

# CITY OF ATWATER

## AUDIT AND FINANCE COMMITTEE

### AGENDA

Council Chambers  
750 Bellevue Road  
Atwater, California

**March 25, 2019**



CALL TO ORDER:

**4:30 PM**

PLEDGE OF ALLEGIANCE TO THE FLAG:

ROLL CALL:

**Ambriz \_\_\_\_\_, Heller \_\_\_\_\_, Vierra, \_\_\_\_\_**

APPROVAL OF AGENDA AS POSTED OR AS AMENDED:

**Staff's Recommendation:** Motion to approve agenda as posted or as amended.

COMMENTS FROM THE PUBLIC:

#### **NOTICE TO THE PUBLIC**

At this time any person may comment on any item which is not on the agenda. You may state your name and address for the record; however, it is not required. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda.

To comment on an item that is **on** the agenda, please wait until the item is read for consideration; please limit comments to a maximum of three (3) minutes.

MINUTES:

**1. February 25, 2019**

**Staff's Recommendation:** Motion to approve minutes as listed.

REPORTS AND PRESENTATIONS:

2. **Treasurer's Report for month ending February 28, 2019** (City Treasurer Heller)

**Staff's Recommendation:** Motion to receive the Treasurer's Report and recommend acceptance by the City Council.

3. **Financial Update regarding Fiscal Year 2018-19** (Finance Director Deol)


COMMITTEE MEMBER COMMENTS:

Committee Member comments

ADJOURNMENT:

CERTIFICATION:

I, Gloria Perez, Recording Secretary of the City of Atwater, do hereby certify that a copy of the foregoing agenda was posted at City Hall a minimum of 72 hours prior to the meeting.

  
\_\_\_\_\_  
Gloria Perez  
Recording Secretary

SB 343 NOTICE

*In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the Finance Department at City Hall during normal business hours at 750 Bellevue Road.*

*If, however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting, as listed on this agenda at 750 Bellevue Road.*



*In compliance with the federal Americans with Disabilities Act of 1990, upon request, the agenda can be provided in an alternative format to accommodate special needs. If you require special accommodations to participate in a City Council, Commission or Committee meeting due to a disability, please contact the Finance Department a minimum of three (3) business days in advance of the meeting at (209) 357-6210. You may also send the request by email to [gperez@atwater.org](mailto:gperez@atwater.org).*



## CITY OF ATWATER

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### AUDIT AND FINANCE COMMITTEE

### ACTION MINUTES

**February 25, 2019**

REGULAR SESSION: (Council Chambers)

*The City of Atwater Audit and Finance Committee met in Regular Session this date at 4:26 PM in the City Council Chambers located at the Atwater Civic Center, 750 Bellevue Road, Atwater, California.*

ROLL CALL:

**Present:** Committee Members Ambriz, Heller, Vierra

**Absent:** None

**Staff Present:** City Manager Waterman (4:30 PM), Finance Director Deol (4:35 PM), Deputy City Clerk Del Real, Recording Secretary Perez

*Deputy City Clerk Del Real announced some housekeeping items that need to be performed before the meeting can commence. She recommended that the first order of business be to select a Chair and a Vice Chair. In order to do so, a subsequent need item is necessary.*

SUBSEQUENT NEED ITEMS:

*Recording Secretary Perez announced a subsequent need item requiring immediate action subsequent to the posting of the agenda: reorganization of the Audit and Finance Committee, specifically the selection of a Chair and a Vice Chair.*

**MOTION:** *Committee Member Vierra moved to add to the agenda the reorganization of the Audit and Finance Committee, specifically the selection of a Chair and a Vice Chair. The motion was seconded by Committee Member Vierra and the vote was: Ayes: Vierra, Ambriz, Heller; Noes: None; Absent: None. The motion passed.*

**AUDIT AND FINANCE COMMITTEE REORGANIZATION:**

**MOTION:** *Committee Member Vierra moved to select Committee Member Vierra as Chair of the Audit and Finance Committee. The motion was seconded by Committee Member Ambriz and the vote was: Ayes: Ambriz, Heller, Vierra; Noes: None; Absent: None. The motion passed.*

**MOTION:** *Committee Member Heller moved to select Committee Member Ambriz as Vice Chair of the Audit and Finance Committee. The motion was seconded by Chair Vierra and the vote was: Ayes: Heller, Ambriz, Vierra; Noes: None; Absent: None. The motion passed.*

*Deputy City Clerk Del Real left the meeting at 4:35 PM.*

**MINUTES:**

November 13, 2018 – Regular meeting

**MOTION:** *Chair Vierra moved to approve the minutes as listed. The motion was seconded by Vice Chair Ambriz and the vote was: Ayes: Ambriz, Heller, Vierra; Noes: None; Absent: None; The motion passed.*

**COMMENTS FROM THE PUBLIC:**

*Notice to the public was read.*

*No one came forward to speak at this time.*

**BUSINESS:**

Treasurer's Report – January 31, 2019

**MOTION:** *Chair Vierra moved to receive the Treasurer's Report and recommend acceptance by the City Council. The motion was seconded by Vice Chair Ambriz and the vote was: Ayes: Ambriz, Heller, Vierra; Noes: None; Absent: None. The motion passed.*

**REPORTS:**

Reports from Finance Director Deol

Financial Update

***Finance Director Deol provided an update regarding the Fiscal Year 2018-19 Budget including a General Fund budget summary.***

Discussion for new time and day to hold Audit and Finance Committee Meeting

***MOTION: Chair Vierra moved to change the regular Audit and Finance Committee Meeting time from 4:00 PM to 4:30 PM. The motion was seconded by Vice Chair Ambriz and the vote was: Ayes: Vierra, Heller, Ambriz; Noes: None; Absent: None. The motion passed.***

COMMITTEE MEMBER COMMENTS:

Committee Member updates and comments

***Committee Member Heller had nothing to report.***

***Vice Chair Ambriz had nothing to report.***

***Chair Vierra had nothing to report.***

FUTURE AGENDA ITEMS:

***No future agenda items were requested at this time.***

ADJOURNMENT:

***The meeting adjourned at 4:40 PM to the next regularly scheduled meeting of March 25, 2019.***

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Cindy Vierra  
Audit and Finance Committee Chair

By: Gloria Perez,  
Recording Secretary

**Statement of Changes in Cash Balance  
by Bank  
As of 2/28/19**

|                                      | Beg. Period<br>Balance      | Cash<br>Debits             | Cash<br>Credits            | End Period<br>Balance       |
|--------------------------------------|-----------------------------|----------------------------|----------------------------|-----------------------------|
| City - LAIF                          | 22,252,093.37               | 5,000,000.00               |                            | 27,252,093.37               |
| City - RMA Long-Term Investment Fund | 1,082,458.00                | 2,012.00                   |                            | 1,084,470.00                |
| City Checking & Investment Accounts  | 8,155,995.33                | (1,893,012.86)             | 1,350,230.04               | 4,912,752.43                |
| Wastewater Checking                  | 5,058,291.95                | 0.00                       | 601,259.15                 | 4,457,032.80                |
| RA Obligation Retirement Fund        | <u>741,790.71</u>           | <u>102.40</u>              |                            | <u>741,893.11</u>           |
| <b>Totals</b>                        | <u><u>37,290,629.36</u></u> | <u><u>3,109,101.54</u></u> | <u><u>1,951,489.19</u></u> | <u><u>38,448,241.71</u></u> |

Prepared by: Patricia Tejada  
Patricia Tejada, Accountant II

Approved by: Jim Heller  
Jim Heller, City Treasurer

(The following statements are required by California Govt. Code Section 53646 (b) (2,3))  
Investments are made pursuant to the City Council approved Investment Policy and Guidelines.  
The City of Atwater has the ability to meet its pooled expenditure requirements for the next six months.

| Bank Account Detail       |               |   |            |
|---------------------------|---------------|---|------------|
| City LAIF                 | 27,252,093.37 | Westamerica Bank Checking                       | 0.00       |
| Chandler Asset Mgt.       | 1,084,470.00  | Westamerica Bank Retirement Obligation Checking | 0.00       |
| Chase General Checking    | 5,310,023.21  | Chase Redevelopment Checking                    | 741,893.11 |
| Chase Wastewater Checking | 4,457,032.80  |   |            |

**STATEMENT OF CHANGES IN CASH BALANCE, UNAUDITED**  
**BY FUND**  
**AS OF 2/28/19**

| <b>FUND</b>                                  | <b>BEG. BALANCE</b> | <b>CASH DEBITS</b> | <b>CASH CREDITS</b> | <b>ENDING BAL.</b> |
|--|---------------------|--------------------|---------------------|--------------------|
| 0001 General Fund                            | (261,258.19)        | 905,349.07         | 571,494.20          | 72,596.68          |
| 0003 General Fund Capital                    | (96,899.93)         | 0.00               | 0.00                | (96,899.93)        |
| 0004 Measure H Fund                          | 1,115,754.63        | 160,986.38         | 57,215.49           | 1,219,525.52       |
| 0005 Ferrari Ranch Project Fund              | 20,515.31           | 0.00               | 0.00                | 20,515.31          |
| 0006 Reimbursement Agreements Fund           | 0.00                | 0.00               | 0.00                | 0.00               |
| 0007 Measure V Fund                          | 859,734.38          | 50,655.06          | 0.00                | 910,389.44         |
| 0008 Measure V 20% Alternative Modes         | 228,323.61          | 12,663.77          | 0.00                | 240,987.38         |
| 1005 Police Grants Fund                      | 407,906.98          | 0.00               | 0.00                | 407,906.98         |
| 1011 Gas Tax/Street Improvement              | 779,217.67          | 38,785.89          | 54,636.96           | 763,366.60         |
| 1013 Local Transportation Fund               | 432,965.53          | 212.84             | 0.00                | 433,178.37         |
| 1015 Traffic Circulation Fund                | 1,035,809.93        | 725.00             | 0.00                | 1,036,534.93       |
| 1016 Applegate Interchange                   | 735,597.32          | 1,263.00           | 0.00                | 736,860.32         |
| 1017 RSTP-Regional Surface Transp Prog       | 330,492.67          | 0.00               | 0.00                | 330,492.67         |
| 1018 SB1-Road Maint & Rehab RMRA             | 402,848.92          | 53,195.67          | 0.00                | 456,044.59         |
| 1020 Parks and Recreation Fund               | 1,948,607.42        | 2,382.00           | 0.00                | 1,950,989.42       |
| 1050 Buhach Colony High School               | 224,831.47          | 0.00               | 0.00                | 224,831.47         |
| 1055 Neighborhood Stabilization              | 214,580.30          | 0.00               | 0.00                | 214,580.30         |
| 1059-78 Housing Grant Funds                  | 280,876.35          | 0.00               | 0.00                | 280,876.35         |
| 1091 Police Facility Impact Fee              | 119,834.18          | 401.00             | 0.00                | 120,235.18         |
| 1093 Fire Facility Impact Fee                | 73,508.99           | 520.00             | 0.00                | 74,028.99          |
| 1095 Government Building Facility            | 181,693.49          | 378.76             | 0.00                | 182,072.25         |
| 3064-67 Redevelopment/Successor Agency Funds | 956,173.06          | 1,234.23           | 0.00                | 957,407.29         |
| 4020 Performance Bond Trust                  | 213,317.80          | 0.00               | 0.00                | 213,317.80         |
| 4030 Narcotics Program Trust                 | 5,344.60            | 0.00               | 0.00                | 5,344.60           |
| 4060 Section 125 Medical                     | 821.73              | 205.00             | 0.00                | 1,026.73           |
| 4070 Section 125 Dependent Care              | 0.00                | 0.00               | 0.00                | 0.00               |
| 4090 CFD No. 1 Trust                         | 96,488.73           | 0.00               | 0.00                | 96,488.73          |
| 5001-54 All Maintenance Districts            | 1,585,291.36        | 0.00               | 8,480.68            | 1,576,810.68       |
| 5050 CFD Districts                           | 98,444.96           | 0.00               | 20,165.04           | 78,279.92          |
| 6000 Water Enterprise Fund                   | (206,599.98)        | 457,748.92         | 100,616.77          | 150,532.17         |

**STATEMENT OF CHANGES IN CASH BALANCE, UNAUDITED**  
**BY FUND**  
AS OF 2/28/19

| <b>FUND</b>                         | <b>BEG. BALANCE</b>  | <b>CASH DEBITS</b>  | <b>CASH CREDITS</b> | <b>ENDING BAL.</b>   |
|-------------------------------------|----------------------|---------------------|---------------------|----------------------|
| 6001 Water Fund Capital Replacement | 4,537,571.64         | 0.00                | 2,246.19            | 4,535,325.45         |
| 6002 DBCP Settlement                | 454,416.17           | 0.00                | 28,673.13           | 425,743.04           |
| 6004 Water Well- Buhach Colony      | 174,645.93           | 0.00                | 0.00                | 174,645.93           |
| 6005 Water Capital Impact Fees      | 1,750,514.31         | 4,339.00            | 0.00                | 1,754,853.31         |
| 6006 Water Operating Reserve Fund   | 175,107.45           | 0.00                | 0.00                | 175,107.45           |
| 6007 1,2,3-TCP Fund                 | 524,378.61           | 0.00                | 0.00                | 524,378.61           |
| 6010 Sewer Enterprise Fund          | 11,316,685.90        | 1,045,245.35        | 737,666.71          | 11,624,264.54        |
| 6011 Sewer Fund Capital Replacement | 2,644,615.55         | 6,387.00            | 0.00                | 2,651,002.55         |
| 6020 Sanitation Enterprise          | 2,098,192.22         | 360,193.87          | 243,647.95          | 2,214,738.14         |
| 7000 Internal Service Fund          | 454,299.93           | 213.37              | 47,894.55           | 406,618.75           |
| 7010 Employee Benefits Fund         | 720,882.57           | 3,486.00            | 51,940.07           | 672,428.50           |
| 7020 Risk Management                | 399,955.37           | 518.36              | 18,090.21           | 382,383.52           |
| 7030 Information Technology         | 119,626.21           | 0.00                | 8,721.24            | 110,904.97           |
| 9090 Accrued Interest Fund          | 135,514.21           | 2,012.00            | 0.00                | 137,526.21           |
| <b>TOTAL</b>                        | <b>37,290,629.36</b> | <b>3,109,101.54</b> | <b>1,951,489.19</b> | <b>38,448,241.71</b> |

Prepared by:   
Patricia Tejada, Accountant II

Approved by:   
Jim Heller, City Treasurer



## CITY OF ATWATER GENERAL FUND BUDGET SUMMARY

| Un-audited Information               | FY 2018-19<br>Budget | FY 2018-19<br>Actual |
|--------------------------------------|----------------------|----------------------|
| <b>Revenues</b>                      |                      |                      |
| Property Tax                         | 2,333,319            | 1,121,306            |
| Sales Tax                            | 2,866,065            | 1,800,352            |
| Franchise Tax                        | 700,000              | 380,587              |
| Business License Tax                 | 190,000              | 112,459              |
| Transient Occupancy Tax              | 60,000               | 27,567               |
| Property Transfer Tax                | 80,000               | 35,115               |
| License & Permits                    | 8,900                | 3,241                |
| Intergovernmental                    | 3,555,987            | 2,029,863            |
| Charges for Service                  | 1,002,100            | 564,069              |
| Fines and Forfeitures                | 33,500               | 28,191               |
| Miscellaneous Revenue                | 664,175              | 314,663              |
| Transfer-in                          | 2,398,491            | 1,178,083            |
| Revenue Total                        | <b>\$13,892,537</b>  | <b>\$7,595,497</b>   |
| <b>Expenditures By Department</b>    |                      |                      |
| Mayor and City Council               | 23,885               | 14,640               |
| City Administration                  | 749,866              | 258,596              |
| Finance                              | 648,649              | 397,694              |
| Human Resources / City Clerk         | 491,284              | 263,257              |
| City Treasurer                       | 2,846                | 1,962                |
| Non-Departmental                     | 1,563,569            | 1,109,795            |
| Police Department                    | 5,488,128            | 2,492,053            |
| Fire                                 | 2,886,350            | 669,122              |
| Community Development Department     | 955,069              | 527,897              |
| Parks & Community Services           | 474,647              | 270,904              |
| Bloss House Trust                    | 7,700                | 1,806                |
| Transfer Outs, Miscellaneous         | 374,033              | 0                    |
| Expenditures Total                   | <b>\$13,666,026</b>  | <b>\$6,007,725</b>   |
| <b>Operational Surplus/(Deficit)</b> | <b>\$226,511</b>     | <b>\$1,587,772</b>   |

City of Atwater

Fiscal Year 2018-19

General Fund Revenue By Category

| Description                              | FY 2018-19<br>Adopted Budget | FY 2018-19<br>Actuals |
|--|------------------------------|-----------------------|
| <b>Property Taxes</b>                    |                              |                       |
| Property Tax, Current Secured            | 1,932,465                    | 897,272               |
| Property Tax, Current Unsecured          | 145,553                      | 150,930               |
| Property Tax, Prior Unsecured            | 5,570                        | 0                     |
| Property Tax, Supplemental               | 37,853                       | 15,802                |
| Property Tax Miscellaneous               | 0                            | 2,400                 |
| Prop Tax In-lieu Sales/Use               | 0                            | 0                     |
| RDA Residuals (COA)                      | 198,900                      | 45,833                |
| Property Tax, Homeowner Exemption        | 12,978                       | 9,068                 |
| <b>Total Property Tax Revenue</b>        | <b>2,333,319</b>             | <b>1,121,306</b>      |
| <b>Sales Tax</b>                         |                              |                       |
| Sales & Use Tax                          | 2,746,065                    | 1,725,738             |
| Sales & Use Tax-Public Safety            | 120,000                      | 74,614                |
| <b>Total Sales Tax Revenue</b>           | <b>2,866,065</b>             | <b>1,800,352</b>      |
| <b>Other Taxes</b>                       |                              |                       |
| Business License Tax                     | 190,000                      | 112,459               |
| Franchise Tax                            | 700,000                      | 380,587               |
| Transient Occupancy Tax                  | 60,000                       | 27,567                |
| Property Transfer Tax                    | 80,000                       | 35,115                |
| <b>Total Other Tax Revenue</b>           | <b>1,030,000</b>             | <b>555,729</b>        |
| <b>Licenses and Permits</b>              |                              |                       |
| Animal License                           | 800                          | 485                   |
| Bicycle License                          | 100                          | 20                    |
| Fireworks Permits                        | 1,800                        | 262                   |
| Well Permits                             | 800                          | 244                   |
| Building Permits                         | 1,400                        | 0                     |
| Other Licenses And Permits               | 4,000                        | 2,230                 |
| <b>Total Licenses and Permit Revenue</b> | <b>8,900</b>                 | <b>3,241</b>          |
| <b>Intergovernmental</b>                 |                              |                       |
| Prop Tax In Lieu Veh Lic Fee             | 2,576,675                    | 1,414,910             |
| ROPS - Successor Agency Administration   | 27,412                       | 13,706                |
| Loan Repayment - RDA                     | 0                            | 0                     |
| RDA Residuals - (COA Fire Dept)          | 65,500                       | 15,089                |
| Motor Vehicle In-lieu Fee                | 15,000                       | 14,993                |
| State Mandated Cost                      | 1,000                        | 0                     |
| Statutory Pass-Through Revenue           | 68,800                       | 35,311                |
| MUHSD/AESD Reimbursement                 | 513,600                      | 345,836               |
| Fire District In-lieu Fee                | 220,000                      | 136,752               |
| State Fire Reimbursement                 | 50,000                       | 53,266                |
| Homeland Security Grant Fire             | 18,000                       | -                     |
| AFG Operations & Safety Grant            | 0                            | 0                     |
| Federal COPS Grant                       | 0                            | 0                     |
| <b>Total Intergovernmental Revenue</b>   | <b>3,555,987</b>             | <b>2,029,863</b>      |

City of Atwater

Fiscal Year 2018-19

General Fund Revenue By Category

| Description                                | FY 2018-19<br>Adopted Budget | FY 2018-19<br>Actuals |
|--|------------------------------|-----------------------|
| <b>Miscellaneous Revenue</b>               |                              |                       |
| Interest Earned                            | 100                          | 0                     |
| Rents & Leases                             | 12,500                       | 10,500                |
| Cellular 2000 Lease                        | 32,000                       | 27,197                |
| Billboard Rental                           | 5,000                        | 1,666                 |
| KVRQ-F Tower Lease                         | 12,000                       | 9,000                 |
| Metro PCS Lease                            | 17,000                       | 14,283                |
| Sale of Real Property                      | 200,000                      | 0                     |
| Cingular @ Water Tower                     | 19,575                       | 16,313                |
| Cricket-Tower Lease                        | 0                            | 0                     |
| Cricket-Tower Electrical Usage             | 0                            | 0                     |
| P G & E Energy Rebate                      | 50,000                       | 0                     |
| Restitution                                | 500                          | 15                    |
| Penalties                                  | 30,000                       | 28,195                |
| Donations & Contributions                  | 0                            | 0                     |
| Taxicab Registration Fees                  | 0                            | 0                     |
| Veterans Brick Project                     | 500                          | 259                   |
| Other Revenue                              | 100,000                      | 23,941                |
| State Cops Funding                         | 126,000                      | 126,430               |
| Abandoned Veh Abatement (AVA)              | 0                            | 10,986                |
| Rent & Utility Raiston Station             | 0                            | 0                     |
| Community Center Rental                    | 50,000                       | 43,007                |
| Bloss Estate Rental                        | 6,000                        | 0                     |
| Veterans Pavillion Rental & Rents & Leases | 3,000                        | 2,870                 |
| <b>Total Miscellaneous Revenue</b>         | <b>664,175</b>               | <b>314,663</b>        |
| <b>Inter-Fund Transfers</b>                |                              |                       |
| Admin Fees, Streets                        | 53,853                       | 26,927                |
| Admin Fees, Water                          | 708,045                      | 354,023               |
| Admin Fees, Sanitation                     | 516,134                      | 258,067               |
| Admin Fees, Sewer                          | 708,157                      | 354,079               |
| Admin Fees, Maintenance Dist               | 37,927                       | 18,964                |
| Admin Fees, CFD 1-90                       | 187,000                      | 140,250               |
| Admin Fees, Information Technology         | 0                            | 0                     |
| Ferrari Ranch Reimbursement Fund           | 35,000                       | 25,775                |
| Measure H Fund                             | 0                            | 0                     |
| Hydrant Maintenance - Water Fund           | 152,375                      | 0                     |
| Transfers In                               | -                            | -                     |
| <b>Total Administrative Fee Revenue</b>    | <b>2,398,491</b>             | <b>1,178,083</b>      |
|  |                              |                       |
| <b>Total General Fund Revenue</b>          | <b>13,892,537</b>            | <b>7,595,497</b>      |

**City of Atwater**  
**Fiscal Year 2018-19 Other Funds**  
**Budget vs Actual**

| <b>Water Enterprise Fund (6000)</b>  | <u>Budget</u>      | <u>Actual thru 3/20/2019</u> |
|--------------------------------------|--------------------|------------------------------|
| Revenue                              | \$5,099,953        | \$3,963,390                  |
| Expenditures                         | \$3,890,856        | \$1,702,221                  |
| <b>Operating Surplus/(Shortfall)</b> | <b>\$1,209,097</b> | <b>\$2,261,169</b>           |

| <b>Sewer Enterprise Fund (6010)</b>  | <u>Budget</u>        | <u>Actual thru 3/20/2019</u> |
|--------------------------------------|----------------------|------------------------------|
| Revenue                              | \$8,597,198          | \$8,944,514                  |
| Expenditures                         | \$11,239,475         | \$5,549,944                  |
| <b>Operating Surplus/(Shortfall)</b> | <b>(\$2,642,277)</b> | <b>\$3,394,571</b>           |

| <b>Sanitation Enterprise Fund (6020)</b> | <u>Budget</u>    | <u>Actual thru 3/20/2019</u> |
|--|------------------|------------------------------|
| Revenue                                  | \$4,194,679      | \$3,312,986                  |
| Expenditures                             | \$3,870,312      | \$2,349,305                  |
| <b>Operating Surplus/(Shortfall)</b>     | <b>\$324,367</b> | <b>\$963,681</b>             |

| <b>Measure H Fund (0004)</b>         | <u>Budget</u>   | <u>Actual thru 3/20/2019</u> |
|--------------------------------------|-----------------|------------------------------|
| Revenue                              | \$1,935,456     | \$1,036,047                  |
| Expenditures                         | \$1,910,413     | \$634,076                    |
| <b>Operating Surplus/(Shortfall)</b> | <b>\$25,043</b> | <b>\$401,971</b>             |