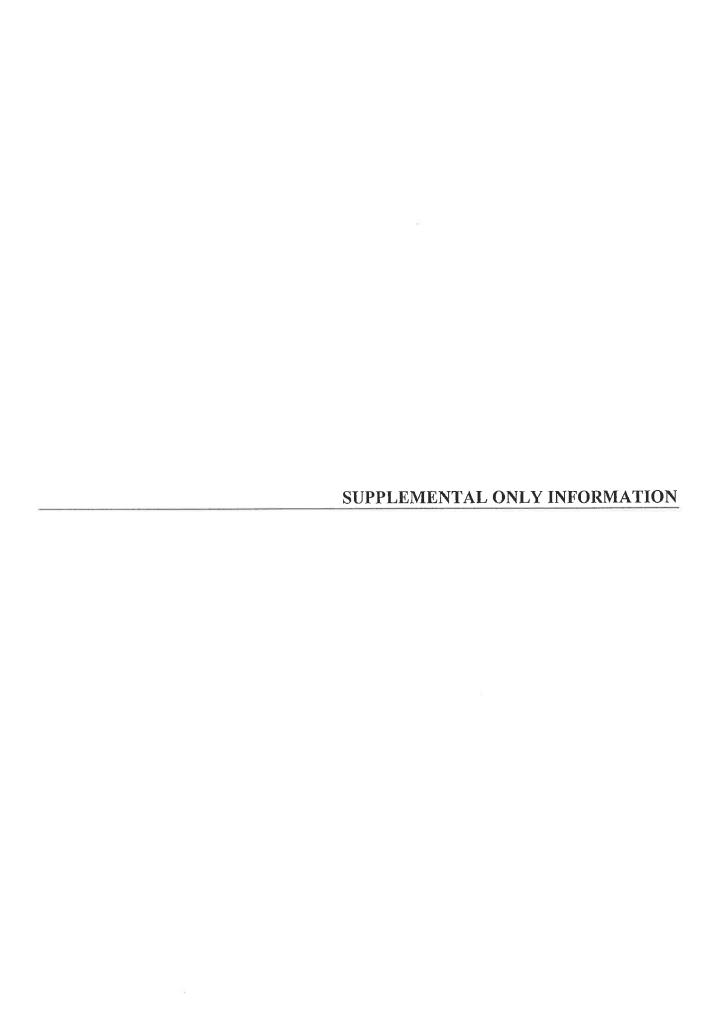
<sup>\*</sup>Fiscal year 2014-15 was the first year of implementation, therefore only four years are shown.

Changes of Assumptions: In fiscal year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions presented in the Schedule of Collective Pension Amounts represent the unamortized portion of this assumption change

#### SCHEDULE OF CONTRIBUTIONS LAST 10 YEARS\* AS OF JUNE 30, 2018

	Miscellaneous	
	2015 2016 2017 201	8
Contractually required contribution (actuarially determined)  Contributions in relation to the actuarially determined contributions	*	94,343 94,343
Contributions deficiency (excess)	\$ - \$ - \$	
Covered-employee payroll	\$ 1,142,658 \$ 1,185,040 \$ 1,135,047 \$ 1,0	85,707
Contributions as a percentage of covered-employee payroll	10.85% 10.85% 15.70%	17.90%
	Safety	
	2015 2016 2017 201	8
Contractually required contribution (actuarially determined)	\$ 145,022 \$ 234,881 \$ 224,508 \$ 2	40,914
Contributions in relation to the actuarially determined contributions	(145,022) (234,881) (224,508) (2	40,914
Contributions deficiency (excess)	\$ - \$ - \$	
Commonwell administration (chicaso)		
Covered-employee payroll	\$ 799,827 \$ 692,501 \$ 692,040 \$ 6	83,756

<sup>\*</sup>Fiscal year 2014-15 was the first year of implementation, therefore only four years are shown.



#### COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS JUNE 30, 2018

ASSETS	Gas Tax	Local Transportation	Development Impact Fees	Measure C Funds	Landscape Maintenance	Public Safety	SBI	Total
Cash and investments	\$	\$ 487,209	\$ 277,423	\$ 748,708	\$ 96,039	\$ 89,726	\$ 28,798	\$ 1,727,903
Accounts receivable	51,285	14,758	277,123	14,326		60,333	7,132	147,834
Total assets	51,285	501,967	277,423	763,034	96,039	150,059	35,930	1,875,737
LIABILITIES AND FUND BALANCE Liabilities								
Accounts payable and accrued expense	7,945	5,928	76	2,541	3,058	5,996	€	25,544
Accrued expenses	2,041	6,046	(*)	9,602	834	6,985		25,508
Due to other funds	398							398
Total liabilities	10,384	11,974	76	12,143	3,892	12,981	<u> </u>	51,450
Fund Balance Restricted								
Public ways and facilities	40,901	489,993	<b>⊕</b>	750,891	92,147	(4)	35,930	1,409,862
Public safety programs				· ·		137,078	2	137,078
Capital projects and improvements			277,347					277,347
Total fund balance	40,901	489,993	277,347	750,891	92,147	137,078	35,930	1,824,287
Total liabilities and fund balance	\$ 51,285	\$ 501,967	\$ 277,423	\$ 763,034	\$ 96,039	\$ 150,059	\$ 35,930	1,875,737

## COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE NON-MAJOR GOVERNMENTAL SPECIAL REVENUE FUNDS YEAR ENDED JUNE 30, 2018

		Local	Development	Measure C	Landscape	Public Safety	SB1	Total
	Gas Tax	Transportation	Impact Fees	Funds	Maintenance	Public Safety		Total
Revenue								
Taxes and assessments	\$	\$	\$	\$	\$	\$ 188,163	\$ 37,808	
Licenses and permits	840	*	751	•	15	6		751
Intergovernmental	164,031	240,651	3	273,219	47,113	15,636	(*)	740,650
Investment income	845	1,385	343	1,474	281	668		4,653
Other revenue	9,325						*	9,325
Total revenue	174,201	242,036	751	274,693	47,394	204,467	37,808	981,350
Expenditures								
Current								22 544
General government			7,399		26,347			33,746
Public ways and facilities	227,577	128,697	18,932	131,610	(9)		1,878	508,694
Public safety	○ ● ○	*	1.5	•		118,725	·	118,725
Culture and recreation	•	2	4,980		) <b>=</b> ()		<b>:</b> €0	4,980
Capital outlay					:	30,282		30,282
Total expenditures	227,577	128,697	31,311	131,610	26,347	149,007	1,878	696,427
Revenue over (under) expenditures	(53,376)	113,339	(30,560)	143,083	21,047	55,460	35,930	284,923
Change in Fund Balance	(53,376)	113,339	(30,560)	143,083	21,047	55,460	35,930	284,923
Fund Balance								
Beginning of year, re-stated	94,277	376,654	307,907	607,808	71,100	81,618		1,539,364
End of year	\$ 40,901	\$ 489,993	\$ 277,347	\$ 750.891	\$ 92,147	\$ 137,078	\$ 35,930	\$ 1,824,287

## SCHEDULE OF NET REVENUE AVAILABLE FOR DEBT SERVICE JUNE 30, 2018

	Sewer		Water	
Operating Revenue				
Charges for services	\$	1,442,664	\$	1,616,100
Delinquent fees		200		35,580
Waste Discharge fees		3,648		-
Toma Tek Service and Reimbursement Revenue		92,954		
Other revenue		2,664	-	18,242
Total Available Revenues		1,541,930		1,669,922
Operating Expense				
Personnel		383,236		383,535
Utilities		138,502		352,430
Supplies and materials		64,747		81,123
Maintenance and operations		361,992		233,295
Contractual services		256,179		132,830
Other expenses		82,072		87,019
Total operations and maintenance	5-114	1,286,728		1,270,232
Nonoperating Revenue/(Expense)				
Investment income		8,446		10,552
Total nonoperating revenue/(expense)		8,446		10,552
Total Net Revenue Available for Debt Service		263,648		410,242
Debt Service Requirements				
2013 Water Revenue Refunding Bond		<u> </u>		119,772
2016 Water Refunding Bond - Series 2016A		-		203,788
2016 Wastewater Refunding Bond - Series 2016A	1	177,163		×
Total Debt Service	,	177,163		323,560
Net Revenue after Debt Service	\$	86,485	\$	86,682
Debt Service Coverage Ratio		1.49		1.27

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A. Ryan P. Jolley C.P.A. Darryl L. Smith C.P.A. Jaribu Nelson C.P.A. Lan T. Kimoto Jeffrey M. Schill

# INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Firebaugh, California, (the "City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated February 1, 2019.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a material weakness: 2018-001.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

February 1, 2019

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A. Ryan P. Jolley C.P.A. Darryl L. Smith C.P.A. Jaribu Nelson C.P.A. Lan T. Kimoto Jeffrey M. Schill

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

#### Report on Compliance for Each Major Federal Program

We have audited the City of Firebaugh's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2018. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

#### Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

February 1, 2019

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)			
Passed through California Department of Housing and Community Development			
Community Development Block Grants/State's program			
and Non-Entitlement Grants in Hawaii	14.228	15-CDBG-10568	\$ 1,452,726
U.S. Department of Health and Human Services			
Passed through Fresno-Madera Area Agency on Aging			
Title III C1 Congregate Nutrition	93.045	18-0241	11,706
U.S. Department of Transportation Highway Planning and Construction Passed through State of California Department of Transportation	1		
Congestion Mitigation & Air Quality Improvement (CMAQ)	20.205	CML-5224(015)	96,648
Total Federal Expenditures			\$ 1,561,080

### NOTES SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2018

#### Note 1 - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs of the City of Firebaugh, California (the City). Federal awards received directly from federal agencies as well as federal awards passed through other nonfederal agencies, primarily the State of California, are included in the SEFA. The City's reporting entity is defined in Note 1 to the City's basic financial statements.

#### Note 2 – Basis of Accounting

The accompanying SEFA is presented using the modified accrual basis of accounting for grants accounted for in the governmental fund types and the accrual basis of accounting for grants accounted for in the proprietary fund types, as described in Note 1 to the City's basic financial statements. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in, or used in the preparation of, the SEFA may differ from amounts presented in the basic financial statements.

#### Note 3 - Catalog of Federal Domestic Assistance (CFDA) Numbers

The CFDA numbers included in the accompanying SEFA were determined based on program name, review of grant contract information, and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

#### Note 4 – Relationship to the Financial Statements

Expenditures of federal awards are reported in the City's basic financial statements as expenditures/expenses in the General Fund, nonmajor special revenue funds, nonmajor capital project funds, and the enterprise funds.

#### Note 5 - Indirect Cost Rate

The City did not elect to use the 10% de minimus cost rate as covered in 2 CFR §200.414.

## SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2018

A.	Summary of Auditor's Results					
	Financial Statements					
	Type of auditor's report issued:	U	Unmodified			
	<ul> <li>Internal control over financial reporting:</li> <li>Material weaknesses identified?</li> <li>Significant deficiencies identified that a not considered to be material weakness</li> <li>Non-compliance material to financial</li> </ul>		Yes Yes		No None reported	
	statements noted?		Yes	$\boxtimes$	140	
	Federal Awards					
	<ul> <li>Internal control over major programs:</li> <li>Material weaknesses identified?</li> <li>Significant deficiencies identified that a</li> </ul>	are	Yes	$\boxtimes$	No	
	not considered to be material weakness		Yes	$\boxtimes$	None reported	
	Type of auditor's report issued on compliance major programs:	for Unmodified				
	Any audit findings disclosed that are required be reported in accordance with 2 CFR 200.516(a)?	to	Yes	$\boxtimes$	No	
	Identification of Major Programs					
	CFDA Number Name of Federal Program or Cluster					
		Community Development Block Grant/State's Program and Non-Entitlement Grants in Hawaii				
	Dollar threshold used to distinguish between Type A and Type B programs: \$750,000					
	Auditee qualified as low-risk auditee?		Yes	× N	lo	

#### SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2018

#### B. Findings - Financial Statements Audit

#### 2018-001 Internal Controls over Financial Reporting (Material Weakness)

#### Criteria:

An effective internal control system and timely financial reporting provides reasonable assurance for the safeguarding of assets, the reliability of financial information and compliance with laws and regulations.

#### **Condition:**

We have determined that processes utilized for closing and reporting of financial activity for the fiscal year ended June 30, 2018, were not effective, which contributed to the city's unpreparedness for the audit. We encountered several errors due to missing journal entries from audits of prior fiscal years, in addition several accounts were not properly reconciled due to lack of an a appropriate closing process.

#### Cause:

Lack of internal control procedures over financial reporting.

#### Effect:

The City's financial statements were materially misstated.

#### Recommendation:

We recommend that the City implement internal control procedures to properly close its books. These procedures may include: reconciling and balancing accounts to the general ledger, conducting a detailed review of the financial statements prior to the start of the audit fieldwork, and detailed review of all reconciliations and detailed listings to ensure accuracy.

#### C. Findings and Questioned Costs - Major Federal Award Programs Audit

None noted.

### SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS YEAR ENDED JUNE 30, 2018

**Summary Schedule of Prior Audit Findings** 

There were no prior year audit findings.

MANAGEMENT REPORT

FOR THE YEAR ENDED JUNE 30, 2018

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CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A. Ryan P. Jolley C.P.A. Darryl L. Smith C.P.A. Jaribu Nelson C.P.A. Lan T. Kimoto Jeffrey M. Schill

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

In planning and performing our audit of the basic financial statements of the City of Firebaugh (City) for the year ended June 30, 2018, in accordance with generally accepted auditing standards in the United States, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses, and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, we identified certain deficiencies in internal control over financial reporting, described in our schedule of findings dated February 1, 2019, that we consider being material weaknesses in internal control over financial reporting. Please refer to that communication for a more detailed explanation of the deficiency 2018-01.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings to be a material weakness (2018-01).

This report is intended for the use of management, the City Council, and others within the organization, and it's not intended to be and should not be used by anyone other than these specified parties. We thank the City's staff for its cooperation during our audit.

February 1, 2019

#### BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A. Ryan P. Jolley C.P.A. Darryl L. Smith C.P.A. Jaribu Nelson C.P.A. Lan T. Kimoto Jeffrey M. Schill

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Firebaugh for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 1, 2019. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

#### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City are described in Note 1 to the financial statements. For the year ended June 30, 2018, the City implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pension Plans. The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2017. We noted no transactions entered into by City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the City. We evaluated the key factors and assumptions used by management in computing depreciation expense and believe that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the allowance for doubtful accounts is based on an evaluation of collectability primarily focused on past due accounts. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements as a whole.

Management's estimate of the net pension liability and Net OPEB liability and related deferrals is based on actuarial valuations which include significant assumptions regarding discount rate, inflation, payroll growth, projected salary increases and investment rate of return. We evaluated the key factors and assumptions used to develop the liability and related deferrals in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

For purposes of this letter, professional standards define significant audit adjustments as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the City's financial reporting process (that is, cause future financial statements to be materially misstated). The following material misstatements detected as a result of audit procedures were:

- Adjustments for the current year to properly reflect grant receivables and related activity and to propose year end closing journal entries across all funds.
- Adjustments to record net pension liability and net OPEB liability
- Adjustments related to depreciation and recording of capital assets
- · Adjustments to record notes receivable

#### Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 1, 2019.

#### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to City of Firebaugh's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as City of Firebaugh's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to the Budgetary Comparison Schedules, Proportionate Share of Net Pension Liability, and Schedule of Contributions which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

#### Restriction on Use

This information is intended solely for the information and use of the City Council and management of City of Firebaugh and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours

February 1 2010