

**CITY OF ATWATER, CALIFORNIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2020**



Prepared by:

**Finance Department**

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**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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# CITY OF ATWATER



OFFICE OF THE CITY MANAGER  
750 BELLEVUE ROAD  
ATWATER, CA 95301  
(209) 357-6201

*March 17, 2021*

*Honorable Mayor and Members  
of the Atwater City Council*

We are pleased to submit the City of Atwater's Annual Financial Report for the fiscal year ended June 30, 2020. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. It is the policy of the Council that a licensed certified public accountant conducts an annual audit at the end of each fiscal year and issue a complete set of financial statements to be submitted to them.

Management is responsible for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control that has been established for this purpose. We believe the data presented in this report is accurate in all material respects and all statements and disclosures necessary for the reader to obtain a thorough understanding of the City's financial activities have been included.

Management of the City has established an internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements.

While traditionally addressed to the governing body of the City, this report is intended to provide relevant financial information to the citizens of the City of Atwater, City staff, creditors, investors, and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

The City's financial statements have been audited by JJACPA, Inc., a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2020, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Based upon the audit, the independent auditors concluded that there was reasonable basis for rendering an unqualified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

## **Profile of the City of Atwater**

The City of Atwater was incorporated in 1922 and is located on State Route 99 in Merced County, California in a 6 square mile area approximately 6 miles west-northwest of Merced. The City has a current population of 29,743. The City of Atwater operates under a Council-Manager form of government and provides municipal services that include public safety, public works, community development and parks and recreation. In addition, the City provides water, wastewater, and solid waste services in the form of enterprise activities. This report includes all funds of the City of Atwater and its blended component unit, the Successor Agency of the Atwater Redevelopment Agency, for which the City is financially accountable.

The City Council establishes annual budgets for the General Fund, Proprietary Funds, and all Special Revenue Funds. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The Atwater City Council consists of five members, elected by districts to four-year terms. Council members must be residents of the City. The Mayor conducts the City Council meetings and represents the City on ceremonial occasions. The City Council serves as the policy board for the City of Atwater and provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, and all members of advisory boards, commissions, and committees.

## **Local Economy**

The City of Atwater was in the middle of a financial recovery when the COVID-19 pandemic hit in March 2019. The City of Atwater's General Fund finances have performed better than other Central Valley cities during the fourth quarter of fiscal year 2019-2020 due largely to the composition of the general fund revenue profile. The City's principle general fund revenue sources are property tax and sales tax which account for almost 57.2 percent of total General Fund revenue. Property and sales tax revenues have remained strong and the City's housing market has continued to grow during the COVID-19 pandemic.

## **Financial Information**

During the past fiscal year, there were no changes to the City's financial policies or items in which policies impacted the financial information or presentation. Information concerning significant accounting policies affecting the finances of the City is summarized in the Notes to the Financial Statements.



## Acknowledgements

The preparation of this Annual Financial Report could not be accomplished without the efficient and dedicated service of the entire staff of the Finance Department and the auditing firm of JJACPA, Inc. I would also like to express my appreciation to the members of the City Council and the various departments for their cooperation and support in planning and conducting the financial operations of the City during the fiscal year.

Respectfully submitted,



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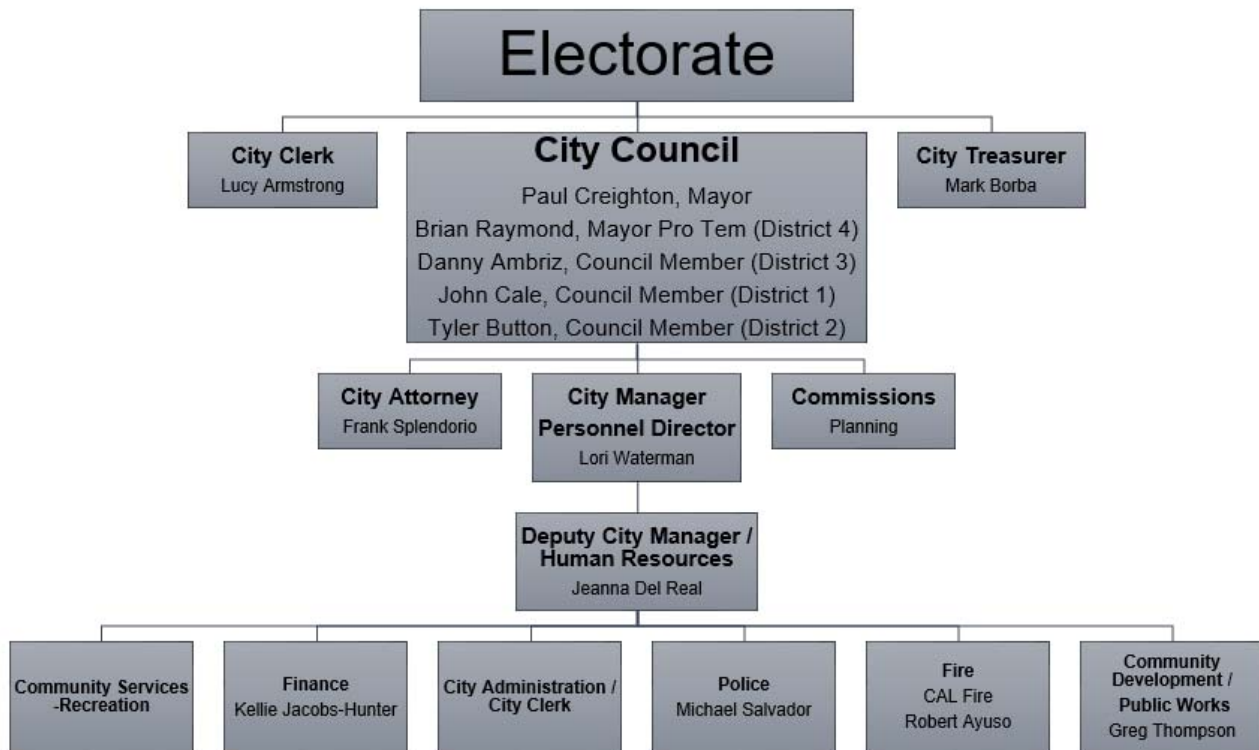
Lori Waterman,  
City Manager

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Organization Chart**



**CITY OF ATWATER**  
**ORGANIZATIONAL CHART**  
**2020**



**Council Committees**

Audit & Finance

Citizens Oversight for Public Safety Transaction and Use Tax Commission

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**List of Officials**

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***CITY COUNCIL***

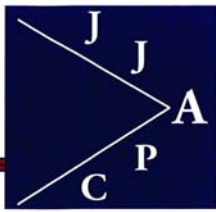
- Paul Creighton, Mayor
- Brian Raymond, Mayor Pro Tem
- John Cale, Council Member
- Tyler Button, Council Member
- Danny Ambriz, Council Member

***CITY OFFICIALS***

- Lori Waterman, City Manager
- Lucy Armstrong, City Clerk
- Mark Borba, City Treasurer
- Meyers Nave, City Attorney
- Greg Thompson, Public Works/ Community Development Director
- Jeanna Del Real, Deputy City Manager
- Kellie Jacobs-Hunter, Finance Director
- Michael Salvador, Police Chief

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**JJACPA, Inc.**

A Professional Accounting Services Corp.

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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City of Atwater, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

#### ***Auditor's Responsibility***

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

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

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

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–16, the City's Schedules of Contributions on pages 92-93, the Schedules of the City's Proportionate Share of the Net Pension Liability on pages 94-95, the Schedule of Changes in the Net OPEB Liability and Related Ratios on page 96, and the Net OPEB Liability Schedule of Contributions on page 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

March 17, 2021

*JJACPA, Inc.*  
JJACPA, Inc.  
Dublin, CA

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Management's Discussion and Analysis**

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This section provides a narrative overview and analysis of the financial activities of the City of Atwater (City) for the fiscal year ended June 30, 2020. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

***Government-wide Highlights***

- ◆ City's net position (assets and deferred outflows in excess of liabilities and deferred inflows) at June 30, 2020, totaled \$71.7 million. Governmental activities the net position was negative \$9.2 million, while the business-type activities net position was \$81.0 million.
- ◆ Total City revenues, including program and general revenues, were \$87.3 million; while total expenses were \$35.8 million.
- ◆ Governmental program and general revenues were \$22.1 million compared to governmental program expenses of \$19.3 million.
- ◆ Program revenues from business-type activities were \$21.7 million, while expenses for business-type activities were \$16.5 million.
- ◆ The City's total net capital asset balance for governmental activities was \$21.9 million and \$6.6 million for business-type activities.

***Fund Highlights***

- ◆ Net General Fund revenues and other financing sources (uses) exceeded expenditures by \$2.2 million as compared to the prior year when revenues and other financing sources (uses) exceeded expenditures by \$2.0 million.
- ◆ At June 30, 2020, the General Fund has a positive fund balance of \$3.1 million.

**OVERVIEW OF THE ANNUAL FINANCIAL REPORT**

This Annual Financial Report is in two major parts:

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

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

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

**The Basic Financial Statements**

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

**Government-wide Financial Statements**

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

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

- ◆ ***Governmental activities*** – All of the City's basic services are considered to be governmental activities, including general government, public safety, highways and streets, urban redevelopment and housing, community services, and general administration. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.
- ◆ ***Business-type activities*** – All the City's enterprise activities are reported here, including Water, Sewer, and Sanitation Funds. Unlike governmental services, these services are supported by charges paid by users based on the amount of the service they use.

**Fund Financial Statements**

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



**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

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

**Fund Financial Statements, Continued**

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

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

For the fiscal year ended June 30, 2020, the City's major funds are as follows:

**GOVERNMENTAL FUNDS:**

- ◆ General Fund
- ◆ Measure H Special Revenue Fund

**PROPRIETARY FUNDS:**

- ◆ Water Enterprise Fund
- ◆ Sewer Enterprise Fund
- ◆ Sanitation Enterprise Fund

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

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

**Fund Financial Statements, Continued**

For the fiscal year ended June 30, 2020, the City adopted annual appropriated budgets for all governmental funds.

*Proprietary funds.* The City maintains Enterprise-type and Internal Service proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses enterprise funds to account for Water, Sewer, and Sanitation activities. Internal service funds are an accounting methodology used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and its information technology assets. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. The proprietary fund financial statements provide separate information for all of these operations.

**Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 48–89 of this report.

**Combining and Individual Fund Financial Statements and Schedules**

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 101–185 of this report.

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City's net position, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$71.7 million as of June 30, 2020. The Summary of Net position as of June 30, 2020 and 2019 follows:

	<b>Summary of Net Position</b>					
	<b>2020</b>			<b>2019</b>		
	<b>Gov- ern- men- tal Acti- vities</b>	<b>Busi- ness- type Acti- vities</b>	<b>Total</b>	<b>Gov- ern- men- tal Acti- vities</b>	<b>Busi- ness- type Acti- vities</b>	<b>Total</b>
Current and other assets	\$ 22,123,192	\$ 78,214,648	\$ 100,337,840	\$ 16,051,027	\$ 30,948,686	\$ 46,999,713
Noncurrent assets	25,935,397	77,592,231	103,527,628	23,241,730	79,744,176	102,985,906
Deferred outflows of resources	9,605,176	-	9,605,176	8,891,892	-	8,891,892
Total assets and deferred outflows of resources	<u>57,663,765</u>	<u>155,806,879</u>	<u>213,470,644</u>	<u>48,184,649</u>	<u>110,692,862</u>	<u>158,877,511</u>
Current and other liabilities	4,147,115	3,723,055	7,870,170	2,273,358	3,089,897	5,363,255
Long-term liabilities	48,307,030	71,068,912	119,375,942	51,427,998	73,159,962	124,587,960
Deferred inflows of resources	14,452,873	-	14,452,873	5,655,846	-	5,655,846
Total liabilities and deferred inflows of resources	<u>66,907,018</u>	<u>74,791,967</u>	<u>141,698,985</u>	<u>59,357,202</u>	<u>76,249,859</u>	<u>135,607,061</u>
Net position:						
Net investment in capital assets	21,940,603	6,590,835	28,531,438	19,126,535	6,661,614	25,788,149
Restricted	5,145,442	973,522	6,118,964	6,508,484	1,110,628	7,619,112
Unrestricted (deficit)	(36,329,298)	73,450,555	37,121,257	(36,807,572)	26,670,761	(10,136,811)
<b>Total net position</b>	<u>\$ (9,243,253)</u>	<u>\$ 81,014,912</u>	<u>\$ 71,771,659</u>	<u>\$ (11,172,553)</u>	<u>\$ 34,443,003</u>	<u>\$ 23,270,450</u>

Overall, the total net position increased by \$48.5 million. The total net position of governmental activities increased by \$1.9 million and total net position for business-type activities increased by \$46.5 million.

The total restricted net position decreased by \$1.5 million and unrestricted net position increased by \$47.2 million.

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Revenues**

The City's total revenues for governmental and business-type activities were \$87.3 million for the fiscal year ended June 30, 2020. Significant revenues for the City for fiscal year 2019-20 were derived from operating/capital grants and contributions 53%, charges for services 29%, property taxes and assessments 7% and sales and use tax 11%.

The following discusses variances in key revenues from the prior fiscal year for governmental and business-type activities:

1. **Operating/Capital Grants and Contributions.** Capital contributions increased by \$42.4 million due to settlement received by the Water Enterprise Fund related to TCP contamination.
2. **Charges for Services.** Charges for services had a slight increase of \$144,468 over last fiscal year.
3. **Sales and Use Tax.** Sales tax revenue increased by \$250,462 or 4%. This results from a continued improvement in the local economy.
4. **Property Taxes and Assessments.** Property tax revenue increased by \$428,513 or 8%. This is due primarily to higher property values.

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The change in net position for the fiscal years ended June 30, 2020, and 2019, follows:

	Changes in Net Position					
	2020			2019		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 3,295,944	\$ 22,507,420	\$ 25,803,364	\$ 3,025,175	\$ 21,794,178	\$ 24,819,353
Grants and contributions:						
Operating	2,144,358	20,000	2,164,358	1,831,069	20,000	1,851,069
Capital	1,001,391	-	1,001,391	1,175,393	-	1,175,393
General revenues:						
Property taxes and assessments	5,361,375	-	5,361,375	4,932,862	-	4,932,862
Transient occupancy taxes	52,861	-	52,861	55,016	-	55,016
Sales and use tax	6,288,047	-	6,288,047	6,037,585	-	6,037,585
Franchise taxes	834,600	-	834,600	800,792	-	800,792
Other taxes	1,176,852	-	1,176,852	933,393	-	933,393
Intergovernmental	338,649	-	338,649	341,831	-	341,831
Use of money and property	202,450	1,125,039	1,327,489	217,840	438,828	656,668
Other	373,913	42,587,486	42,961,399	190,364	-	190,364
Total revenues	21,070,440	66,239,945	87,310,385	19,541,320	22,253,006	41,794,326
Expenses:						
Governmental activities:						
General government	5,175,295	-	5,175,295	5,771,800	-	5,771,800
Public safety	9,724,945	-	9,724,945	9,047,073	-	9,047,073
Highways and streets	2,572,962	-	2,572,962	2,989,962	-	2,989,962
Urban redevelopment and housing	581,711	-	581,711	752,052	-	752,052
Community services	562,930	-	562,930	464,656	-	464,656
Interest and fiscal charges	675,672	2,967,784	3,643,456	89,909	3,250,681	3,340,590
Business-type activities:						
Water	-	4,336,532	4,336,532	-	3,721,893	3,721,893
Sewer	-	8,668,278	8,668,278	-	8,397,679	8,397,679
Sanitation	-	3,543,067	3,543,067	-	3,328,932	3,328,932
Total expenses	19,293,515	19,515,661	38,809,176	19,115,452	18,699,185	37,814,637
Change in net position before transfers	1,776,925	46,724,284	48,501,209	425,868	3,553,821	3,979,689
Transfer from Successor Agency	-	-	-	53,934	-	-
Transfers	152,375	(152,375)	-	152,373	(152,373)	-
Change in net position	1,929,300	46,571,909	48,501,209	632,175	3,401,448	3,979,689
Net position:						
Beginning of year	(11,172,553)	34,443,003	23,270,450	(11,750,794)	39,168,643	27,417,849
Adjustment	-	-	-	-	(8,127,088)	(8,127,088)
Beginning, as adjusted	(11,172,553)	34,443,003	23,270,450	(11,750,794)	31,041,555	19,290,761
End of year	\$ (9,243,253)	\$ 81,014,912	\$ 71,771,659	\$ (11,118,619)	\$ 34,443,003	\$ 23,270,450

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Expenses**

Governmental and business-type activity expenses of the City for the year totaled \$38.8 million. Governmental activity expenses totaled \$19.3 million or 49.8% of total expenses. Business-type activities incurred \$19.5 million or 50.2% of total expenses during the fiscal year. Public safety costs represented 50% of total governmental activities expenses.

**Governmental Activities**

The following table shows the cost of each of the City’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2020, and 2019, are as follows:

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 5,175,295	\$ 2,742,283	\$ 5,771,800	\$ 3,535,603
Public safety	9,724,945	8,322,856	9,047,073	7,829,573
Highway and streets	2,572,962	247,094	2,989,962	701,309
Urban revelopment and housing	581,711	513,111	752,052	752,052
Community services	562,930	350,806	464,656	175,369
Interest on long-term debt	675,672	675,672	89,909	89,909
Total	<u>\$ 19,293,515</u>	<u>\$ 12,851,822</u>	<u>\$ 19,115,452</u>	<u>\$ 13,083,815</u>

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

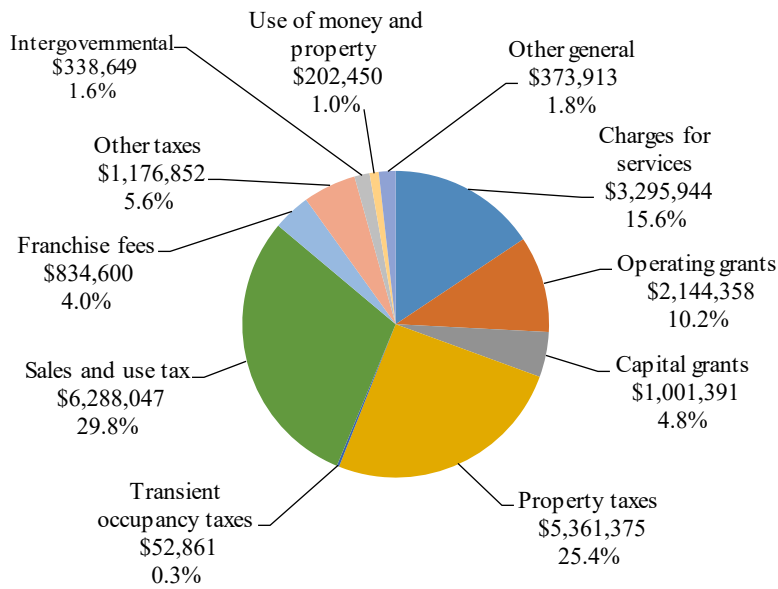
**Management’s Discussion and Analysis, continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

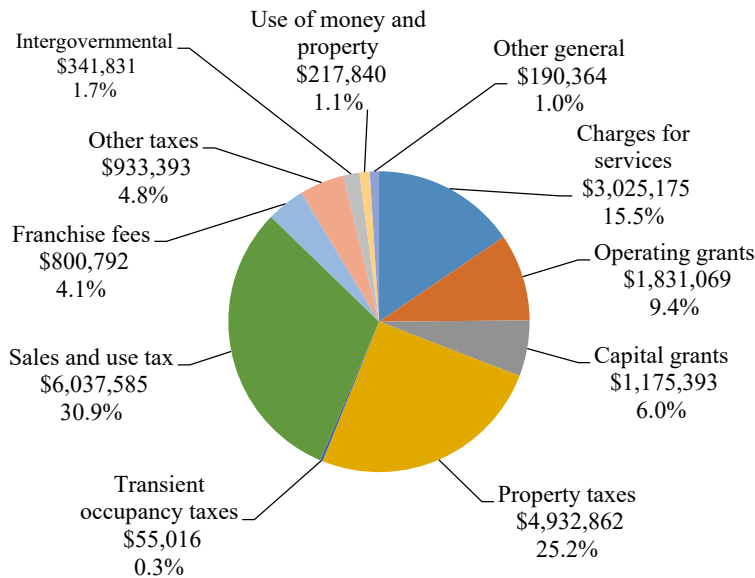
**Governmental Activities, Continued**

Revenues by source for the fiscal years ended June 30, 2020, and 2019, are as follows:

**Revenues by Source - Governmental Activities 2020**



**Revenues by Source - Governmental Activities 2019**



**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

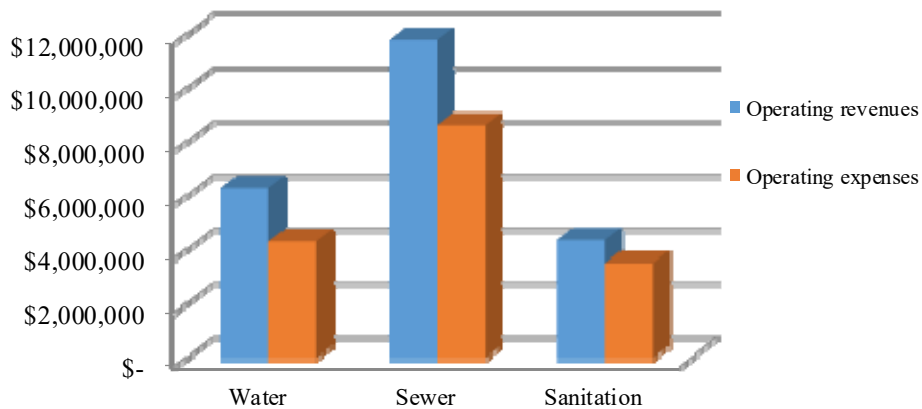
**Management’s Discussion and Analysis, continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

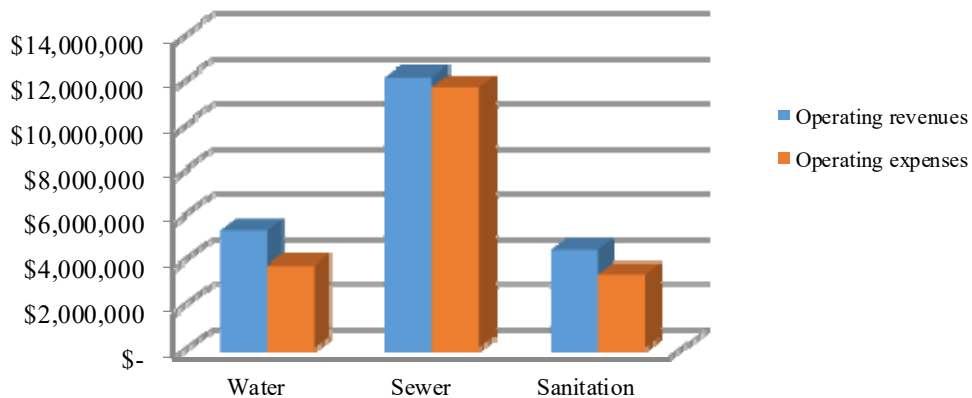
**Business-type Activities**

Business-type activities increased the City’s net position by \$46.5 million. The City has three business-type activities: Water, Sewer, and Sanitation Operations. The operating revenues and expenses for the business-type activities for the fiscal years ended June 30, 2020 and 2019 are as follows:

**Operating Revenues and Expenses  
 Business-type Activities  
 2020**



**Operating Revenues and Expenses  
 Business-type Activities  
 2019**





**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

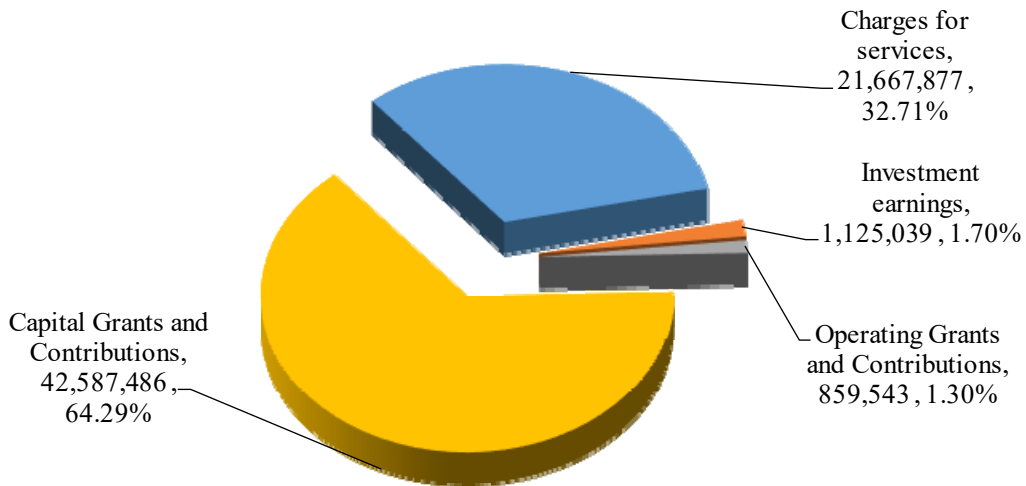
**Management’s Discussion and Analysis, continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

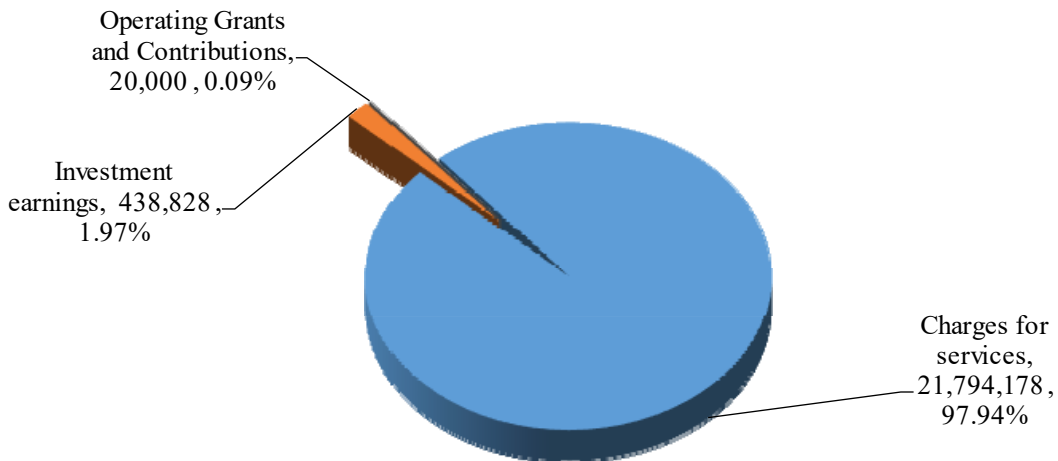
**Business-type Activities, Continued**

The revenues by source for the business-type activities for the fiscal years ended June 30, 2020, and 2019, are as follows:

**Revenues by Source - Business-type Activities 2020**



**Revenues by Source - Business-type Activities 2019**



**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

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**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds.** The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2020, the City's governmental funds reported combined fund balances of \$16.4 million. This represents an increase of \$400,000 or 2.6% over the prior fiscal year. The increase is due mainly to increased revenue from sales taxes, property taxes and charges for services and unspent appropriations and project carryovers.

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2020, the General Fund had a fund balance of \$3.1 million. The General Fund balance improved by \$2.4 million from the prior fiscal year and the second consecutive fiscal year with positive fund balance. The City continues to make positive progress.

**Special Revenue Funds.** The City's special revenue funds include the Measure H major fund, gas tax funds, grant funds, facility impact fee funds, maintenance districts and other nonmajor funds. As of June 30, 2020, the special revenue funds had a combined fund balance of \$13.3 million.

**Capital Projects Funds.** The City's capital projects funds consist of the general and performance bond nonmajor funds. As of June 30, 2020, the capital project funds had a combined fund balance of \$2,690.

**Proprietary Funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statement. The City uses enterprise funds to account for its water, sewer and sanitation operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses the internal service funds to account for its building and equipment maintenances, as well as employee benefits fund. The City's proprietary funds net position increased by \$46.5 million for enterprise funds and decreased by \$117,451 for internal service funds in the fiscal year ended June 30, 2020. For the enterprise funds, the increase was due mainly to settlement received by the Water Enterprise Fund related to TCP contamination. The decrease in the internal service funds net position was mainly the result of decrease in interdepartmental charges.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS, Continued**

**General Fund Budgetary Highlights**

General Fund actual revenues totaled \$15 million which was 103.5 percent of the amended budget estimate. General Fund expenditures totaled \$12.8 million or 93.9 percent of the approved amended budget. The General Fund balance increased by \$2.4 million to a balance of \$3.1 million.

**CAPITAL ASSETS**

The City’s investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounted to \$99.5 million. This investment in capital assets includes land, construction in progress, costs for buildings and improvements, infrastructure, roads, and equipment.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 323,223	\$ 323,223	\$ 764,902	\$ 764,902	\$ 1,088,125	\$ 1,088,125
Construction in progress	3,923,298	536,684	1,422,526	663,964	5,345,824	1,200,648
Buildings and improvements	5,041,574	5,539,562	73,422,813	76,103,355	78,464,387	81,642,917
Infrastructure	757,215	779,384	-	-	757,215	779,384
Roads	8,205,552	9,383,141	-	-	8,205,552	9,383,141
Equipment	3,689,741	2,564,541	1,981,990	2,211,955	5,671,731	4,776,496
Total	\$ 21,940,603	\$ 19,126,535	\$ 77,592,231	\$ 79,744,176	\$ 99,532,834	\$ 98,870,711

The June 30, 2020 total balance reflects addition to construction in progress of \$4.1 million and a decrease to buildings and improvements, infrastructure, roads, and equipment of \$4.8 million. Total depreciation for the year amounted to \$6 million.

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 54 for significant accounting policies and Note 4 on pages 65 and 66 for other capital asset information.

**DEBT ADMINISTRATION**

At June 30, 2020, the City had \$74.5 million in debt outstanding consisting of compensated absences, capital lease obligations and revenue bonds.

	2020		
	Governmental Activities	Business-type Activities	Total
Compensated absences	\$ 719,040	\$ 81,221	\$ 800,261
Capital lease obligation	1,051,523	-	1,051,523
2017A Wastewater Revenue Refunding Bonds	-	53,090,000	53,090,000
2018A Wastewater Revenue Refunding Bonds	-	15,120,000	15,120,000
Unamortized bond premium	-	5,099,373	5,099,373
Unamortized underwriting discount	-	(588,591)	(588,591)
Total	\$ 1,770,563	\$ 72,802,003	\$ 74,572,566

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

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

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**DEBT ADMINISTRATION, Continued**

During the current fiscal year, the City's net debt decreased by \$1.0 million. The net decrease was due to scheduled principal payments and unamortized premium retirements. Additional information regarding each of the City's debt issues as well as debt service requirements is discussed in greater detail in Note 6 to the financial statements on page 67.

**NEXT YEARS BUDGET AND THE ECONOMY**

The budget for Fiscal Year 2020-2021 budget was developed based on the City's multi-year fiscal solvency recovery program. The City's total Fiscal Year 2020-2021 adopted budget approves appropriations at \$77.8 million. The budget provides funding for staffing of 77.5 positions, allocates funds for retirement and OPEB obligations.

After eight (8) years of operating at a deficit, the City's General Fund has had a positive balance for two consecutive fiscal years and is projected to maintain a positive fund balance and meet the 10% reserve requirement at June 30, 2021. The budget fulfills the goal of reducing the General Fund debt to the Sewer Fund as well as allocating funds for General Fund reserves.

The City of Atwater is located in central California in Merced County. While this area was severely impacted by the economic recession, the City has seen a recent increase in economic activity with increases in property and sales tax revenue and an increased interest in development activity. The local job market remains slow with unemployment in Atwater at 9.1 percent and the County-wide unemployment rate of 12.7 percent (November 2020 figures). Over the past several years, the City implemented a number of difficult cost saving and revenue measures which has stabilized the City's financial situation.

As Atwater worked to climb out of the economic recession, we as well as our surrounding neighbors are faced with maintaining financial stability amidst the COVID-19 pandemic. Although the forecast and long-term effects are uncertain, Atwater continues to budget conservatively to not over-estimate our normally anticipated revenue.

The citizens of the City of Atwater, in 2013, approved a sales tax measure, Measure H, which is providing much needed funding for enhanced public safety costs.

**REQUESTS FOR INFORMATION**

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Atwater Finance Department, 750 Bellevue Road, Atwater, CA 95301, or visit the City's web page at [www.atwater.org](http://www.atwater.org).

## **BASIC FINANCIAL STATEMENTS**



# City of Atwater, California

## Statement of Net Position

June 30, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 18,443,332	\$ 72,967,188	\$ 91,410,520
Restricted cash and investments	-	973,522	973,522
Receivables:			
Accounts	5,983,818	1,777,436	7,761,254
Internal balances	(2,336,726)	2,336,726	-
Prepaid items	32,768	159,776	192,544
<b>Total current assets</b>	<u>22,123,192</u>	<u>78,214,648</u>	<u>100,337,840</u>
<b>Noncurrent assets:</b>			
Advances to Fiduciary Activities/Successor Agency	138,864	-	138,864
Investment in land held for resale	3,855,930	-	3,855,930
Capital assets:			
Nondepreciable	859,907	1,428,866	2,288,773
Depreciable	21,080,696	76,163,365	97,244,061
<b>Total noncurrent assets</b>	<u>25,935,397</u>	<u>77,592,231</u>	<u>103,527,628</u>
<b>Total assets</b>	<u>48,058,589</u>	<u>155,806,879</u>	<u>203,865,468</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension plan	7,849,217	-	7,849,217
OPEB	1,755,959	-	1,755,959
<b>Total assets and deferred outflows</b>	<u>\$ 57,663,765</u>	<u>\$ 155,806,879</u>	<u>\$ 213,470,644</u>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	\$ 3,694,360	\$ 963,369	\$ 4,657,729
Interest payable	-	558,474	558,474
Deposits payable	401,148	468,121	869,269
Compensated absences - current portion	51,607	13,705	65,312
Due within one year	-	1,719,386	1,719,386
<b>Total current liabilities</b>	<u>4,147,115</u>	<u>3,723,055</u>	<u>7,870,170</u>
<b>Noncurrent liabilities:</b>			
Long-term liabilities:			
Compensated absences	1,149,118	67,516	1,216,634
Due after one year	1,051,523	71,001,396	72,052,919
Net pension obligation	27,135,766	-	27,135,766
Net OPEB obligation	18,970,623	-	18,970,623
<b>Total noncurrent liabilities</b>	<u>48,307,030</u>	<u>71,068,912</u>	<u>119,375,942</u>
<b>Total liabilities</b>	<u>52,454,145</u>	<u>74,791,967</u>	<u>127,246,112</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	3,427,098	-	3,427,098
Pension plan	2,485,300	-	2,485,300
OPEB	8,540,475	-	8,540,475
<b>Total deferred inflows of resources</b>	<u>14,452,873</u>	<u>-</u>	<u>14,452,873</u>
<b>NET POSITION</b>			
Net investment in capital assets	21,940,603	6,590,835	28,531,438
Restricted	5,145,442	973,522	6,118,964
Unrestricted (deficit)	(36,329,298)	73,450,555	37,121,257
<b>Total net position</b>	<u>(9,243,253)</u>	<u>81,014,912</u>	<u>71,771,659</u>
<b>Total liabilities, deferred inflows and net position</b>	<u>\$ 57,663,765</u>	<u>\$ 155,806,879</u>	<u>\$ 213,470,644</u>

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

**City of Atwater, California**  
**Statement of Activities**  
**For the year ended June 30, 2020**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 5,175,295	\$ 2,376,652	\$ 56,360	\$ -
Public safety	9,724,945	174,144	1,227,945	-
Highways and Streets	2,572,962	618,117	706,360	1,001,391
Urban redevelopment and housing	581,711	-	68,600	-
Community services	562,930	127,031	85,093	-
Interest and fiscal charges	675,672	-	-	-
Total governmental activities	<u>19,293,515</u>	<u>3,295,944</u>	<u>2,144,358</u>	<u>1,001,391</u>
Business-type activities:				
Water	4,336,532	6,036,007	279,394	42,587,486
Sewer	8,668,278	11,241,498	580,010	-
Sanitation	3,543,067	4,390,372	139	-
Total business-type activities	<u>16,547,877</u>	<u>21,667,877</u>	<u>859,543</u>	<u>42,587,486</u>
<b>Total primary government</b>	<u>\$ 35,841,392</u>	<u>\$ 24,963,821</u>	<u>\$ 3,003,901</u>	<u>\$ 43,588,877</u>

General revenues:

Taxes:

Property taxes, levied for general purposes

Transient occupancy tax

Sales taxes

Franchise fees

Other taxes

Intergovernmental

Use of money and property

Other general revenues

Total general revenues

Transfers

Total general revenues and transfers

Change in net position

Net position:

Beginning, as adjusted

End of year

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



**Changes in Net Position**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ (2,742,283)	\$ -	\$ (2,742,283)
(8,322,856)	-	(8,322,856)
(247,094)	-	(247,094)
(513,111)	-	(513,111)
(350,806)	-	(350,806)
(675,672)	(2,967,784)	(3,643,456)
<u>(12,851,822)</u>	<u>(2,967,784)</u>	<u>(15,819,606)</u>
-	44,566,355	44,566,355
-	3,153,230	3,153,230
-	847,444	847,444
-	48,567,029	48,567,029
<u>\$ (12,851,822)</u>	<u>\$ 45,599,245</u>	<u>\$ 32,747,423</u>
5,361,375	-	5,361,375
52,861	-	52,861
6,288,047	-	6,288,047
834,600	-	834,600
1,176,852	-	1,176,852
338,649	-	338,649
202,450	1,125,039	1,327,489
373,913	-	373,913
<u>14,628,747</u>	<u>1,125,039</u>	<u>15,753,786</u>
<u>152,375</u>	<u>(152,375)</u>	<u>-</u>
<u>14,781,122</u>	<u>972,664</u>	<u>15,753,786</u>
1,929,300	46,571,909	48,501,209
<u>(11,172,553)</u>	<u>34,443,003</u>	<u>23,270,450</u>
<u>\$ (9,243,253)</u>	<u>\$ 81,014,912</u>	<u>\$ 71,771,659</u>

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

<b>Fund</b>	<b>Description</b>
<b>Governmental Funds:</b>	Governmental funds are used for taxes and grants.
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
Measure H Special Revenue Fund	Accounts for Measure H, a voter approved sales tax measure, to provide enhanced public safety costs.

**City of Atwater, California**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	<u>Major Funds</u>		<u>Nonmajor</u>	<u>Totals</u>
	<u>General</u>	<u>Measure H</u>	<u>Governmental</u>	
<b>ASSETS</b>	<b>Fund</b>	<b>Special Revenue</b>	<b>Funds</b>	
Cash and investments	\$ 5,055,135	\$ 254,117	\$ 10,764,602	\$ 16,073,854
Receivables:				
Taxes	300,258	-	2,332,435	2,632,693
Interest	12,232	655	31,046	43,933
Intergovernmental	-	-	1,212,339	1,212,339
Other receivable	1,316,011	415,334	337,574	2,068,919
Prepaid items	28,427	-	-	28,427
Due from other funds	20,177	-	477,459	497,636
Advance to Successor Agency Private Purpose Trust	-	-	138,864	138,864
Investment in land held for resale	-	-	3,855,930	3,855,930
<b>Total assets</b>	<b>\$ 6,732,240</b>	<b>\$ 670,106</b>	<b>\$ 19,150,249</b>	<b>\$ 26,552,595</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,267,889	\$ 33,730	\$ 2,160,902	\$ 3,462,521
Due to other funds	1,906,875	-	927,487	2,834,362
Deposits payable	289,482	-	111,666	401,148
Other liabilities	-	-	-	-
<b>Total liabilities</b>	<b>3,464,246</b>	<b>33,730</b>	<b>3,200,055</b>	<b>6,698,031</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	142,293	-	3,284,805	3,427,098
<b>Total deferred inflows of resources:</b>	<b>142,293</b>	<b>-</b>	<b>3,284,805</b>	<b>3,427,098</b>
<b>Total Liabilities and deferred inflows</b>	<b>3,606,539</b>	<b>33,730</b>	<b>6,484,860</b>	<b>10,125,129</b>
<b>Fund balances (Deficit):</b>				
Nonspendable				
Prepaid items	28,427	-	-	28,427
Investment in land held for resale	-	-	3,855,930	3,855,930
Restricted	-	-	5,145,442	5,145,442
Assigned	-	-	4,002,024	4,002,024
Unassigned (deficit)	3,097,274	636,376	(338,007)	3,395,643
<b>Total fund balances (deficit)</b>	<b>3,125,701</b>	<b>636,376</b>	<b>12,665,389</b>	<b>16,427,466</b>
<b>balances</b>	<b>\$ 6,732,240</b>	<b>\$ 670,106</b>	<b>\$ 19,150,249</b>	<b>\$ 26,552,595</b>

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

**City of Atwater, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2020**

**Total fund balances reported on the governmental funds balance sheet** \$ 16,427,466

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance 21,142,670

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

Compensated absences	\$ (719,040)	
Capital leases	(1,051,523)	
Net Pension obligation	(27,135,766)	
Net OPEB obligation	<u>(18,970,623)</u>	(47,876,952)

Pension and OPEB obligations result in deferred inflows and outflows of resources derived from the actuarial value of contributions, assets and liabilities

Deferred outflows - Pension	7,849,217	
Deferred inflows - Pension	(2,485,300)	
Deferred outflows - OPEB	1,755,959	
Deferred inflows - OPEB	<u>(8,540,475)</u>	(1,420,599)

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

Current assets	2,399,753	
Noncurrent assets	797,933	
Accounts payable and accrued liabilities	(238,870)	
Noncurrent liabilities	<u>(474,654)</u>	<u>2,484,162</u>

**Net Position of governmental activities** **\$ (9,243,253)**

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

# City of Atwater, California

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

### Governmental Activities

June 30, 2020

	Governmental Funds	Reclassifications	Changes in GAAP	Internal Services Balances	Statement of Net Position
	Balance Sheet				
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 16,073,854	\$ -	\$ -	\$ 2,369,478	\$ 18,443,332
Receivables:					
Taxes	2,632,693	-	-	-	2,632,693
Interest	43,933	-	-	5,323	49,256
Intergovernmental	1,212,339	-	-	-	1,212,339
Other receivable	2,068,919	-	-	20,611	2,089,530
Due from other funds	497,636	(497,636)	-	-	-
Internal balances	-	(2,336,726)	-	-	(2,336,726)
Prepaid items	28,427	-	-	4,341	32,768
<b>Total current assets</b>	<b>22,557,801</b>	<b>(2,834,362)</b>	<b>-</b>	<b>2,399,753</b>	<b>22,123,192</b>
<b>Noncurrent assets:</b>					
Advances to Fiduciary Activities/Successor Agency	138,864	-	-	-	138,864
Investment in land held for resale	3,855,930	-	-	-	3,855,930
Capital assets, net	-	-	21,142,670	797,933	21,940,603
<b>Total noncurrent assets</b>	<b>3,994,794</b>	<b>-</b>	<b>21,142,670</b>	<b>797,933</b>	<b>25,935,397</b>
<b>Total assets</b>	<b>26,552,595</b>	<b>(2,834,362)</b>	<b>21,142,670</b>	<b>3,197,686</b>	<b>48,058,589</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plan	-	-	7,849,217	-	7,849,217
OPEB	-	-	1,755,959	-	1,755,959
<b>Total assets and deferred outflows of resources</b>	<b>\$ 26,552,595</b>	<b>\$ (2,834,362)</b>	<b>\$ 30,747,846</b>	<b>\$ 3,197,686</b>	<b>\$ 57,663,765</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 3,462,521	\$ -	\$ -	\$ 231,839	\$ 3,694,360
Due to other funds	2,834,362	(2,834,362)	-	-	-
Deposits payable	401,148	-	-	-	401,148
Due within one year - capital leases	-	-	-	-	-
Compensated absences - current portion	-	-	44,576	7,031	51,607
Other liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>6,698,031</b>	<b>(2,834,362)</b>	<b>44,576</b>	<b>238,870</b>	<b>4,147,115</b>
<b>Noncurrent liabilities:</b>					
Long-term liabilities:					
Compensated absences	-	-	674,464	474,654	1,149,118
Due after one year - capital leases	-	-	1,051,523	-	1,051,523
Net Pension obligation	-	-	27,135,766	-	27,135,766
Net OPEB obligation	-	-	18,970,623	-	18,970,623
<b>Total noncurrent liabilities</b>	<b>-</b>	<b>-</b>	<b>47,832,376</b>	<b>474,654</b>	<b>48,307,030</b>
<b>Total liabilities</b>	<b>6,698,031</b>	<b>(2,834,362)</b>	<b>47,876,952</b>	<b>713,524</b>	<b>52,454,145</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	3,427,098	-	-	-	3,427,098
Pension	-	-	2,485,300	-	2,485,300
OPEB	-	-	8,540,475	-	8,540,475
<b>Total liabilities and deferred inflows</b>	<b>10,125,129</b>	<b>(2,834,362)</b>	<b>58,902,727</b>	<b>713,524</b>	<b>66,907,018</b>
<b>FUND BALANCES/NET POSITION</b>					
<b>Fund balances:</b>					
Nonspendable	3,884,357	(3,884,357)	-	-	-
Restricted	5,145,442	(5,145,442)	-	-	-
Assigned	4,002,024	(4,002,024)	-	-	-
Unassigned (deficit)	3,395,643	(3,395,643)	-	-	-
<b>Net position:</b>					
Net investment in capital assets	-	-	21,142,670	797,933	21,940,603
Restricted	-	-	5,145,442	-	5,145,442
Unrestricted	-	16,427,466	(54,442,993)	1,686,229	(36,329,298)
<b>Total fund balances/net position</b>	<b>16,427,466</b>	<b>-</b>	<b>(28,154,881)</b>	<b>2,484,162</b>	<b>(9,243,253)</b>
<b>Total liabilities, deferred inflows and net position</b>	<b>\$ 26,552,595</b>	<b>\$ (2,834,362)</b>	<b>\$ 30,747,846</b>	<b>\$ 3,197,686</b>	<b>\$ 57,663,765</b>

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

**City of Atwater, California**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2020**

	<b>Major Funds</b>		<b>Other</b>	<b>Totals</b>
	<b>General Fund</b>	<b>Measure H Special Revenue</b>	<b>Governmental Funds</b>	
<b>REVENUES:</b>				
Taxes and assessments	\$ 7,209,438	\$ 2,016,086	\$ 1,795,680	\$ 11,021,204
Licenses and permits	430,457	-	-	430,457
Fines and forfeitures	56,673	-	-	56,673
Intergovernmental	3,792,763	-	1,931,036	5,723,799
Use of money and property	242,558	275	259,446	502,279
Charges for services	2,763,391	-	-	2,763,391
Reimbursements	530,499	-	2,565	533,064
Other revenues	31,051	-	8,522	39,573
<b>Total revenues</b>	<b>15,056,830</b>	<b>2,016,361</b>	<b>3,997,249</b>	<b>21,070,440</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,782,518	-	3,496	3,786,014
Public safety	7,466,069	1,948,764	121,534	9,536,367
Highways and Streets	1,023,023	-	1,039,542	2,062,565
Urban redevelopment and housing	-	-	801,612	801,612
Community services	562,930	-	-	562,930
Capital outlay	-	509,959	3,643,078	4,153,037
Debt service:				
Principal	-	80,066	-	80,066
Interest and fiscal charges	-	45,634	-	45,634
<b>Total expenditures</b>	<b>12,834,540</b>	<b>2,584,423</b>	<b>5,609,262</b>	<b>21,028,225</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,222,290</b>	<b>(568,062)</b>	<b>(1,612,013)</b>	<b>42,215</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	219,901	-	-	219,901
Transfers in	152,375	-	384,320	536,695
Transfers out	(174,031)	-	(210,289)	(384,320)
<b>Total other financing sources (uses)</b>	<b>198,245</b>	<b>-</b>	<b>174,031</b>	<b>372,276</b>
<b>Net change in fund balances</b>	<b>2,420,535</b>	<b>(568,062)</b>	<b>(1,437,982)</b>	<b>414,491</b>
<b>FUND BALANCES (Deficit):</b>				
Beginning of year	705,166	1,204,438	14,103,371	16,012,975
End of year	\$ 3,125,701	\$ 636,376	\$ 12,665,389	\$ 16,427,466

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

# City of Atwater, California

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

For the year ended June 30, 2020

Functions/Programs	Fund Based Totals	Compensated			Capital			Government- wide Totals
		Absences/ Debt Service	Internal Service	Depreciation	Asset (Additions)/ Retirements	OPEB Obligation	GASB 68 Pension	
<b>Governmental activities:</b>								
General government	\$ 3,786,014	\$ 59,274	\$ 117,451	\$ 639,994	\$ -	\$ (433,435)	\$ 1,005,997	\$ 5,175,295
Public safety	9,536,367	-	-	188,578	-	-	-	9,724,945
Highways and Streets	2,062,565	-	-	1,382,365	(871,968)	-	-	2,572,962
Urban redevelopment and housing	581,711	-	-	-	-	-	-	581,711
Parks and recreation	562,930	-	-	-	-	-	-	562,930
Capital outlay	4,153,037	-	-	-	(4,153,037)	-	-	-
Debt service/Interest	125,700	549,972	-	-	-	-	-	675,672
<b>Total governmental activities</b>	<b>\$ 20,808,324</b>	<b>\$ 609,246</b>	<b>\$ 117,451</b>	<b>\$ 2,210,937</b>	<b>\$ (5,025,005)</b>	<b>\$ (433,435)</b>	<b>\$ 1,005,997</b>	<b>\$ 19,293,515</b>

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



# City of Atwater, California

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the year ended June 30, 2020

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<b>Net change in fund balances - total governmental funds</b>	<b>\$ 414,491</b>
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Amounts reported for governmental activities in the Statement of Activities are different because:

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

Capital asset purchases capitalized	\$ 5,025,005	
Depreciation expense	<u>(2,210,937)</u>	2,814,068

Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the Statement of Activities.

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Debt principal payments	(549,972)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	<u>(59,274)</u>	(59,274)
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Certain employee benefit obligations are recorded on a pay-as-you-go basis in the governmental funds, but are accrued as liabilities in the Statement of Net Position:

Net Pension obligation	(1,005,997)
Net OPEB obligation	433,435

Internal service funds are used by management to charge the costs of certain activities, such as building maintenance, to individual funds. The change in Net Position of the Internal Service Funds of (\$117,451) are included in the governmental activities in the government-wide Statement of Net Position..

<u>(117,451)</u>	<u>(117,451)</u>
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<b>Change in Net Position of governmental activities</b>	<b>\$ <u>1,929,300</u></b>
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The accompanying notes are an integral part of these basic financial statements.

# City of Atwater, California

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - General Fund and Measure H Special Revenue Fund For the year ended June 30, 2020

	<b>General Fund</b>			Variance w/Final Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 6,462,900	\$ 6,462,900	\$ 7,209,438	\$ 746,538
Licenses and permits	336,324	336,324	430,457	94,133
Fines and forfeitures	98,740	98,740	56,673	(42,067)
Intergovernmental	3,646,100	3,646,100	3,792,763	146,663
Use of money and property	267,467	267,467	242,558	(24,909)
Charges for services	2,922,042	2,922,042	2,763,391	(158,651)
Reimbursements	578,460	578,460	530,499	(47,961)
Other revenues	226,404	226,404	31,051	(195,353)
<b>Total revenues</b>	<b>14,538,437</b>	<b>14,538,437</b>	<b>15,056,830</b>	<b>518,393</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,901,686	3,901,686	3,782,518	119,168
Public safety	8,096,134	8,096,134	7,466,069	630,065
Highways and Streets	1,061,286	1,061,286	1,023,023	38,263
Community services	607,917	607,917	562,930	44,987
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>13,667,023</b>	<b>13,667,023</b>	<b>12,834,540</b>	<b>832,483</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>871,414</b>	<b>871,414</b>	<b>2,222,290</b>	<b>1,350,876</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	-	-	219,901	219,901
Transfers in	152,375	152,375	152,375	-
Transfers out	(174,033)	(174,033)	(174,031)	2
<b>Total other financing sources (uses)</b>	<b>(21,658)</b>	<b>(21,658)</b>	<b>198,245</b>	<b>219,903</b>
<b>Net change in fund balances</b>	<b>849,756</b>	<b>849,756</b>	<b>2,420,535</b>	<b>1,570,779</b>
<b>FUND BALANCES (Deficit):</b>				
Beginning of year	705,166	705,166	705,166	-
End of year	<b>\$ 1,554,922</b>	<b>\$ 1,554,922</b>	<b>\$ 3,125,701</b>	<b>\$ 1,570,779</b>

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

<b>Measure H Special Revenue Fund</b>			
Budgeted Amounts		Actual	Variance w/Final
Original	Final		Positive (Negative)
\$ 2,002,700	\$ 2,002,700	\$ 2,016,086	\$ 13,386
-	-	-	-
-	-	-	-
-	-	-	-
-	-	275	275
-	-	-	-
-	-	-	-
-	-	-	-
<u>2,002,700</u>	<u>2,002,700</u>	<u>2,016,361</u>	<u>13,661</u>
-	-	-	-
2,148,620	2,148,620	1,948,764	199,856
-	-	-	-
-	-	-	-
136,000	136,000	509,959	(373,959)
526,916	526,916	80,066	446,850
-	-	45,634	(45,634)
<u>2,811,536</u>	<u>2,811,536</u>	<u>2,584,423</u>	<u>227,113</u>
<u>(808,836)</u>	<u>(808,836)</u>	<u>(568,062)</u>	<u>240,774</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>(808,836)</u>	<u>(808,836)</u>	<u>(568,062)</u>	<u>240,774</u>
<u>1,204,438</u>	<u>1,204,438</u>	<u>1,204,438</u>	<u>-</u>
<u>\$ 395,602</u>	<u>\$ 395,602</u>	<u>\$ 636,376</u>	<u>\$ 240,774</u>

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## ENTERPRISE FUNDS

Fund	Description
<b>Major Funds:</b>	
Water Fund	Accounts for the operation and maintenance of the City's water treatment and distribution system.
Sewer Fund	Accounts for the operation and maintenance of the City's wastewater treatment plant and collection facilities.
Sanitation Fund	Accounts for all activities associated with the operation and maintenance of providing solid waste services.

**City of Atwater, California**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

ASSETS	<u>Water</u>	<u>Sewer</u>
<b>Current assets:</b>		
Cash and investments	\$ 53,055,013	\$ 17,209,611
Restricted cash and investments	-	973,522
Receivables:		
Accounts	460,498	751,808
Interest	144,989	47,886
Due from other funds	-	3,436,125
Prepaid expenses	-	159,776
<b>Total current assets</b>	<u>53,660,500</u>	<u>22,578,728</u>
<b>Noncurrent assets:</b>		
Capital assets, net	4,824,329	72,534,955
<b>Total noncurrent assets</b>	<u>4,824,329</u>	<u>72,534,955</u>
<b>Total Assets</b>	<u>\$ 58,484,829</u>	<u>\$ 95,113,683</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 781,557	\$ 123,223
Accrued payroll	16,166	28,625
Due to other funds	-	-
Interest payable	-	558,474
Deposits payable	411,183	56,938
Compensated absences - current portion	3,420	10,285
Due within one year	-	1,719,386
<b>Total current liabilities</b>	<u>1,212,326</u>	<u>2,496,931</u>
<b>Noncurrent liabilities:</b>		
Compensated absences	34,106	33,410
Due after one year	-	71,001,396
<b>Total noncurrent liabilities</b>	<u>34,106</u>	<u>71,034,806</u>
<b>Total liabilities</b>	<u>1,246,432</u>	<u>73,531,737</u>
<b>Net Position:</b>		
Net investment in capital assets	4,824,329	1,533,559
Restricted	-	973,522
Unrestricted	52,414,068	19,074,865
<b>Total net position</b>	<u>57,238,397</u>	<u>21,581,946</u>
<b>Total liabilities and net position</b>	<u>\$ 58,484,829</u>	<u>\$ 95,113,683</u>

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

<u>Sanitation</u>	<u>Totals</u>	<u>Governmental</u>
		<u>Activities</u>
		<u>Internal</u>
		<u>Service Funds</u>
\$ 2,702,564	\$ 72,967,188	\$ 2,369,478
	973,522	-
364,695	1,577,001	20,611
7,560	200,435	5,323
-	3,436,125	-
-	159,776	4,341
<u>3,074,819</u>	<u>79,314,047</u>	<u>2,399,753</u>
232,947	77,592,231	797,933
<u>232,947</u>	<u>77,592,231</u>	<u>797,933</u>
<u>\$ 3,307,766</u>	<u>\$ 156,906,278</u>	<u>\$ 3,197,686</u>
\$ 13,083	\$ 917,863	\$ 218,661
715	45,506	13,178
1,099,399	1,099,399	-
-	558,474	-
-	468,121	-
-	13,705	7,031
-	1,719,386	-
<u>1,113,197</u>	<u>4,822,454</u>	<u>238,870</u>
-	67,516	474,654
-	71,001,396	-
-	71,068,912	474,654
<u>1,113,197</u>	<u>75,891,366</u>	<u>713,524</u>
232,947	6,590,835	797,933
-	973,522	-
1,961,622	73,450,555	1,686,229
<u>2,194,569</u>	<u>81,014,912</u>	<u>2,484,162</u>
<u>\$ 3,307,766</u>	<u>\$ 156,906,278</u>	<u>\$ 3,197,686</u>

**City of Atwater, California**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2020**

	<u>Water</u>	<u>Sewer</u>
<b>OPERATING REVENUES:</b>		
Charges for service	\$ 6,036,007	\$ 11,241,498
Other operating revenue	269,394	570,010
<b>Total operating revenues</b>	<u>6,305,401</u>	<u>11,811,508</u>
<b>OPERATING EXPENSES:</b>		
Salaries and benefits	697,954	1,094,488
Contractual services	567,027	2,189,434
Materials and supplies	121,086	123,758
Repairs and maintenance	-	-
Utilities	1,068,708	835,976
Insurance	-	-
Taxes and fees	-	-
Other operating costs	1,525,846	1,162,758
Depreciation	355,911	3,261,864
<b>Total operating expenses</b>	<u>4,336,532</u>	<u>8,668,278</u>
<b>OPERATING INCOME (LOSS)</b>	<u>1,968,869</u>	<u>3,143,230</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
TCP Settlement	42,587,486	-
Intergovernmental revenues (expenses)	10,000	10,000
Interest revenue	875,784	222,948
Interest expense	-	(2,967,784)
<b>Total non-operating revenues, net</b>	<u>43,473,270</u>	<u>(2,734,836)</u>
<b>NET INCOME BEFORE TRANSFERS</b>	45,442,139	408,394
Transfers out	(152,375)	-
<b>Total transfers</b>	<u>(152,375)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	45,289,764	408,394
<b>NET POSITION (DEFICIT):</b>		
Beginning of year	<u>11,948,633</u>	<u>21,173,552</u>
End of year	<u>\$ 57,238,397</u>	<u>\$ 21,581,946</u>

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



<b>Sanitation</b>	<b>Totals</b>	<b>Governmental</b>
		<b>Activities</b>
		<b>Internal</b>
		<b>Service Funds</b>
\$ 4,390,372	\$ 21,667,877	\$ -
139	839,543	155,259
<u>4,390,511</u>	<u>22,507,420</u>	<u>3,191,271</u>
61,463	1,853,905	446,553
2,747,051	5,503,512	493,414
24,861	269,705	1,659
-	-	463,281
-	1,904,684	-
-	-	1,541,891
-	-	87,765
691,538	3,380,142	185,689
18,154	3,635,929	111,921
<u>3,543,067</u>	<u>16,547,877</u>	<u>3,332,173</u>
847,444	5,959,543	(140,902)
-	42,587,486	-
-	20,000	-
26,307	1,125,039	23,451
-	(2,967,784)	-
<u>26,307</u>	<u>40,764,741</u>	<u>23,451</u>
873,751	46,724,284	(117,451)
-	(152,375)	-
-	(152,375)	-
873,751	46,571,909	(117,451)
<u>1,320,818</u>	<u>34,443,003</u>	<u>2,601,613</u>
<u>\$ 2,194,569</u>	<u>\$ 81,014,912</u>	<u>\$ 2,484,162</u>

**City of Atwater, California**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2020**

	<u>Water</u>	<u>Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers/users for services provided	\$ 6,224,530	\$ 11,684,028
Cash received from interfund services provided	-	-
Cash payments to suppliers for goods and services	(2,708,037)	(4,460,404)
Cash payments to employees for services	(682,191)	(1,113,041)
<b>Net cash provided by operating activities</b>	<u>2,834,302</u>	<u>6,110,583</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Transfers received	-	-
Transfers received (paid)	(239,219)	827,231
Intergovernmental activities	10,000	-
<b>Net cash used by noncapital financing activities</b>	<u>(229,219)</u>	<u>827,231</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Capital grants received	-	10,000
Acquisition and construction of capital assets	(766,411)	(717,573)
Proceeds from TCP Settlement	42,587,486	-
Principal paid on long term debt	-	(1,654,386)
Interest paid on long term debt	-	(2,976,657)
Bond issuance costs	-	-
<b>Net cash (used) by capital and related financing activities</b>	<u>41,821,075</u>	<u>(5,338,616)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Investment income received	770,934	248,097
<b>Net cash provided by investing activities</b>	<u>770,934</u>	<u>248,097</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	45,197,092	1,847,295
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	7,857,921	16,335,838
End of year	<u>\$ 53,055,013</u>	<u>\$ 18,183,133</u>
<b>Presentation in Statement of Net Position:</b>		
Cash and investments	\$ 53,055,013	\$ 17,209,611
Restricted cash and investments	-	973,522
	<u>\$ 53,055,013</u>	<u>\$ 18,183,133</u>
<b>Reconciliation of income from operations to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 1,968,869	\$ 3,143,230
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	355,911	3,261,864
(Increase) decrease in current assets:		
Accounts receivable	(80,871)	(127,480)
Prepaid expenses	-	(2,824)
Increase (decrease) in liabilities:		
Accounts payable	539,534	(145,654)
Accrued payroll	3,369	3,291
Deposits payable	35,096	-
Compensated absences	12,394	(21,844)
<b>Net cash provided by operating activities</b>	<u>\$ 2,834,302</u>	<u>\$ 6,110,583</u>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2020.

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

<b>Sanitation</b>	<b>Totals</b>	<b>Governmental Activities</b>	
		<b>Internal Service Funds</b>	
\$ 4,321,574	\$ 22,230,132	\$ -	-
-	-	3,180,014	-
(3,682,213)	(10,850,654)	(2,670,473)	-
(63,519)	(1,858,751)	22,069	-
<u>575,842</u>	<u>9,520,727</u>	<u>531,610</u>	-
-	-	-	-
(549,699)	38,313	-	-
-	10,000	-	-
<u>(549,699)</u>	<u>48,313</u>	<u>-</u>	<u>-</u>
-	10,000	-	-
-	(1,483,984)	(77,709)	-
-	42,587,486	-	-
-	(1,654,386)	-	-
-	(2,976,657)	-	-
-	-	-	-
<u>-</u>	<u>36,482,459</u>	<u>(77,709)</u>	<u>-</u>
31,173	1,050,204	26,563	-
<u>31,173</u>	<u>1,050,204</u>	<u>26,563</u>	<u>-</u>
57,316	47,101,703	480,464	-
2,645,248	26,839,007	1,889,014	-
<u>\$ 2,702,564</u>	<u>\$ 73,940,710</u>	<u>\$ 2,369,478</u>	<u>-</u>
\$ 2,702,564	\$ 72,967,188	\$ 2,369,478	-
-	973,522	-	-
<u>\$ 2,702,564</u>	<u>\$ 73,940,710</u>	<u>\$ 2,369,478</u>	<u>-</u>
\$ 847,444	\$ 5,959,543	\$ (140,902)	-
18,154	3,635,929	111,921	-
(68,937)	(277,288)	(11,257)	-
-	(2,824)	(1,081)	-
(218,763)	175,117	104,307	-
(1,498)	5,162	3,423	-
-	35,096	-	-
(558)	(10,008)	465,199	-
<u>\$ 575,842</u>	<u>\$ 9,520,727</u>	<u>\$ 531,610</u>	<u>-</u>

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## FIDUCIARY ACTIVITIES

Fund	Description
<b>Private Purpose Trust Funds are used for resources held for other individuals and entities in a manner similar to private enterprise.</b>	
<b>Private Purpose Trust Fund</b>	
Successor Agency - Former Atwater Community Development Agency	Accounts for funds collected and disbursed for the dissolution of the former Atwater Development Agency related to Administration and Retirement of enforceable obligations
<b>Agency Funds</b>	
Agency Funds account for assets held by the City in a purely custodial capacity.	
Section 125 Medical	Accounts for activity related to the City's Section 125 Medical Program administered by a third party.
Section 125 Dependent Care	Accounts for activity related to the City's Section 125 Dependent Care Program administered by a third party.
Community Facility District #1	Accounts for activity related to the CFD#1 debt issuance for which the City is not obligated to repay.

**City of Atwater, California**  
**Statement of Fiduciary Net Position**  
**Fiduciary Activities**  
**June 30, 2020**

	Successor Agency Former Atwater Community Development Agency	Agency Funds
Current assets:		
Cash and investments	\$ 395,480	\$ 100,890
Cash and investments with trustee/fiscal agent	2,876	-
Interest receivable	1,751	269
Loans/notes receivable	111,437	-
Prepaid items	285	-
Total current assets	<u>511,829</u>	<u>101,159</u>
Property, plant and equipment	1,155,151	-
Less accumulated depreciation	<u>(273,475)</u>	<u>-</u>
Property, plant, and equipment, net	<u>881,676</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ 1,393,505</u></u>	<u><u>\$ 101,159</u></u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,150	\$ -
Deferred revenue		
Due to others	-	101,159
Due within one year	883,000	-
Total current liabilities	<u>884,150</u>	<u>101,159</u>
Long-term liabilities:		
Advance from governmental funds/activities	138,864	-
Due after one year	4,779,000	-
Total long-term liabilities	<u>4,917,864</u>	<u>-</u>
<b>Total liabilities</b>	<u>5,802,014</u>	<u>\$ 101,159</u>
<b>Net Position (Deficit):</b>		
Net investment in capital assets	(4,780,324)	
Net position held in trust for Redevelopment Dissolution	371,815	
<b>Total Net Position (deficit)</b>	<u>(4,408,509)</u>	
<b>Total liabilities and net position</b>	<u><u>\$ 1,393,505</u></u>	

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

**City of Atwater, California**  
**Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the year ended June 30, 2020**

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	<u>Successor Agency</u>
	Former Atwater Community Development Agency
	<u>Agency</u>
<b>ADDITIONS:</b>	
Property taxes	\$ 1,147,993
Investment income	17,437
Other additions	67,769
<b>Total operating revenues</b>	<u>1,233,199</u>
<b>DEDUCTIONS:</b>	
Urban redevelopment and housing	213,806
Interest expense	172,185
<b>Total operating expenses</b>	<u>385,991</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	<u>847,208</u>
<b>NET POSITION (DEFICIT):</b>	
Beginning of year	<u>(5,255,717)</u>
End of year	<u>\$ (4,408,509)</u>

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

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**NOTES TO BASIC FINANCIAL STATEMENTS**

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**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Index to Notes to Basic Financial Statements**

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**City of Atwater, California**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Atwater (City) was incorporated in 1922, under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services: public safety (Police), highways and streets, solid waste, storm water utility, public improvements, planning and zoning, and general administration.

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

***Financial Reporting Entity***

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include sales taxes, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by GAAP, these financial statements present the government and its component units, entities for which the government is considered to be financially accountable. These component units are reported on a blended basis. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. The financial statements of the individual component units, if applicable as indicated below, may be obtained by writing to the City of Atwater, Finance Department, 750 Bellevue Road, Atwater, CA 95301.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

*Basis of Presentation*

*Government-Wide Financial Statements*

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

*Fund Financial Statements*

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

The City reports the following major funds:

GOVERNMENTAL FUNDS:

- General Fund
- Measure H Special Revenue

PROPRIETARY FUNDS:

- Water Enterprise Fund
- Sewer Enterprise Fund
- Sanitation Enterprise Fund

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

*Basis of Presentation, Continued*

Descriptions of these funds are included on the divider page preceding the Governmental and Enterprise Funds Balance Sheets.

The funds of the financial reporting entity are described below:

**Governmental Funds**

*General Fund*

The General Fund is used to account for resources traditionally associated with the City which are not required legally or by sound financial management to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.

*Special Revenue Funds*

The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

*Capital Project Funds*

The Capital Project Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

**Proprietary Funds**

*Enterprise Funds*

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. Costs are financed or recovered primarily through user charges.

*Internal Service Funds*

Internal Service Funds are used to account for financial transactions related to the City's Insurance, Building Maintenance and Information Technology activities. These services are provided to other departments or agencies of the City on a cost reimbursement basis.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

**Fiduciary Funds**

*Private Purpose Trust Funds*

Private Purpose Trust Funds account for resources held for other individuals or entities in a manner similar to private enterprise.

*Agency Funds*

Agency Funds account for assets held by the City in a purely custodial capacity. Since agency funds are custodial in nature, they do not involve the measurement of results of operations and are not presented in the government-wide financial statements.

***Measurement Focus***

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net position and the Statement of Activities, governmental and business-type activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net position, which serves as an indicator of financial position.

In the fund financial statements, the “current financial resources” measurement focus is used for governmental funds. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The enterprise funds and private purpose trust funds utilize an “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. Enterprise fund and private purpose trust funds equity is classified as net position.

Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

***Basis of Accounting***

In the government-wide Statement of Net position and Statement of Activities, governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

*Basis of Accounting, Continued*

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end, with the exception of grant revenues and Transportation Development Act (TDA) revenues. Grant revenues are considered to be available if collected within 190 days and TDA revenues are considered to be available if collected within 90 days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

The enterprise funds and agency funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

*Assets, Liabilities, and Equity*

**Cash Deposits and Investments**

The City’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.



**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

*Assets, Liabilities, and Equity, Continued*

**Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net position. See Note 9 for details of interfund transactions, including receivables and payables at year-end.

**Receivables**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include property taxes, sales and use taxes, utility user taxes, intergovernmental subventions, interest earnings, and expense reimbursements.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as property tax, sales tax, utility user tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The loans receivable are recorded in the fund statements, but are deferred to indicate they do not represent current financial resources. The loans are recognized when advanced in the government-wide statements. The City’s experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are offset with a reservation of fund balance for long-term assets to indicate they do not constitute current resources available for appropriation.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

*Assets, Liabilities, and Equity, Continued*

**Capital Assets**

The City's assets are capitalized at historical cost or estimated historical cost, if actual is unavailable, except for donated Capital Assets which are recorded at their estimated fair value at the date of donation. Policy has set the capitalization threshold for reporting at \$5,000 for non-infrastructure capital assets and \$25,000 for infrastructure capital assets.

*Government-Wide Statements*

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems.

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. No depreciation is recorded in the year of acquisition or in the year of disposition.

The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	5 – 40 years	Landscaping	30 years
Roadway improvements	40 years	Signage	25 years
Sidewalks, curbs, and gutters	40 years	Leasehold improvements	5 years
Storm drain pipes/structures	40 years	Machinery and equipment	3 – 5 years
Traffic signal devices	5 – 40 years	Vehicles	3 years

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

---

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

**Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Compensated Absences**

Employees accrue vacation, sick, holiday, and compensatory time off benefits. City employees have vested interests in the amount of accrued time off, with the exception of sick time, and are paid on termination. Also, annually an employee may elect to be compensated for 40 to 120 hours of unused annual leave depending upon their length of service. All vacation pay is accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements and is currently payable. The City had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The general fund is typically used to liquidate compensated absences.

**Pensions**

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

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

**Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date June 30, 2019  
Measurement Date June 30, 2019  
Measurement Period July 1, 2018 to June 30, 2019

**Equity Classification**

*Government-Wide Statements*

Equity is classified as net position and is displayed in three components:

- a. *Net investment in capital assets* – consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or bylaws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

*Assets, Liabilities, and Equity, Continued*

*Fund Financial Statements*

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

*Nonspendable Fund Balance –*

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

*Restricted Fund Balance –*

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (Gas Tax).

*Committed Fund Balance –*

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

*Assigned Fund Balance –*

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

*Unassigned Fund Balance –*

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

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

*Revenues, Expenditures, and Expenses*

**Property Tax**

Property taxes in the State of California are administered for all local agencies at the county level and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes.

Property Valuations – are established by the Assessor of the County of Merced (County) for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by voters on June 6, 1978) properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies – are limited to 1% of full value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates – are attached annually on January 1 proceeding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax Collections – are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

The County levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received, in the fiscal year of levy, due to the adoption of the “alternate method of property tax distribution”, known as the Teeter Plan, by the City and the County. The Teeter Plan authorizes the Auditor/Controller of the County to allocate 100% of the secured property taxes billed, but not yet paid. The County remits tax monies to the City in three installments as follows:

50 percent remitted in December  
45 percent remitted in April  
5 percent remitted in June

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

**Interfund Transfers**

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers between individual governmental funds have been eliminated.

**Budgetary Accounting**

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval. The City Manager is authorized to increase expenditures in relation to revenues in funds receiving assigned revenues without approval by the City Council.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2020. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations, and unexpended grant appropriations, lapse at the end of each fiscal year.

**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, liabilities, revenues and expenses. Actual results could differ from those estimates.

**Reclassifications**

Certain amounts have been reclassified to provide for comparable results on a year to year basis.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**2. CASH AND INVESTMENTS**

At June 30, 2020, the City’s pooled cash and investments, classified by maturity, consisted of the following stated at fair value:

<u>Cash, cash equivalents and investments pooled</u>	Maturities (in years)			Deposits	Fair Market Value
	<1	1 to 3	3 to 5		
<u>Pooled cash, at fair value</u>					
Cash in bank	\$ -	\$ -	\$ -	\$ 23,391,814	23,391,814
Petty cash	-	-	-	450	450
Total pooled items	-	-	-	23,392,264	23,392,264
<u>Pooled investments, at fair market value</u>					
Central San Joaquin Valley Risk Management Authority (CSJVRMA) investment pool	1,116,746	-	-	-	1,116,746
State of California Local Agency Investment Fund	68,374,278	-	-	-	68,374,278
Total pooled investments	69,491,024	-	-	-	69,491,024
Total cash, cash equivalents and investments pooled	\$ 69,491,024	\$ -	\$ -	\$ 23,392,264	\$ 92,883,288
<b>Amounts reported in:</b>					
Governmental activities					\$ 18,443,332
Business-type activities					72,967,188
Business-type activities - Restricted					973,522
Fiduciary activities					496,370
Fiduciary activities - Restricted					2,876
Total					\$ 92,883,288

<u>Investment Type</u>	<u>Fair Value</u>
CSJVRMA investment pool	1,116,746
LAIF	68,374,278
Total fair value	\$ 69,491,024



**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**2. CASH AND INVESTMENTS, Continued**

California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code of the City’s investment policy. During the year ended June 30, 2020, the City’s permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Bankers' Acceptances	180 days	40%	None
Certificates of Deposits	180 days	20%	None
Negotiable Certificates of Deposit	180 days	30%	None
Commercial Paper	180 days	15%	None
State of California Local Agency Investment Fund (State Pool)	N/A	Unlimited	\$50 Million per entity
Medium Term Notes	5 years	30%	None
Money Market Funds	N/A	Unlimited	None
Passbook Savings and Money Market Accounts (Insured)	None	Unlimited	None
U.S. Treasury Obligations	None	Unlimited	None
U.S. Government Agency Issues	None	Unlimited	None
Repurchase Agreements	30 days	10%	None
Mortgage pass-through and asset backed securities	5 years	20%	None

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

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**2. CASH AND INVESTMENTS, Continued**

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	None	None	None
Local Agency Investment Fund (State Pool)	N/A	None	None
Certificates of Deposit with Banks and Savings and Loans	None	None	None
Municipal Obligations	None	None	None

*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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

*Credit risk* – As of June 30, 2020, the City’s investments in money market funds were rated AAA by Standard & Poor’s and Fitch Ratings, and Aaa by Moody’s Investors Service. The State of California Local Agency Investment Fund is not rated.

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

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested .2% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**2. CASH AND INVESTMENTS, Continued**

*Custodial credit risk – deposits.* For deposits, this is the risk that, in the event of a bank failure, the City's deposits may not be returned. The City's Investment Policy addresses custodial credit risk, which follows the Government Code.

At June 30, 2020, the carrying amount of the City's deposits was \$23,392,264 and the balances in financial institutions were \$23,392,264. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$23,142,264 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. As of June 30, 2020, the City's investments were held by the City's custodial agent, but not in the City's name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

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

**Investment in LAIF**

The City is a voluntary participant in California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute and is chaired by the State Treasurer who is responsible for day to day administration of LAIF. The total amount invested by all public agencies as of June 30, 2020 was \$24,584,685,280 of which the City had a balance of \$68,374,278. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2020 has a portfolio with market valuation of \$101,788,256,254. 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.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**3. ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at June 30, 2020:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts receivable	\$ -	\$ 1,577,001	\$ -	\$ 1,577,001
Taxes and assessments receivable	2,632,693	-	-	2,632,693
Interest receivable	49,256	200,435	2,020	251,711
Intergovernmental	1,212,339	-	-	1,212,339
Other	2,089,530	-	-	2,089,530
Loans/Notes receivable	-	-	111,437	111,437
Total accounts receivable	<u>\$ 5,983,818</u>	<u>\$ 1,777,436</u>	<u>\$ 113,457</u>	<u>\$ 7,874,711</u>

These amounts resulted in the following concentrations in receivables:

Other Governments	48.83%	Financial	3.20%
Individuals/Business	20.03%	Other	27.94%

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

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**4. CAPITAL ASSETS**

Governmental capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2020
<b><u>Governmental activities</u></b>					
<b>Nondepreciable assets:</b>					
Land	\$ 323,223	\$ -	\$ -	\$ -	\$ 323,223
Construction in Progress	536,684	3,386,614	-	-	3,923,298
<b>Total nondepreciable assets</b>	<b>859,907</b>	<b>3,386,614</b>	<b>-</b>	<b>-</b>	<b>4,246,521</b>
<b>Depreciable assets:</b>					
Buildings and improvements	15,102,829	19,623	-	-	15,122,452
Infrastructure	1,164,766	-	-	-	1,164,766
Roads	51,823,258	161,849	-	-	51,985,107
Equipment	7,923,762	1,456,919	-	-	9,380,681
<b>Total depreciable assets</b>	<b>76,014,615</b>	<b>1,638,391</b>	<b>-</b>	<b>-</b>	<b>77,653,006</b>
<b>Total</b>	<b>76,874,522</b>	<b>5,025,005</b>	<b>-</b>	<b>-</b>	<b>81,899,527</b>
<b>Accumulated depreciation:</b>					
Buildings and improvements	(9,563,267)	(517,611)	-	-	(10,080,878)
Infrastructure	(385,382)	(22,169)	-	-	(407,551)
Roads	(42,440,117)	(1,339,438)	-	-	(43,779,555)
Equipment	(5,359,221)	(331,719)	-	-	(5,690,940)
<b>Total accumulated depreciation</b>	<b>(57,747,987)</b>	<b>(2,210,937)</b>	<b>-</b>	<b>-</b>	<b>(59,958,924)</b>
<b>Net depreciable assets</b>	<b>18,266,628</b>	<b>(572,546)</b>	<b>-</b>	<b>-</b>	<b>17,694,082</b>
<b>Total net capital assets</b>	<b>\$ 19,126,535</b>	<b>\$ 2,814,068</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,940,603</b>

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

General government	\$ 639,994
Public safety	188,578
Highways and streets	1,382,365
<b>Total</b>	<b>\$ 2,210,937</b>

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**4. CAPITAL ASSETS, Continued**

Business-type capital asset activity for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<b><u>Business-type activities</u></b>				
<b>Nondepreciable assets:</b>				
Land	\$ 764,902	\$ -	\$ -	\$ 764,902
Construction in Progress	663,964	758,562	-	1,422,526
<b>Total nondepreciable assets</b>	<u>1,428,866</u>	<u>758,562</u>	<u>-</u>	<u>2,187,428</u>
<b>Depreciable assets:</b>				
Buildings and improvements	109,935,547	693,450	-	110,628,997
Equipment	10,447,164	31,972	-	10,479,136
<b>Total depreciable assets</b>	<u>120,382,711</u>	<u>725,422</u>	<u>-</u>	<u>121,108,133</u>
<b>Total</b>	<u>121,811,577</u>	<u>1,483,984</u>	<u>-</u>	<u>123,295,561</u>
<b>Accumulated depreciation:</b>				
Buildings and improvements	(33,832,192)	(3,373,992)	-	(37,206,184)
Equipment	(8,235,209)	(261,937)	-	(8,497,146)
<b>Total accumulated depreciation</b>	<u>(42,067,401)</u>	<u>(3,635,929)</u>	<u>-</u>	<u>(45,703,330)</u>
<b>Net depreciable assets</b>	<u>78,315,310</u>	<u>(2,910,507)</u>	<u>-</u>	<u>75,404,803</u>
<b>Total net capital assets</b>	<u>\$ 79,744,176</u>	<u>\$ (2,151,945)</u>	<u>\$ -</u>	<u>\$ 77,592,231</u>

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

Water	\$ 355,911
Sewer	3,261,864
Sanitation	18,154
	<u>\$ 3,635,929</u>

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2020:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Accounts payable	\$ 3,372,785	\$ 917,863	\$ 1,150	\$ 4,291,798
Accrued payroll and related liabilities	321,575	45,506	-	367,081
Total	<u>\$ 3,694,360</u>	<u>\$ 963,369</u>	<u>\$ 1,150</u>	<u>\$ 4,658,879</u>

These amounts resulted in the following concentrations in payables:

Vendors	92.12%
Employees	7.88%

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

**6. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2020:

	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2020</u>	<u>Due Within One Year</u>
<b><u>Governmental Activities:</u></b>					
Compensated absences	\$ 659,766	\$ 586,718	\$ (45,759)	\$ 1,200,725	\$ 51,607
Capital lease obligations	406,686	724,726	(79,889)	1,051,523	334,428
Total governmental activities	<u>\$ 1,066,452</u>	<u>\$ 1,311,444</u>	<u>\$ (125,648)</u>	<u>\$ 2,252,248</u>	<u>\$ 386,035</u>

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

The following is a summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
<b><u>Business-type Activities:</u></b>					
2017A Wastewater Revenue Refunding Bonds	\$ 53,970,000	\$ -	\$ (880,000)	\$ 53,090,000	\$ 925,000
Unamortized bond premium	5,234,295	-	(201,320)	5,032,975	201,320
Unamortized underwriting discount	(473,144)	-	18,198	(454,946)	(18,198)
2018A Wastewater Revenue Refunding Bonds	15,715,000	-	(595,000)	15,120,000	615,000
Unamortized bond premium	70,087	-	(3,689)	66,398	3,689
Unamortized underwriting discount	(141,070)	-	7,425	(133,645)	(7,425)
Capital lease obligation	-	-	-	-	-
Compensated absences	91,229	3,821	(13,829)	81,221	13,705
Total business-type activities	<u>\$ 74,466,397</u>	<u>\$ 3,821</u>	<u>\$ (1,668,215)</u>	<u>\$ 72,802,003</u>	<u>\$ 1,733,091</u>

**Governmental Activities:**

**Capital Lease Obligations**

The City of Atwater has entered into two separate lease agreements as lessee for financing the acquisition of five patrol vehicles valued at \$204,276 and ladder fire truck valued at \$783,751. The interest rates on the leases are 1.98% and 2.65%, respectively. The patrol vehicles have a 5 year estimated useful life and the ladder truck has a 15-year estimated useful life. Title reverts to the City after payment of the minimum lease payments, and, therefore, have been recorded at the present value of future minimum lease payments.

Year Ending June 30,	<u>Governmental Activities</u>	
	<u>Capital Leases</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 334,428	\$ 28,056
2022	297,553	20,768
2023	173,976	12,986
2024	173,792	9,824
2025	71,774	7,177
Total	<u>\$ 1,051,523</u>	<u>\$ 78,811</u>
Due within one year	\$ 334,428	\$ 28,056
Due after one year	717,095	50,755
Total	<u>\$ 1,051,523</u>	<u>\$ 78,811</u>



**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

*Business-type Activities*

**2017A Wastewater Revenue Refunding Bonds (Sewer)**

In August 2017, the City issued the 2017A Wastewater Revenue Refunding Bonds in the amount of \$56,600,000 to defease the 2008 Wastewater Revenue Refunding Bonds and the 2010 Wastewater Revenue Bonds by placing funds in separate escrow accounts to prepay the obligations. Each payment includes interest at an annual rate between 3.125% to 5.000%. Interest on the bonds is payable on May 1 and November 1 of each year. Principal of the bonds is payable on May 1 of each year beginning May 1, 2019. The bonds fully mature on May 1, 2045. An original issue premium of \$5,619,924 and an underwriting discount of \$509,400 was included in the sales of the bonds.

**2018A Wastewater Revenue Refunding Bonds (Sewer)**

In April 2018, the City issued the 2018A Wastewater Revenue Refunding Bonds in the amount of \$16,255,000 to defease the 2011 Wastewater Revenue Bonds by placing funds in an escrow account to prepay the obligation. Each payment includes interest at an annual rate between 2.75% to 4.00%. Interest on the bonds is payable on May 1 and November 1 of each year. Principal of the bonds is payable on May 1 of each year beginning May 1, 2019, Interest payments began on November 1, 2018. The bonds fully mature on May 1, 2038. An original issue premium of \$2,064,063 and an underwriting discount of \$146,295 was included in the sales of the bonds.

**Capital Lease Obligation**

The City of Atwater has entered into a lease agreement as lessee for financing the acquisition of a Vac-Con Sewer and Storm Drain Cleaner valued at \$365,560. The interest rate on the lease is 2.40%. The cleaner has a 5 year estimated useful life. Title reverts to the City after payment of the minimum lease payments, and, therefore, has been recorded in the Sewer Fund at the present value of future minimum lease payments.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

Future debt service for business-type activities at June 30, 2020 is as follows for all debt except compensated absences:

Business-type Activities						
Year Ending June 30,	2017A Wastewater Revenue		2018A Wastewater Revenue		Totals	
	Refunding Bonds		Refunding Bonds			
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 925,000	\$ 2,390,588	\$ 615,000	\$ 524,219	\$ 1,540,000	\$ 2,914,807
2022	965,000	2,344,338	635,000	505,769	1,600,000	2,850,107
2023	1,020,000	2,296,088	660,000	480,369	1,680,000	2,776,457
2024	1,065,000	2,245,088	690,000	453,969	1,755,000	2,699,057
2025	1,115,000	2,191,838	715,000	426,369	1,830,000	2,618,207
2026-2030	6,500,000	10,063,188	3,975,000	1,734,206	10,475,000	11,797,394
2031-2035	8,135,000	8,427,250	4,640,000	1,063,288	12,775,000	9,490,538
2036-2040	12,675,000	6,575,450	3,190,000	235,187	15,865,000	6,810,637
2041-2045	20,690,000	2,600,250	-	-	20,690,000	2,600,250
<b>Total</b>	<b>\$ 53,090,000</b>	<b>\$ 39,134,078</b>	<b>\$ 15,120,000</b>	<b>\$ 5,423,376</b>	<b>\$ 68,210,000</b>	<b>\$ 44,557,454</b>
Due within one year	\$ 925,000	\$ 2,390,588	\$ 615,000	\$ 524,219	\$ 1,540,000	\$ 2,914,807
Due after one year	52,165,000	36,743,490	14,505,000	4,899,157	66,670,000	41,642,647
<b>Total</b>	<b>\$ 53,090,000</b>	<b>\$ 39,134,078</b>	<b>\$ 15,120,000</b>	<b>\$ 5,423,376</b>	<b>\$ 68,210,000</b>	<b>\$ 44,557,454</b>

Year Ending June 30,	2017A Wastewater Revenue		2018A Wastewater Revenue	
	Refunding Bonds		Refunding Bonds	
	Premium	Discount	Premium	Discount
2021	\$ 201,320	\$ (18,198)	\$ 3,689	\$ (7,425)
2022	201,320	(18,198)	3,689	(7,425)
2023	201,320	(18,198)	3,689	(7,425)
2024	201,320	(18,198)	3,689	(7,425)
2025	201,320	(18,194)	3,689	(7,425)
2026-2030	1,006,595	(90,990)	18,445	(37,125)
2031-2035	1,006,595	(90,990)	18,445	(37,125)
2036-2040	1,006,595	(90,990)	11,063	(22,280)
2041-2045	1,006,590	(90,990)	-	-
2046-2049	-	-	-	-
<b>Total</b>	<b>\$ 5,032,975</b>	<b>\$ (454,946)</b>	<b>\$ 66,398</b>	<b>\$ (133,655)</b>
Due within one year	\$ 201,320	\$ (18,198)	\$ 3,689	\$ (7,425)
Due after one year	4,831,655	(436,748)	62,709	(126,230)
<b>Total</b>	<b>\$ 5,032,975</b>	<b>\$ (454,946)</b>	<b>\$ 66,398</b>	<b>\$ (133,655)</b>

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**7. NET POSITION/ FUND BALANCES**

**Net position**

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Net investment in capital assets	\$ 21,940,603	\$ 6,590,835	\$ (4,780,324)	\$ 23,751,114
Restricted	5,145,442	973,522	-	6,118,964
Unrestricted (deficit)	(36,329,298)	73,450,555	371,815	37,493,072
Total	<u>\$ (9,243,253)</u>	<u>\$ 81,014,912</u>	<u>\$ (4,408,509)</u>	<u>\$ 67,363,150</u>

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

**Fund Balance**

Nonspendable and Restricted fund balance consisted of the following at June 30, 2020:

Nonspendable:	
Prepaid items	\$ 28,427
Investment in land held for resale	3,855,930
<b>Total Nonspendable</b>	<u><u>\$ 3,884,357</u></u>
Restricted:	
Governmental Funds:	
Gas Tax	\$ 58,493
Facility Impact Fee	4,540,816
HOME Investment Partnership Program	326,642
Neighborhood Stabilization	219,491
<b>Total Restricted</b>	<u><u>\$ 5,145,442</u></u>

The following describe the purpose of each nonspendable, restricted, and committed category used by the City:

**Nonspendable**

- **Prepaid items** - used to segregate that portion of fund balance to indicate that prepaid amounts do not represent available, spendable resources even though they are components of assets.
- **Investment in land held for resale** – includes properties held for the purpose of redevelopment either through resale or conversion to public use, which do not represent available, spendable resources even though they are components of assets.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

**Restricted**

- **Gas Tax** – represents amounts restricted for street maintenance purposes as defined in Sections 2105, 2106, 2107 and 2107.5 of the Streets and Highway Code.
- **Facility Impact Fee** – represents amounts restricted to capital projects through AB1600.
- **HOME Investment Partnership Program** – represents amounts restricted for the City’s HOME revolving loan program as this program is supported by specific grants requiring the restriction.
- **Neighborhood Stabilization** – represents restricted amounts received from Federal Grants for neighborhood revitalization programs.

Deficit fund balances consisted of the following:

	<b>As of June 30, 2020</b>
<b><u>Nonmajor Special Revenue Funds:</u></b>	
Community Development Block Grants	12,441
Measure V	47,729
Maintenance District Funds:	
Northwood Village	16,592
Wildwood Estates	2,503
Woodview Garland	3,303
Sierra Parks	12,021
Price Annexation	42,055
General Capital Projects	201,363
Total Governmental Funds	\$ 338,007
<b><u>Fiduciary Funds:</u></b>	
Successor Agency Private Purpose Trust	\$ 4,408,509

The above deficit fund balances have occurred due to the spending of funds prior to the receipt of revenues (cost reimbursements). The Fund balances will be restored in the near future as revenues are received.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**8. INTERFUND TRANSACTIONS**

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

Due to and due from other funds consisted of the following as of June 30, 2020:

	Due from Other Funds	Due to Other Funds
<b><u>Governmental Funds</u></b>		
<b>Major Funds:</b>		
General Fund	\$ 20,177	\$ 1,906,875
Total Major Funds	<u>20,177</u>	<u>1,906,875</u>
<b>Nonmajor Special Revenue Funds:</b>		
Local Transportation	-	417,410
Facility Impact Fee	408,375	-
Community Development Block Grants	-	12,441
Measure V	-	20,177
<b>Maintenance Districts:</b>		
Northwood Village	-	16,256
Orchard Park Estates	69,084	-
Wildwood Estates	-	2,428
Woodview Garland	-	3,212
Sierra Parks	-	12,198
Price Annexation	-	34,990
Total Maintenance Districts	<u>69,084</u>	<u>69,084</u>
Total Non-major Special Revenue Funds	<u>477,459</u>	<u>519,112</u>
<b>Capital Projects Funds</b>		
General	-	408,375
Total Non-major Capital Projects Funds	<u>-</u>	<u>408,375</u>
<b>Total Governmental Funds</b>	<u>497,636</u>	<u>2,834,362</u>
<b><u>Proprietary Funds</u></b>		
Sewer	3,436,125	-
Sanitation	-	1,099,399
<b>Total Proprietary Funds</b>	<u>3,436,125</u>	<u>1,099,399</u>
<b>Total</b>	<u>\$ 3,933,761</u>	<u>\$ 3,933,761</u>

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**8. INTERFUND TRANSACTIONS, Continued**

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

Transfers consisted of the following at June 30, 2020:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b><u>Governmental Funds</u></b>		
<b>Major Funds:</b>		
General Fund	\$ 152,375	\$ 174,031
Total Major Funds	<u>152,375</u>	<u>174,031</u>
<b>Non-major Funds:</b>		
<b>Special Revenue Funds:</b>		
Gas Tax	-	210,289
Regional Surface Transportation Program	210,289	-
Maintenance District Funds:		
Total Maintenance District Funds	<u>174,031</u>	<u>-</u>
Total Non-major Special Revenue Funds	<u>384,320</u>	<u>210,289</u>
Total Non-major Funds	<u>384,320</u>	<u>210,289</u>
Total Governmental Funds	<u>536,695</u>	<u>384,320</u>
<b><u>Proprietary Funds</u></b>		
Water	-	152,375
Total Proprietary Funds	<u>-</u>	<u>152,375</u>
<b>Total Transfers</b>	<u>\$ 536,695</u>	<u>\$ 536,695</u>

The Water Fund transfer from proprietary funds to governmental funds was to fund programs paid for by General Fund resources.

**9. 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 \$50,000 and worker's compensation losses under \$100,000. The CSJVRMA participates in an excess pool which provides worker's compensation coverage from \$500,000 to \$4,500,000 and purchases excess insurance above the \$5,000,000 to the statutory limit.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**9. RISK MANAGEMENT, Continued**

The CSJVRMA is a consortium of fifty-four (54) cities in San Joaquin Valley, California. It was established under the provisions of California Government Code Section 6500 et. seq. The CSJVRMA is governed by a Board of Directors, which meets 3-4 times per year, consisting of one member appointed by each member city. The day-to-day business is handled by a management group employed by the CSJVRMA.

At the termination of the joint venture agreement and after all claims has been settled, any excess or deficit will be divided among the cities in proportion to the aggregate amount of contribution made by each. The financial position results of operations of CSJVRMA are as follows for June 30, 2020, the most recent available:

Total assets	\$	140,373,479
Total liabilities		120,609,137
Total equities		19,764,342
Total revenues		58,244,856
Total expenses		57,261,330
Revenues over (under) expenses		983,526

**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM**

***General Information about the Pension Plans***

***Plan Descriptions*** - All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

***Benefits Provided*** - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 2057 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	<u>Miscellaneous</u>	<u>Miscellaneous - Second Tier</u>	<u>PEPRA Miscellaneous</u>
Hire date	Prior to November 25, 2011	November 25, 2011 to January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 60	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates	15.605%	8.081%	6.985%
		<u>PEPRA Safety - Police</u>	
Hire date	Prior to January 1, 2013	On or after January 1, 2013	
Benefit formula	3% @ 50	2.7% @ 57	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50	50 - 57	
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%	
Required employee contribution rates	9%	13%	
Required employer contribution rates	23.885%	13.629%	

**Contributions** -Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Contributions - employer	\$ 1,550,079	\$ 2,120,920

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

As of June 30, 2020, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 12,669,638
Safety	14,466,128
Total Net Pension Liability	<u>\$ 27,135,766</u>



**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, 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, 2017 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each Plan as of June 30, 2019 and 2020 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion - June 30, 2019	0.32509%	0.24363%
Proportion - June 30, 2020	<u>0.31638%</u>	<u>0.23173%</u>
Change - Increase (Decrease)	-0.00871%	-0.01190%

For the year ended June 30, 2020, the City recognized pension expense of \$4,676,996. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflow of Resources</u>
Change in Assumptions	\$ 1,197,088	\$ 329,877
Differences between actual and expected experience	1,824,467	68,179
Differences between projected and actual investment	-	420,511
Differences between employers contributions and proportionate share of contributions	1,116,043	-
Change in employer's proportion	40,620	1,666,733
Pension contributions made subsequent to measurement date	3,670,999	-
Total	<u>\$ 7,849,217</u>	<u>\$ 2,485,300</u>

\$3,670,999 reported as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2021	\$ 1,830,758
2022	(459,552)
2023	238,232
2024	83,480
2025	-
Thereafter	-

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

*Actuarial Assumptions* -The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Assumptions	
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Salary increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funs
Post-retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 2097 to 2015. Further details of the Experience Study can be found on the CalPERS website.

**Discount Rate** -The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent to correct for an adjustment to exclude administrative expense.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2019. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-19 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

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

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	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%	-0.55%	-0.90%
Total	100%		

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

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

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

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

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability as of June 30, 2019			
Miscellaneous	\$ 17,743,824	\$ 12,669,638	\$ 8,481,256
Safety	20,523,820	14,466,128	9,499,769
Total	<u>\$ 38,267,644</u>	<u>\$ 27,135,766</u>	<u>\$ 17,981,025</u>

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

**11. OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description.* The City of Atwater Retired Employees Healthcare Plan is a single-employer defined benefit healthcare plan administered by CalPERS. The City provides medical benefits to eligible retirees, their spouses and dependents. To earn this benefit, employees must have reached the age of fifty with five years of service to the City. The City provides coverage for surviving family members of an enrollee who dies while covered under the plan. Coverage for the enrolled family members then continues until any one of a specific set of circumstances occurs. The Retiree Health Plan does not issue a financial report.

*Funding Policy.* The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2020, the City contributed \$623,706 the plan, the entire amount for current premiums. The City pays the full benefit cost of health care coverage premiums for retired members receiving benefits. The City does not pay for dental and vision insurance premiums for retiree. Those retirees wishing to be covered by dental and vision insurance benefits must pay 100% of the cost for the retirees and their dependents.

At June 30, 2020, the following employees were covered by the benefit terms:

Active employees	78
Inactive employees or beneficiaries currently receiving benefits	62
Inactive employees entitled to, but not yet receiving benefits	25
<b>Total Number of participants</b>	<b>165</b>

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*City Contribution to the Plan*

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2020, the City's cash contributions were \$622,296 cash benefit payments.

*Net OPEB Liability*

The City's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 that was rolled forward to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

<b>Actuarial Assumptions:</b>	
Actuarial Valuation Date	June 30, 2019
Contribution Policy	No pre-funding
Discount Rate	3.50% at June 30, 2019 (Bond Buyer 20-Bond Index)
	3.87% at June 30, 2018 (Bond Buyer 20-Bond Index)
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-2020
Salary Increases	Aggregate - 3.00% per annum Merit - Tables from CalPERS 1997-2015 Experience Study
Medical Trend	Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years
Participation at Retirement	Actives & surviving spouse: Participating & Waived: -Percent of premium - 100% - PEMHCA minimum - 60% Retirees & surviving spouse: Participating - 100% Waived < 65 - 20% at 65 Waived ≥ 65 - 0%

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class Component	<u>Target Allocation CERBT Strategy 1</u>	<u>Expected Real Rate of Return</u>
Global Equity	57%	4.82%
Fixed Income	27%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	8%	3.76%
	<u>100%</u>	

***Discount Rate***

The discount rate used to measure the total OPEB liability was 3.50 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*Changes in the OPEB Liability*

The changes in the net OPEB liability for the Plan are as follows:

	<b>Total OPEB Liability</b>	<b>Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at 6/30/2019*	\$ 23,860,420	\$ -	\$ 23,860,420
Changes for the year			
Service Cost	986,349	-	986,349
Interest	949,529	-	949,529
Difference between actual and expected experience	(7,433,570)	-	(7,433,570)
Assumption changes	1,230,191	-	1,230,191
Contributions - employer	-	622,296	(622,296)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments	(622,296)	(622,296)	-
Administrative expenses	-	-	-
Net Changes	(4,889,797)	-	(4,889,797)
Balance at 6/30/2020**	\$ 18,970,623	\$ -	\$ 18,970,623

\*Measurement date 6/30/2018

\*\* Measurement date 6/30/2019

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The discount rate used for the fiscal year end 2020 is 3.50%. The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease	Current Rate	1% Increase
Change in Discount Rate	<u>2.50%</u>	<u>3.50%</u>	<u>4.50%</u>
Net OPEB Liability	\$ 22,243,259	\$ 18,970,623	\$ 16,375,838

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

*Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates*

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019 (Healthcare Cost Trend Rate was assumed to start at 7.5% and grade down to 4% for years 2076 and thereafter):

Change in Healthcare Cost Trend Rate	<u>1% Decrease</u>	<u>Current Trend</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 16,104,871	\$ 18,970,623	\$ 22,642,644

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2019)

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB*

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$290,751. As of fiscal year ended June 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 6,234,607
Changes in assumptions	1,031,773	2,305,868
Employer contributions made subsequent to the measurement date	<u>724,186</u>	<u>-</u>
Total	<u>\$ 1,755,959</u>	<u>\$ 8,540,475</u>



**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

The \$724,186 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2021. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2021	\$ (1,646,537)
2022	(1,646,537)
2023	(1,646,537)
2024	(1,316,537)
2025	(1,052,445)
Thereafter	(200,109)

**12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Atwater that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 12, 2015, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City resolution number 112-10.

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

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

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

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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

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

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

**Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
<b>Trust Activities:</b>					
2017A & 2017 B Tax Allocation Refunding Bonds -	6,525,000	-	(863,000)	5,662,000	883,000
<b>Total trust fund debt</b>	<b>\$ 6,525,000</b>	<b>\$ -</b>	<b>\$ (863,000)</b>	<b>\$ 5,662,000</b>	<b>\$ 883,000</b>

**2017 Tax Allocation Refunding Bonds – Series A and B**

In September 2017, the Successor Agency to the Atwater Redevelopment Agency issued \$7,524,000 Tax Allocation Refunding Bonds, Series A, in the amount of \$5,999,000 and Series B in the amount of \$1,525,000. The were used to defease all of the outstanding 1998 A Bonds and the 2007, Series A and B Bonds. The final maturity date on the bonds is June 2026.

Future debt service for Fiduciary Activities at June 30, 2020, is as follows:

Year Ending June 30,	FiduciaryActivities 2017 Series A & B Tax Allocation Refunding Bonds	
	Principal	Interest
2021	\$ 883,000	\$ 146,080
2022	908,000	123,298
2023	931,000	99,872
2024	956,000	75,852
2025	979,000	51,188
2026	1,005,000	25,928
Total	<b>\$ 5,662,000</b>	<b>\$ 522,218</b>
Due within one year	\$ 883,000	\$ 146,080
Due after one year	4,779,000	376,138
Total	<b>\$ 5,662,000</b>	<b>\$ 522,218</b>

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**13. COMMITMENTS AND CONTINGENCIES**

*Litigation*

The City is involved in litigation incurred in the normal course of conducting City business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

*Grants and Allocations*

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

**14. NEW ACCOUNTING PRONOUNCEMENTS**

The GASB has issued Statement No. 87, "*Leases.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period.*" The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2022.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**14. NEW ACCOUNTING PRONOUNCEMENTS, Continued**

The GASB has issued Statement No. 91, "*Conduit Debt Obligations*." The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

The GASB has issued Statement No. 95, "*Postponement of the Effective Dates of Certain Authoritative Guidance*". The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

Earlier application of the provisions addressed in this Statement is encouraged and is permitted to the extent specified in *each* pronouncement as originally issued.

**City of Atwater, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2020**

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**15. PANDEMIC EFFECTS**

The COVID-19 pandemic, whose effects first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. The City is closely monitoring its investment portfolio and its liquidity and is actively working to minimize the impact of these declines. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the City's employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the City's financial position and changes in net position, fund balance and cash flows is uncertain, and the accompanying financial statements include no adjustments relating to the effects of this pandemic.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Atwater, California**  
**Required Supplementary Information - Schedule of Contributions**  
**Miscellaneous Plan**  
Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 1,550,079	\$ 1,287,315	\$ 1,174,464	\$ 1,116,119
Contributions in relation to the actuarially determined contributions	<u>1,550,079</u>	<u>1,287,315</u>	<u>1,174,464</u>	<u>799,855</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,264</u>
Covered-employee payroll	\$ 2,894,545	\$ 2,369,012	\$ 2,286,138	\$ 2,442,521
Contribution as a percentage of covered-employee payroll	53.55%	54.34%	51.37%	32.75%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Additional years will be presented as they become available.



**City of Atwater, California**  
**Required Supplementary Information - Schedule of Contributions**  
Safety Plan  
Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution (actuarially determined)	\$ 2,120,920	\$ 1,816,315	\$ 1,718,382	\$ 1,619,553
Contributions in relation to the actuarially determined contributions	<u>2,120,920</u>	<u>1,816,315</u>	<u>1,718,382</u>	<u>845,462</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 774,091</u>
Covered-employee payroll	\$ 1,974,561	\$ 1,932,261	\$ 2,066,299	\$ 2,202,581
Contribution as a percentage of covered-employee payroll	107.41%	94.00%	83.16%	38.39%

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Additional years will be presented as they become available.

**City of Atwater, California**  
**Required Supplementary Information - Schedule of the City's Proportionate**  
**Share of the Net Pension Liability**  
**Miscellaneous Plan**  
Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan's Proportion of the Net Pension Liability/(Asset)	0.31638%	0.32509%	0.32300%	0.33345%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 14,466,128	\$ 12,251,876	\$ 12,732,963	\$ 11,584,691
Plan's Covered-Employee Payroll	\$ 2,894,545	\$ 2,369,012	\$ 2,286,138	\$ 2,442,521
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	20.01%	19.34%	17.95%	21.08%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	66.42%	66.87%	65.06%	75.87%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 1,038,212	\$ 941,913	\$ 897,081	\$ 799,855

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Additional years will be presented as they become available.

**City of Atwater, California**  
**Required Supplementary Information - Schedule of the City's Proportionate**  
**Share of the Net Pension Liability**  
**Safety Plan**  
Last 10 Fiscal Years\*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Plan's Proportion of the Net Pension Liability/(Asset)	23.17300%	0.24363%	0.24778%	0.66170%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 14,466,128	\$ 14,294,980	\$ 14,805,488	\$ 13,785,708
Plan's Covered-Employee Payroll	\$ 1,974,561	\$ 1,932,261	\$ 2,066,299	\$ 2,202,581
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payrol	13.65%	13.52%	13.96%	15.98%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	67.27%	66.27%	64.44%	72.69%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 1,304,104	\$ 1,184,929	\$ 925,711	\$ 845,462

**Notes to Schedule**

1) Covered employee payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of retirement benefits are included.

\* Additional years will be presented as they become available.

**City of Atwater, California**  
**Changes in the Net OPEB Liability and Related**  
**Ratios**  
for the Measurement Periods Ended June 30,

	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 986,349	\$ 1,028,487	\$ 1,200,000
Interest on the total OPEB liability	949,529	872,785	746,000
Differences between expected and actual experience	(7,433,570)	-	-
Changes of benefit terms	-	-	-
Changes of assumptions	1,230,191	(1,089,852)	(2,981,000)
Benefit payments	(622,296)	(604,000)	(627,000)
<b>Net change in total OPEB liability</b>	<b>(4,889,797)</b>	<b>207,420</b>	<b>(1,662,000)</b>
<b>Total OPEB liability - beginning</b>	<b>23,860,420</b>	<b>23,653,000</b>	<b>25,315,000</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 18,970,623</b>	<b>\$ 23,860,420</b>	<b>\$ 23,653,000</b>
<b>Plan fiduciary net position</b>			
Contributions - employer	\$ -	\$ -	\$ -
Contributions - employee	-	-	-
Actual investment income	-	-	-
Administrative expense	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 18,970,623</b>	<b>\$ 23,860,420</b>	<b>\$ 23,653,000</b>
Covered-employee payroll	N/A	N/A	\$ 5,940,000
Net OPEB liability as a percentage of covered-employee pay	N/A	N/A	398.20%

**Notes to Schedule**

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Additional years to be presented in the future.

## City of Atwater, California

### Required Supplementary Information - Net OPEB Liability Schedule of Contributions

June 30, 2020

Fiscal Year Ended June 30,	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 622,296	\$ 604,000	\$ 604,000
Contributions in relation to the ADC	622,296	604,000	627,000
Contribution deficiency ( excess)	\$ -	\$ -	\$ (23,000.00)
Covered-employee payroll	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A

#### Notes to Schedule

1) GASB 75 requires presentation of the 10-year history of changes in the Net OPEB Liability. Additional years to be presented in the future.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## NON-MAJOR GOVERNMENTAL FUNDS

<b>Fund Type</b>	<b>Description</b>
Special Revenue	These funds account for restricted revenues (for specified purposes).
City Capital Projects Fund	This fund accounts for construction or acquisition of governmental capital assets (capital outlay).
Performance Bond Capital Projects Fund	This fund accounts for financial resources for the acquisition of general obligation bonds.



**City of Atwater, California**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Governmental Funds			
	Special Revenue Funds	Capital Projects Funds		Non-Major Funds Totals
		General	Performance Bond	
<b>ASSETS</b>				
Cash and investments	\$ 10,546,996	\$ -	\$ 217,606	\$ 10,764,602
Receivables:				
Taxes and assessments	2,332,435	-	-	2,332,435
Interest	30,452	-	594	31,046
Intergovernmental	1,212,339	-	-	1,212,339
Other receivable	-	337,574	-	337,574
Due from other funds	477,459	-	-	477,459
Advance to Successor Agency	138,864	-	-	138,864
Investment in land held for resale	3,855,930	-	-	3,855,930
<b>Total assets</b>	<b>\$ 18,594,475</b>	<b>\$ 337,574</b>	<b>\$ 218,200</b>	<b>\$ 19,150,249</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,089,245	\$ 71,657	\$ -	\$ 2,160,902
Due to other funds	519,112	408,375	-	927,487
Deposits Payable	-	-	111,666	111,666
<b>Total liabilities:</b>	<b>2,608,357</b>	<b>480,032</b>	<b>111,666</b>	<b>3,200,055</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	3,225,900	58,905	-	3,284,805
<b>Total deferred inflows of resources</b>	<b>3,225,900</b>	<b>58,905</b>	<b>-</b>	<b>3,284,805</b>
<b>Total liabilities and deferred inflows</b>	<b>5,834,257</b>	<b>538,937</b>	<b>111,666</b>	<b>6,484,860</b>
<b>Fund Balances:</b>				
Nonspendable	3,855,930	-	-	3,855,930
Restricted	5,145,442	-	-	5,145,442
Assigned	3,895,490	-	106,534	4,002,024
Unassigned (deficit)	(136,644)	(201,363)	-	(338,007)
<b>Total fund balances</b>	<b>12,760,218</b>	<b>(201,363)</b>	<b>106,534</b>	<b>12,665,389</b>
<b>Total liabilities, deferred inflows and fund balances</b>	<b>\$ 18,594,475</b>	<b>\$ 337,574</b>	<b>\$ 218,200</b>	<b>\$ 19,150,249</b>

**City of Atwater, California**

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

**Nonmajor Governmental Funds**

**For the year ended June 30, 2020**

	Governmental Funds			
	Special Revenue Funds	Capital Projects Funds		Non-Major Funds Totals
		General	Performance Bond	
<b>REVENUES:</b>				
Taxes and assessments	\$ 1,795,680	\$ -	\$ -	\$ 1,795,680
Intergovernmental	1,574,309	356,727	-	1,931,036
Use of money and property	257,186	-	2,260	259,446
Reimbursements	2,565	-	-	2,565
Other revenues	8,522	-	-	8,522
<b>Total revenues</b>	<b>3,638,262</b>	<b>356,727</b>	<b>2,260</b>	<b>3,997,249</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,496	-	-	3,496
Public safety	121,534	-	-	121,534
Highways and Streets	1,039,542	-	-	1,039,542
Urban redevelopment and housing	801,612	-	-	801,612
Capital outlay	3,186,578	456,500	-	3,643,078
<b>Total expenditures</b>	<b>5,152,762</b>	<b>456,500</b>	<b>-</b>	<b>5,609,262</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,514,500)</b>	<b>(99,773)</b>	<b>2,260</b>	<b>(1,612,013)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	384,320	-	-	384,320
Transfers out	(210,289)	-	-	(210,289)
<b>Total other financing sources (uses)</b>	<b>174,031</b>	<b>-</b>	<b>-</b>	<b>174,031</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>(1,340,469)</b>	<b>(99,773)</b>	<b>2,260</b>	<b>(1,437,982)</b>
<b>FUND BALANCES:</b>				
Beginning of year	14,100,687	(101,590)	104,274	14,103,371
End of year	\$ 12,760,218	\$ (201,363)	\$ 106,534	\$ 12,665,389

## NON-MAJOR SPECIAL REVENUE FUNDS

Fund	Description
Police Grants	Accounts for revenues and expenditures associated with community policing grants.
Gas Tax	Accounts for funds received and expended for street maintenance purposes as defined in Sections 2105, 2106, 2107, and 2107.5 of the Streets and Highway Code.
Local Transportation Fund	Accounts accounts for local transportation funds restricted to transit, street, pedestrian, and bike purposes.
Facility Impact Fee	These fees are received from developers to increase space and to improve City buildings to mitigate the growth of the City.
Community Developent Block Grants	Accounts for activities related to housing and the related Urban redevelopment and housing Block Grant funding.
CDBG Program Income	Accounts for activities related to housing and the related Urban redevelopment and housing Block Grant funding program income.
HOME Investment Partnership Program	Accounts for activities related to housing and the related Home Program funding.
Housing Authority	Accounts for activities related to housing and the related Home Program funding.
Measure V	Accounts for Measure V, a voter approved sales tax measure, to provide enhanced public safety costs.
Narcotics Program	Accounts for revenues and expenditures associated with the Narcotics Program.
Neighborhood Stabilization	Accounts for revenues and expenditures associated with the redevelopment of abandoned and foreclosed homes and residential property.

(continued)

**NON-MAJOR SPECIAL REVENUE FUNDS, Continued**

<b>Fund</b>	<b>Description</b>																																		
Applegate Interchange	Accounts for revenues and expenditures associated with the Applegate Interchange.																																		
Regional Surface Transportation Program	Accounts for revenues and expenditures associated with flexibility in State and local transportation decisions and provides flexible funding to best address State and local transportation needs.																																		
Maintenance Districts:	Accounts for funds collected for the maintenance districts shown within the City limits for which the City is obligated to maintain.																																		
	<table border="0"> <tr> <td>Northwood Village</td> <td>Camelia Estates</td> </tr> <tr> <td>Orchard Parks Estates</td> <td>Juniper Meadows</td> </tr> <tr> <td>Wildwood Estates</td> <td>Camelia Meadows</td> </tr> <tr> <td>Woodview Garland</td> <td>Stone Creek</td> </tr> <tr> <td>Shaffer Lakes West</td> <td>America West</td> </tr> <tr> <td>Woodhaven</td> <td>Bell Crossing</td> </tr> <tr> <td>Sierra Parks</td> <td>Atwater South</td> </tr> <tr> <td>Shaffer Lakes East</td> <td>Beluga Court</td> </tr> <tr> <td>Price Annexation</td> <td>Mello Ranch 2</td> </tr> <tr> <td>Sandlewood Square</td> <td>Meadow View</td> </tr> <tr> <td>Pajaro Dunes</td> <td>Aspenwood</td> </tr> <tr> <td>Redwood Estates</td> <td>Applegate Ranch</td> </tr> <tr> <td>Cottage Gardens</td> <td>Reserve</td> </tr> <tr> <td>Airport Business Park</td> <td>CFD Districts</td> </tr> <tr> <td>Silva Ranch</td> <td>Simon Annexation Lighting</td> </tr> <tr> <td>Mello Ranch</td> <td>Simon Annexation Landscaping</td> </tr> <tr> <td></td> <td>Juniper Meadows 2 Lighting</td> </tr> </table>	Northwood Village	Camelia Estates	Orchard Parks Estates	Juniper Meadows	Wildwood Estates	Camelia Meadows	Woodview Garland	Stone Creek	Shaffer Lakes West	America West	Woodhaven	Bell Crossing	Sierra Parks	Atwater South	Shaffer Lakes East	Beluga Court	Price Annexation	Mello Ranch 2	Sandlewood Square	Meadow View	Pajaro Dunes	Aspenwood	Redwood Estates	Applegate Ranch	Cottage Gardens	Reserve	Airport Business Park	CFD Districts	Silva Ranch	Simon Annexation Lighting	Mello Ranch	Simon Annexation Landscaping		Juniper Meadows 2 Lighting
Northwood Village	Camelia Estates																																		
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Mello Ranch	Simon Annexation Landscaping																																		
	Juniper Meadows 2 Lighting																																		

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**City of Atwater, California**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2020**

	Police Grants	Gas Tax	Local Transportation	Facility Impact Fee
<b>ASSETS</b>				
Cash and investments	\$ 79,974	\$ 90,856	\$ 502,868	\$ 4,128,346
Receivables:				
Taxes and assessments				
Interest	172	724	1,334	12,267
Intergovernmental	3,337	19,416	17,273	83,233
Other receivable	-	-	-	-
Due from other funds	-	-	-	408,375
Advance to Successor Agency	-	-	-	-
Investment in land held for resale	-	-	-	-
<b>Total assets</b>	<u>\$ 83,483</u>	<u>\$ 110,996</u>	<u>\$ 521,475</u>	<u>\$ 4,632,221</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 13,572	\$ 38,175	\$ -	91,405
Due to other funds	-	-	417,410	-
Deposits payable	-	-	-	-
<b>Total liabilities:</b>	<u>13,572</u>	<u>38,175</u>	<u>417,410</u>	<u>91,405</u>
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	14,328	17,273	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>14,328</u>	<u>17,273</u>	<u>-</u>
<b>Total liabilities and deferred inflows</b>	<u>13,572</u>	<u>52,503</u>	<u>434,683</u>	<u>91,405</u>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	-
Restricted	-	58,493	-	4,540,816
Assigned	69,911	-	86,792	-
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<u>69,911</u>	<u>58,493</u>	<u>86,792</u>	<u>4,540,816</u>
<b>Total liabilities deferred inflows and fund balances</b>	<u>\$ 83,483</u>	<u>\$ 110,996</u>	<u>\$ 521,475</u>	<u>\$ 4,632,221</u>

Community Development Block Grants	CDBG Program Income	HOME Investment Partnership Program	Housing Authority	Measure V	Narcotics Program	Neighborhood Stabilization
\$ -	\$ 99,832	\$ 325,753	\$ 176,825	\$ 1,653,336	\$ 2,055	\$ 218,894
-	209	889	263	2,316,073		
-	-	-	-	5,333	6	597
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	138,864	-	-	-
-	-	-	3,855,930	-	-	-
<u>\$ -</u>	<u>\$ 100,041</u>	<u>\$ 326,642</u>	<u>\$ 4,171,882</u>	<u>\$ 3,974,742</u>	<u>\$ 2,061</u>	<u>\$ 219,491</u>
\$ -	\$ -	\$ -	\$ 574	1,897,045	\$ -	\$ -
12,441	-	-	-	20,177	-	-
-	-	-	-	-	-	-
<u>12,441</u>	<u>-</u>	<u>-</u>	<u>574</u>	<u>1,917,222</u>	<u>-</u>	<u>-</u>
-	(29)	-	-	2,105,249	-	-
-	(29)	-	-	2,105,249	-	-
<u>12,441</u>	<u>(29)</u>	<u>-</u>	<u>574</u>	<u>4,022,471</u>	<u>-</u>	<u>-</u>
-	-	-	3,855,930	-	-	219,491
-	-	326,642	-	-	-	-
-	100,070	-	315,378	-	2,061	-
(12,441)	-	-	-	(47,729)	-	-
<u>(12,441)</u>	<u>100,070</u>	<u>326,642</u>	<u>4,171,308</u>	<u>(47,729)</u>	<u>2,061</u>	<u>219,491</u>
<u>\$ -</u>	<u>\$ 100,041</u>	<u>\$ 326,642</u>	<u>\$ 4,171,882</u>	<u>\$ 3,974,742</u>	<u>\$ 2,061</u>	<u>\$ 219,491</u>

(continued)

**City of Atwater, California**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds, continued**  
**June 30, 2020**

	Applegate Interchange	Regional Surface Transportation Program	Maintenance District Funds	Totals
<b>ASSETS</b>				
Cash and investments	\$ 759,333	852,266	\$ 1,656,658	\$ 10,546,996
Receivables:				
Taxes and assessments	-	-	16,362	2,332,435
Interest	2,070	1,965	4,623	30,452
Intergovernmental		1,089,079	1	1,212,339
Other receivable			-	-
Due from other funds	-	-	69,084	477,459
Advance to Successor Agency	-	-	-	138,864
Investment in land held for resale	-	-	-	3,855,930
<b>Total assets</b>	<b>\$ 761,403</b>	<b>\$ 1,943,310</b>	<b>\$ 1,746,728</b>	<b>\$ 18,594,475</b>
<b>AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ -	11,385	\$ 37,089	\$ 2,089,245
Due to other funds			69,084	519,112
Deposits payable				-
Total liabilities:	-	11,385	106,173	2,608,357
<b>Deferred inflows of resources:</b>				
Unavailable revenue	-	1,089,079	-	3,225,900
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,089,079</b>	<b>-</b>	<b>3,225,900</b>
<b>Total liabilities and deferred inflows</b>	<b>-</b>	<b>1,100,464</b>	<b>106,173</b>	<b>5,834,257</b>
<b>Fund Balances:</b>				
Nonspendable	-	-	-	3,855,930
Restricted	-	-	-	5,145,442
Assigned	761,403	842,846	1,717,029	3,895,490
Unassigned (deficit)	-	-	(76,474)	(136,644)
<b>Total fund balances</b>	<b>761,403</b>	<b>842,846</b>	<b>1,640,555</b>	<b>12,760,218</b>
<b>Total liabilities deferred inflows and fund balances</b>	<b>\$ 761,403</b>	<b>\$ 1,943,310</b>	<b>\$ 1,746,728</b>	<b>\$ 18,594,475</b>

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**City of Atwater, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the year ended June 30, 2020**

	Police Grants	Gas Tax	Local Transportation	Facility Impact Fee
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 195,739
Intergovernmental	180,747	694,469	89,284	609,809
Use of money and property	(480)	1,430	5,375	48,734
Reimbursements	-	-	-	2,565
Other revenues	950	7,572	-	-
<b>Total revenues</b>	<u>181,217</u>	<u>703,471</u>	<u>94,659</u>	<u>856,847</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	142
Public safety	121,534	-	-	-
Highways and Streets	-	1,039,542	-	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	66,000	1,636	80,366	473,434
<b>Total expenditures</b>	<u>187,534</u>	<u>1,041,178</u>	<u>80,366</u>	<u>473,576</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(6,317)</u>	<u>(337,707)</u>	<u>14,293</u>	<u>383,271</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(210,289)	-	-
<b>Total other financing sources and uses</b>	-	(210,289)	-	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>(6,317)</u>	<u>(547,996)</u>	<u>14,293</u>	<u>383,271</u>
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>	-	-	-	(1,272,910)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	76,228	606,489	72,499	5,430,455
End of year	<u>\$ 69,911</u>	<u>\$ 58,493</u>	<u>\$ 86,792</u>	<u>\$ 4,540,816</u>

Community Development Block Grants	CDBG Program Income	HOME Investment Partnership Program	Housing Authority	Measure V	Narcotics Program	Neighborhood Stabilization
\$ -	\$ -	\$ -	\$ -	\$ 897,747	\$ -	\$ -
-	-	-	-	-	-	-
-	70,034	72,320	1,182	22,267	4	2,273
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	70,034	72,320	1,182	920,014	4	2,273
-	-	-	-	-	3,354	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	844	-	-	-
-	-	-	-	2,497,083	-	-
-	-	-	844	2,497,083	3,354	-
-	70,034	72,320	338	(1,577,069)	(3,350)	2,273
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	70,034	72,320	338	(1,577,069)	(3,350)	2,273
-	-	-	-	1,272,910	-	-
(12,441)	30,036	254,322	4,170,970	256,430	5,411	217,218
<u>\$ (12,441)</u>	<u>\$ 100,070</u>	<u>\$ 326,642</u>	<u>\$ 4,171,308</u>	<u>\$ (47,729)</u>	<u>\$ 2,061</u>	<u>\$ 219,491</u>

(continued)

**City of Atwater, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds, continued**  
**For the year ended June 30, 2020**

	Applegate Interchange	Regional Surface Transportation Program	Maintenance District Funds	Totals
<b>REVENUES:</b>				
Taxes and assessments	\$ 6,315	\$ -	\$ 695,879	\$ 1,795,680
Intergovernmental	-	-	-	1,574,309
Use of money and property	7,896	9,658	16,493	257,186
Reimbursements	-	-	-	2,565
Other revenues	-	-	-	8,522
<b>Total revenues</b>	<u>14,211</u>	<u>9,658</u>	<u>712,372</u>	<u>3,638,262</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	3,496
Public safety	-	-	-	121,534
Highways and Streets	-	-	-	1,039,542
Urban redevelopment and housing	-	-	800,768	801,612
Capital outlay	-	62,995	5,064	3,186,578
<b>Total expenditures</b>	<u>-</u>	<u>62,995</u>	<u>805,832</u>	<u>5,152,762</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>14,211</u>	<u>(53,337)</u>	<u>(93,460)</u>	<u>(1,514,500)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from the sale of capital assets	-	-	-	-
Transfers in	-	210,289	174,031	384,320
Transfers out	-	-	-	(210,289)
<b>Total other financing sources and uses</b>	<u>-</u>	<u>210,289</u>	<u>174,031</u>	<u>174,031</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>14,211</u>	<u>156,952</u>	<u>80,571</u>	<u>(1,340,469)</u>
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>	<u>-</u>	<u>685,894</u>	<u>(685,894)</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	747,192	-	2,245,878	14,100,687
End of year	<u>\$ 761,403</u>	<u>\$ 842,846</u>	<u>\$ 1,640,555</u>	<u>\$ 12,760,218</u>

(concluded)

**City of Atwater, California**

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

**Police Grants Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 202,124	\$ 202,124	\$ 180,747	\$ (21,377)
Use of money and property	-	-	(480)	(480)
<b>Total revenues</b>	<b>202,124</b>	<b>202,124</b>	<b>181,217</b>	<b>(20,907)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	136,124	136,124	121,534	14,590
Capital outlay	66,000	66,000	66,000	-
<b>Total expenditures</b>	<b>202,124</b>	<b>202,124</b>	<b>187,534</b>	<b>14,590</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(6,317)</b>	<b>(6,317)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	31,657	31,657	-	(31,657)
<b>Total other financing sources (uses)</b>	<b>31,657</b>	<b>31,657</b>	<b>-</b>	<b>(31,657)</b>
<b>Net change in fund balances</b>	<b>31,657</b>	<b>31,657</b>	<b>(6,317)</b>	<b>(37,974)</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	76,228	76,228	76,228	-
End of year	\$ 107,885	\$ 107,885	\$ 69,911	\$ (37,974)

**City of Atwater, California**

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

**Gas Tax Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 788,724	\$ 788,724	\$ 694,469	\$ (94,255)
Use of money and property	-	-	1,430	1,430
Other revenues	-	-	7,572	7,572
<b>Total revenues</b>	<b>788,724</b>	<b>788,724</b>	<b>703,471</b>	<b>(85,253)</b>
<b>EXPENDITURES:</b>				
Current:				
Highways and Streets	1,261,919	1,261,919	1,039,542	222,377
Capital outlay	30,000	30,000	1,636	28,364
<b>Total expenditures</b>	<b>1,291,919</b>	<b>1,291,919</b>	<b>1,041,178</b>	<b>250,741</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(503,195)</b>	<b>(503,195)</b>	<b>(337,707)</b>	<b>165,488</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(210,289)	(210,289)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(210,289)</b>	<b>(210,289)</b>
<b>Net change in fund balances</b>	<b>(503,195)</b>	<b>(503,195)</b>	<b>(547,996)</b>	<b>(44,801)</b>
<b>FUND BALANCES:</b>				
Beginning of year	606,489	606,489	606,489	-
End of year	\$ 103,294	\$ 103,294	\$ 58,493	\$ (44,801)

**City of Atwater, California**

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

**Local Transportation Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 89,284	\$ 89,284
Use of money and property	-	-	5,375	5,375
Other revenues	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>94,659</b>	<b>94,659</b>
<b>EXPENDITURES:</b>				
Current:				
Highways and Streets	-	-	-	-
Capital outlay	-	-	80,366	(80,366)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>80,366</b>	<b>(80,366)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>14,293</b>	<b>14,293</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>14,293</b>	<b>14,293</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	72,499	72,499	72,499	-
End of year	\$ 72,499	\$ 72,499	\$ 86,792	\$ 14,293

**City of Atwater, California**

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

**Facility Impact Fee Revolving Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ 22,000	\$ 130,493	\$ 195,739	\$ 65,246
Intergovernmental	514,561	514,561	609,809	95,248
Use of money and property	4,250	27,700	48,734	21,034
Reimbursements	-	1,710	2,565	855
<b>Total revenues</b>	<b>540,811</b>	<b>674,464</b>	<b>856,847</b>	<b>182,383</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	142	(142)
Capital outlay	343,000	1,560,207	473,434	1,086,773
<b>Total expenditures</b>	<b>343,000</b>	<b>1,560,207</b>	<b>473,576</b>	<b>1,086,631</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>197,811</b>	<b>(885,743)</b>	<b>383,271</b>	<b>1,269,014</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>197,811</b>	<b>(885,743)</b>	<b>383,271</b>	<b>1,269,014</b>
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>			<b>(1,272,910)</b>	
<b>FUND BALANCES:</b>				
Beginning of year	5,430,455	5,430,455	5,430,455	-
End of year	<u>\$ 5,628,266</u>	<u>\$ 4,544,712</u>	<u>\$ 4,540,816</u>	<u>\$ 1,269,014</u>



**City of Atwater, California**

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

**Community Development Block Grants Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	-	-
<b>Net change in fund balances</b>	-	-	-	-
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(12,441)	(12,441)	(12,441)	-
End of year	<u>\$ (12,441)</u>	<u>\$ (12,441)</u>	<u>\$ (12,441)</u>	<u>\$ -</u>

**City of Atwater, California**

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

**CDBG Program Income Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 70,034	\$ 70,034
<b>Total revenues</b>	-	-	70,034	70,034
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	70,034	70,034
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balances</b>	-	-	70,034	70,034
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	30,036	30,036	30,036	-
End of year	\$ 30,036	\$ 30,036	\$ 100,070	\$ 70,034

**City of Atwater, California**

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

**HOME Investment Partnership Program Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 72,320	\$ 72,320
<b>Total revenues</b>	-	-	72,320	72,320
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	72,320	72,320
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in			-	
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balances</b>	-	-	72,320	72,320
<b>FUND BALANCES:</b>				
Beginning of year	254,322	254,322	254,322	-
End of year	\$ 254,322	\$ 254,322	\$ 326,642	\$ 72,320

**City of Atwater, California**

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

**Housing Authority Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 1,182	\$ 1,182
<b>Total revenues</b>	-	-	1,182	1,182
<b>EXPENDITURES:</b>				
Current:				
Community development	-	-	844	(844)
<b>Total expenditures</b>	-	-	844	(844)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	338	338
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from issuance of long-term debt	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balances</b>	-	-	338	338
<b>FUND BALANCES:</b>				
Beginning of year	4,170,970	4,170,970	4,170,970	-
End of year	\$ 4,170,970	\$ 4,170,970	\$ 4,171,308	\$ 338

**City of Atwater, California**

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

**Measure V Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ 627,166	\$ 627,166	897,747	\$ 270,581
Use of money and property	-	-	22,267	22,267
<b>Total revenues</b>	<b>627,166</b>	<b>627,166</b>	<b>920,014</b>	<b>292,848</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	2,497,083	(2,497,083)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>2,497,083</b>	<b>(2,497,083)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>627,166</b>	<b>627,166</b>	<b>(1,577,069)</b>	<b>(2,204,235)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>627,166</b>	<b>627,166</b>	<b>(1,577,069)</b>	<b>(2,204,235)</b>
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>			1,272,910	
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	256,430	256,430	256,430	-
End of year	\$ 883,596	\$ 883,596	\$ (47,729)	\$ (2,204,235)

**City of Atwater, California**

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

**Narcotics Program Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	4	4
<b>Total revenues</b>	-	-	4	4
<b>EXPENDITURES:</b>				
Current:				
Public safety	5,364	5,364	3,354	2,010
<b>Total expenditures</b>	5,364	5,364	3,354	2,010
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(5,364)	(5,364)	(3,350)	2,014
<b>Net change in fund balances</b>	(5,364)	(5,364)	(3,350)	2,014
<b>FUND BALANCES:</b>				
Beginning of year	5,411	5,411	5,411	-
End of year	\$ 47	\$ 47	\$ 2,061	\$ 2,014

**City of Atwater, California**

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

**Neighborhood Stabilization Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	2,273	2,273
<b>Total revenues</b>	-	-	2,273	2,273
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	2,273	2,273
<b>Net change in fund balances</b>	-	-	2,273	2,273
<b>FUND BALANCES:</b>				
Beginning of year	217,218	217,218	217,218	-
End of year	\$ 217,218	\$ 217,218	\$ 219,491	\$ 2,273

**City of Atwater, California**

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

**Applegate Interchange Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 6,315	\$ 6,315
Use of money and property	5,300	5,300	7,896	2,596
<b>Total revenues</b>	<b>5,300</b>	<b>5,300</b>	<b>14,211</b>	<b>8,911</b>
<b>EXPENDITURES:</b>				
Current:				
Highways and Streets	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>5,300</b>	<b>5,300</b>	<b>14,211</b>	<b>8,911</b>
<b>Net change in fund balances</b>	<b>5,300</b>	<b>5,300</b>	<b>14,211</b>	<b>8,911</b>
<b>FUND BALANCES:</b>				
Beginning of year	747,192	747,192	747,192	-
End of year	\$ 752,492	\$ 752,492	\$ 761,403	\$ 8,911



# City of Atwater, California

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

### Regional Surface Transportation Program Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	354,586	354,586	-	(354,586)
Use of money and property	1,000	1,000	9,658	8,658
<b>Total revenues</b>	<b>355,586</b>	<b>355,586</b>	<b>9,658</b>	<b>(345,928)</b>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	746,384	746,384	62,995	683,389
<b>Total expenditures</b>	<b>746,384</b>	<b>746,384</b>	<b>62,995</b>	<b>683,389</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(390,798)</b>	<b>(390,798)</b>	<b>(53,337)</b>	<b>337,461</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	210,289	210,289
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>210,289</b>	<b>210,289</b>
<b>Net change in fund balances</b>	<b>(390,798)</b>	<b>(390,798)</b>	<b>156,952</b>	<b>547,750</b>
<b>RESIDUAL EQUITY TRANSFER IN</b>	<b>685,894</b>	<b>685,894</b>	<b>685,894</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of year	-	-	-	-
End of year	\$ 295,096	\$ 295,096	\$ 842,846	\$ 547,750

**City of Atwater, California**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds**  
**June 30, 2020**

	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 31,795	\$ -	\$ -
Receivables:				
Taxes and assessments	44	-	2	22
Interest	-	275	-	-
Due from other funds	-	69,084	-	-
<b>Total assets</b>	<u>\$ 44</u>	<u>\$ 101,154</u>	<u>\$ 2</u>	<u>\$ 22</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 380	\$ 213	\$ 77	\$ 113
Due to other funds	16,256	-	2,428	3,212
<b>Total liabilities</b>	<u>16,636</u>	<u>213</u>	<u>2,505</u>	<u>3,325</u>
<b>Fund Balances (Deficits):</b>				
Assigned	-	100,941	-	-
Unassigned (deficit)	(16,592)	-	(2,503)	(3,303)
<b>Total fund balances</b>	<u>(16,592)</u>	<u>100,941</u>	<u>(2,503)</u>	<u>(3,303)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 44</u>	<u>\$ 101,154</u>	<u>\$ 2</u>	<u>\$ 22</u>

Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square	Sub- Totals
\$ 23,281	\$ 18,868	\$ -	\$ 94,288	\$ -	\$ 11,501	\$ 179,733
126	-	283	79	1,151	71	1,778
63	52	-	256	25	40	711
-	-	-	-	-	-	69,084
<u>\$ 23,470</u>	<u>\$ 18,920</u>	<u>\$ 283</u>	<u>\$ 94,623</u>	<u>\$ 1,176</u>	<u>\$ 11,612</u>	<u>\$ 251,306</u>
\$ 91	\$ 46	106	\$ 534	\$ 8,241	\$ 953	\$ 10,754
-	-	12,198	-	34,990	-	69,084
<u>91</u>	<u>46</u>	<u>12,304</u>	<u>534</u>	<u>43,231</u>	<u>953</u>	<u>79,838</u>
23,379	18,874	-	94,089	-	10,659	247,942
-	-	(12,021)	-	(42,055)	-	(76,474)
<u>23,379</u>	<u>18,874</u>	<u>(12,021)</u>	<u>94,089</u>	<u>(42,055)</u>	<u>10,659</u>	<u>171,468</u>
<u>\$ 23,470</u>	<u>\$ 18,920</u>	<u>\$ 283</u>	<u>\$ 94,623</u>	<u>\$ 1,176</u>	<u>\$ 11,612</u>	<u>\$ 251,306</u>

(continued)

**City of Atwater, California**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds**  
**June 30, 2020**

	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
<b>ASSETS</b>				
Cash and investments	\$ 44,850	\$ 65,844	\$ 29,827	\$ 3,827
Receivables:				
Taxes and assessments	32	42	-	375
Interest	126	186	87	9
Intergovernmental	-	-	-	-
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 45,008</u>	<u>\$ 66,072</u>	<u>\$ 29,914</u>	<u>\$ 4,211</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 598	\$ 709	\$ 269	\$ 120
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Compensated absences	-	-	-	-
<b>Total liabilities</b>	<u>598</u>	<u>709</u>	<u>269</u>	<u>120</u>
<b>Fund Balances:</b>				
Assigned	44,410	65,363	29,645	4,091
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<u>44,410</u>	<u>65,363</u>	<u>29,645</u>	<u>4,091</u>
<b>Total liabilities and fund balances</b>	<u>\$ 45,008</u>	<u>\$ 66,072</u>	<u>\$ 29,914</u>	<u>\$ 4,211</u>

Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Sub- Totals
\$ 93,804	\$ 98,618	\$ 24,198	\$ 7,767	\$ 40,920	\$ 409,655
-	-	-	-	-	449
259	271	66	31	113	1,148
-	-	-	1	-	1
-	-	-	-	-	-
<u>\$ 94,063</u>	<u>\$ 98,889</u>	<u>\$ 24,264</u>	<u>\$ 7,799</u>	<u>\$ 41,033</u>	<u>\$ 411,253</u>
\$ 948	\$ 1,227	\$ 77	\$ 121	\$ 536	\$ 4,605
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>948</u>	<u>1,227</u>	<u>77</u>	<u>121</u>	<u>536</u>	<u>4,605</u>
93,115	97,662	24,187	7,678	40,497	406,648
-	-	-	-	-	-
<u>93,115</u>	<u>97,662</u>	<u>24,187</u>	<u>7,678</u>	<u>40,497</u>	<u>406,648</u>
<u>\$ 94,063</u>	<u>\$ 98,889</u>	<u>\$ 24,264</u>	<u>\$ 7,799</u>	<u>\$ 41,033</u>	<u>\$ 411,253</u>

(continued)

**City of Atwater, California**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds**  
**June 30, 2020**

	Stone Creek	America West	Bell Crossing	Atwater South
<b>ASSETS</b>				
Cash and investments	\$ 174,415	\$ 61,737	\$ 8,819	\$ 139,758
Receivables:				
Taxes and assessments	-	-	1	-
Interest	480	168	33	382
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 174,895</u>	<u>\$ 61,905</u>	<u>\$ 8,853</u>	<u>\$ 140,140</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,760	\$ 151	\$ 1,502	\$ 1,892
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<u>1,760</u>	<u>151</u>	<u>1,502</u>	<u>1,892</u>
<b>Fund Balances:</b>				
Assigned	173,135	61,754	7,351	138,248
Unassigned (deficit)	-	-	-	-
<b>Total fund balances</b>	<u>173,135</u>	<u>61,754</u>	<u>7,351</u>	<u>138,248</u>
<b>Total liabilities and fund balances</b>	<u>\$ 174,895</u>	<u>\$ 61,905</u>	<u>\$ 8,853</u>	<u>\$ 140,140</u>

Beluga Court	Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	Sub- Totals
\$ 6,328	\$ 190,976	\$ 126,635	\$ 101,918	\$ 25,653	\$ 12,916	\$ 849,155
1	-	-	9,698	3	-	9,703
17	525	349	277	69	36	2,336
-	-	-	-	-	-	-
<u>\$ 6,346</u>	<u>\$ 191,501</u>	<u>\$ 126,984</u>	<u>\$ 111,893</u>	<u>\$ 25,725</u>	<u>\$ 12,952</u>	<u>\$ 861,194</u>
\$ 4	\$ 1,397	\$ 1,784	\$ 747	\$ 656	\$ 32	\$ 9,925
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4</u>	<u>1,397</u>	<u>1,784</u>	<u>747</u>	<u>656</u>	<u>32</u>	<u>9,925</u>
6,342	190,104	125,200	111,146	25,069	12,920	851,269
-	-	-	-	-	-	-
<u>6,342</u>	<u>190,104</u>	<u>125,200</u>	<u>111,146</u>	<u>25,069</u>	<u>12,920</u>	<u>851,269</u>
<u>\$ 6,346</u>	<u>\$ 191,501</u>	<u>\$ 126,984</u>	<u>\$ 111,893</u>	<u>\$ 25,725</u>	<u>\$ 12,952</u>	<u>\$ 861,194</u>

(continued)

**City of Atwater, California**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds**  
**June 30, 2020**

	CFD District	Simon Annexation Lighting District	Simon Annexation Landscape District
<b>ASSETS</b>			
Cash and investments	\$ 195,603	\$ 11,408	\$ 6,656
Receivables:			
Taxes and assessments	4,431	-	-
Interest	368	31	18
Intergovernmental	-	-	-
Due from other funds	-	-	-
<b>Total assets</b>	<u>\$ 200,402</u>	<u>\$ 11,439</u>	<u>\$ 6,674</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 11,794	\$ 3	\$ 8
Due to other funds	-	-	-
Deferred revenue	-	-	-
<b>Total liabilities</b>	<u>11,794</u>	<u>3</u>	<u>8</u>
<b>Fund Balances:</b>			
Assigned	188,608	11,436	6,666
Unassigned (deficit)	-	-	-
<b>Total fund balances</b>	<u>188,608</u>	<u>11,436</u>	<u>6,666</u>
<b>Total liabilities and fund balances</b>	<u>\$ 200,402</u>	<u>\$ 11,439</u>	<u>\$ 6,674</u>



Juniper Meadows 2 Lighting District	Sub- Totals	Totals
\$ 4,448	\$ 218,115	\$ 1,656,658
1	4,432	16,362
11	428	4,623
-	-	1
-	-	69,084
<u>\$ 4,460</u>	<u>\$ 222,975</u>	<u>\$ 1,746,728</u>
\$ -	\$ 11,805	\$ 37,089
-	-	69,084
-	-	-
<u>-</u>	<u>11,805</u>	<u>106,173</u>
4,460	211,170	1,717,029
-	-	(76,474)
<u>4,460</u>	<u>211,170</u>	<u>1,640,555</u>
<u>\$ 4,460</u>	<u>\$ 222,975</u>	<u>\$ 1,746,728</u>

(concluded)

**City of Atwater, California**

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

**Maintenance District Special Revenue Funds**

**For the year ended June 30, 2020**

	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
<b>REVENUES:</b>				
Taxes and assessments	\$ 4,543	\$ -	\$ 3,565	\$ 392
Use of money and property	-	1,039	-	-
<b>Total revenues</b>	<b>4,543</b>	<b>1,039</b>	<b>3,565</b>	<b>392</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	6,317	3,458	1,358	668
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>6,317</b>	<b>3,458</b>	<b>1,358</b>	<b>668</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,774)</b>	<b>(2,419)</b>	<b>2,207</b>	<b>(276)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	29,456	692	4,511	5,803
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<b>29,456</b>	<b>692</b>	<b>4,511</b>	<b>5,803</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>27,682</b>	<b>(1,727)</b>	<b>6,718</b>	<b>5,527</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(44,274)	102,668	(9,221)	(8,830)
End of year	<b>\$ (16,592)</b>	<b>\$ 100,941</b>	<b>\$ (2,503)</b>	<b>\$ (3,303)</b>

Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square	Sub- Totals
\$ 2,268	\$ -	\$ 2,344	\$ 7,041	\$ 53,665	\$ 6,896	\$ 80,714
235	193	-	955	75	146	2,643
<u>2,503</u>	<u>193</u>	<u>2,344</u>	<u>7,996</u>	<u>53,740</u>	<u>7,042</u>	<u>83,357</u>
1,523	827	4,651	6,578	117,611	7,412	150,403
				1,782	198	1,980
<u>1,523</u>	<u>827</u>	<u>4,651</u>	<u>6,578</u>	<u>119,393</u>	<u>7,610</u>	<u>152,383</u>
980	(634)	(2,307)	1,418	(65,653)	(568)	(69,026)
242	108	22,413	979	83,813	5,756	153,773
-	-	-	-	-	-	-
<u>242</u>	<u>108</u>	<u>22,413</u>	<u>979</u>	<u>83,813</u>	<u>5,756</u>	<u>153,773</u>
1,222	(526)	20,106	2,397	18,160	5,188	84,747
22,157	19,400	(32,127)	91,692	(60,215)	5,471	86,721
<u>\$ 23,379</u>	<u>\$ 18,874</u>	<u>\$ (12,021)</u>	<u>\$ 94,089</u>	<u>\$ (42,055)</u>	<u>\$ 10,659</u>	<u>\$ 171,468</u>

(continued)

**City of Atwater, California**

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

**Maintenance District Special Revenue Funds**

**For the year ended June 30, 2020**

	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
<b>REVENUES:</b>				
Taxes and assessments	\$ 3,446	\$ 2,802	\$ 403	\$ 5,235
Intergovernmental	-	-	-	-
Use of money and property	477	703	324	35
<b>Total revenues</b>	<u>3,923</u>	<u>3,505</u>	<u>727</u>	<u>5,270</u>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	4,011	5,835	1,767	2,593
Capital outlay	110	202	26	-
<b>Total expenditures</b>	<u>4,121</u>	<u>6,037</u>	<u>1,793</u>	<u>2,593</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(198)</u>	<u>(2,532)</u>	<u>(1,066)</u>	<u>2,677</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,198	515	4,031	468
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<u>2,198</u>	<u>515</u>	<u>4,031</u>	<u>468</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>2,000</u>	<u>(2,017)</u>	<u>2,965</u>	<u>3,145</u>
<b>RESIDUAL EQUITY TRANSFER (OUT)</b>	<u>-</u>	<u>-</u>	<u>(685,894)</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	42,410	67,380	712,574	946
End of year	<u>\$ 44,410</u>	<u>\$ 65,363</u>	<u>\$ 29,645</u>	<u>\$ 4,091</u>

Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Sub- Totals
\$ -	\$ -	\$ -	\$ 2,283	\$ -	\$ 14,169
-	-	-	-	-	-
961	986	249	115	420	4,270
961	986	249	2,398	420	18,439
20,460	14,253	1,224	1,126	3,579	54,848
283	285	-	9	59	974
20,743	14,538	1,224	1,135	3,638	55,822
(19,782)	(13,552)	(975)	1,263	(3,218)	(37,383)
625	1,529	200	92	231	9,889
-	-	-	-	-	-
625	1,529	200	92	231	9,889
(19,157)	(12,023)	(775)	1,355	(2,987)	(27,494)
-	-	-	-	-	(685,894)
112,272	109,685	24,962	6,323	43,484	1,120,036
\$ 93,115	\$ 97,662	\$ 24,187	\$ 7,678	\$ 40,497	\$ 406,648

(continued)

**City of Atwater, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Maintenance District Special Revenue Funds**  
**For the year ended June 30, 2020**

	Stone Creek	America West	Bell Crossing	Atwater South
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 13,041	\$ -
Use of money and property	1,780	631	72	1,394
<b>Total revenues</b>	<u>1,780</u>	<u>631</u>	<u>13,113</u>	<u>1,394</u>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	16,955	1,925	13,223	36,162
Capital outlay	353	25	863	285
<b>Total expenditures</b>	<u>17,308</u>	<u>1,950</u>	<u>14,086</u>	<u>36,447</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(15,528)</u>	<u>(1,319)</u>	<u>(973)</u>	<u>(35,053)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,471	518	498	3,642
<b>Total other financing sources and uses</b>	1,471	518	498	3,642
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	(14,057)	(801)	(475)	(31,411)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	187,192	62,555	7,826	169,659
End of year	<u>\$ 173,135</u>	<u>\$ 61,754</u>	<u>\$ 7,351</u>	<u>\$ 138,248</u>

Beluga Court	Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	Sub- Totals
\$ 812	\$ -	\$ -	\$ 14,686	\$ 7,150	\$ -	\$ 35,689
63	1,953	1,286	1,050	248	132	8,609
875	1,953	1,286	15,736	7,398	132	44,298
77	28,550	15,488	6,452	6,477	252	125,561
-	245	241	72	26	-	2,110
77	28,795	15,729	6,524	6,503	252	127,671
798	(26,842)	(14,443)	9,212	895	(120)	(83,373)
46	1,431	900	732	750	74	10,062
46	1,431	900	732	750	74	10,062
844	(25,411)	(13,543)	9,944	1,645	(46)	(73,311)
5,498	215,515	138,743	101,202	23,424	12,966	924,580
\$ 6,342	\$ 190,104	\$ 125,200	\$ 111,146	\$ 25,069	\$ 12,920	\$ 851,269

(continued)

**City of Atwater, California**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Maintenance District Special Revenue Funds**  
**For the year ended June 30, 2020**

	<u>CFD District</u>	<u>Simon Annexation Lighting District</u>	<u>Simon Annexation Landscape District</u>
<b>REVENUES:</b>			
Taxes and assessments	\$ 563,061	\$ -	\$ -
Intergovernmental	-	-	-
Use of money and property	740	117	70
<b>Total revenues</b>	<u>563,801</u>	<u>117</u>	<u>70</u>
<b>EXPENDITURES:</b>			
Current:			
Urban redevelopment and housing	469,843	47	66
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>469,843</u>	<u>47</u>	<u>66</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>93,958</u>	<u>70</u>	<u>4</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	167	56
Transfers out	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>167</u>	<u>56</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>93,958</u>	<u>237</u>	<u>60</u>
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>	<u>(19,891)</u>	<u>11,199</u>	<u>6,606</u>
<b>FUND BALANCES (DEFICITS):</b>			
Beginning of year	114,541	-	-
End of year	<u>\$ 188,608</u>	<u>\$ 11,436</u>	<u>\$ 6,666</u>



Juniper Meadows 2 Lighting District	Sub- Totals	Totals
\$ 2,246	\$ 565,307	\$ 695,879
-	-	-
44	971	16,493
<u>2,290</u>	<u>566,278</u>	<u>712,372</u>
-	469,956	800,768
-	-	5,064
-	<u>469,956</u>	<u>805,832</u>
2,290	96,322	(93,460)
84	307	174,031
-	-	-
84	307	174,031
2,374	96,629	80,571
2,086	-	(685,894)
-	114,541	2,245,878
<u>\$ 4,460</u>	<u>\$ 211,170</u>	<u>\$ 1,640,555</u>

(concluded)

**City of Atwater, California**

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

**Northwood Village - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 4,543	\$ 4,543
<b>Total revenues</b>	-	-	4,543	4,543
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	6,317	(6,317)
<b>Total expenditures</b>	-	-	6,317	(6,317)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(1,774)	(1,774)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	29,456	29,456
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	29,456	29,456
<b>Net change in fund balances</b>	-	-	27,682	27,682
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(44,274)	(44,274)	(44,274)	-
End of year	<u>\$ (44,274)</u>	<u>\$ (44,274)</u>	<u>\$ (16,592)</u>	<u>\$ 27,682</u>

**City of Atwater, California**

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

**Orchard Parks Estates - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	1,039	1,039
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>1,039</b>	<b>1,039</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	3,458	(3,458)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>3,458</b>	<b>(3,458)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(2,419)	(2,419)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	692	692
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>692</b>	<b>692</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(1,727)</b>	<b>(1,727)</b>
<b>FUND BALANCES:</b>				
Beginning of year	102,668	102,668	102,668	-
End of year	\$ 102,668	\$ 102,668	\$ 100,941	\$ (1,727)

**City of Atwater, California**

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

**Wildwood Estates - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 3,565	\$ 3,565
<b>Total revenues</b>	-	-	3,565	3,565
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	1,358	(1,358)
<b>Total expenditures</b>	-	-	1,358	(1,358)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	-	2,207	2,207
Transfers in	-	-	4,511	4,511
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	4,511	4,511
<b>Net change in fund balances</b>	-	-	6,718	6,718
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(9,221)	(9,221)	(9,221)	-
End of year	\$ (9,221)	\$ (9,221)	\$ (2,503)	\$ 6,718

**City of Atwater, California**

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

**Woodview Garland - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 392	\$ 392
<b>Total revenues</b>	-	-	392	392
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	668	(668)
<b>Total expenditures</b>	-	-	866	(866)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(474)	(474)
Transfers in			5,803	5,803
Transfers out				-
<b>Total other financing sources (uses)</b>	-	-	5,803	5,803
<b>Net change in fund balances</b>	-	-	5,329	5,329
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(8,830)	(8,830)	(8,830)	-
End of year	\$ (8,830)	\$ (8,830)	\$ (3,501)	\$ 5,329

**City of Atwater, California**

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

**Shaffer Lakes West - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 2,268	\$ 2,268
Use of money and property	-	-	235	235
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>2,503</b>	<b>2,503</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	1,523	(1,523)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,523</b>	<b>(1,523)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>980</b>	<b>980</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	242	242
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>242</b>	<b>242</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>1,222</b>	<b>1,222</b>
<b>FUND BALANCES:</b>				
Beginning of year	22,157	22,157	22,157	-
End of year	<u>\$ 22,157</u>	<u>\$ 22,157</u>	<u>\$ 23,379</u>	<u>\$ 1,222</u>

**City of Atwater, California**

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

**Woodhaven - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	193	193
<b>Total revenues</b>	-	-	193	193
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	827	(827)
<b>Total expenditures</b>	-	-	827	(827)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(634)	(634)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	108	108
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	108	108
<b>Net change in fund balances</b>	-	-	(526)	(526)
<b>FUND BALANCES:</b>				
Beginning of year	19,400	19,400	19,400	-
End of year	\$ 19,400	\$ 19,400	\$ 18,874	\$ (526)

**City of Atwater, California**

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

**Sierra Parks - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 2,344	\$ 2,344
<b>Total revenues</b>	-	-	2,344	2,344
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	4,651	(4,651)
<b>Total expenditures</b>	-	-	4,651	(4,651)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(2,307)	(2,307)
Transfers in	-	-	22,413	22,413
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	22,413	22,413
<b>Net change in fund balances</b>	-	-	20,106	20,106
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(32,127)	(32,127)	(32,127)	-
End of year	\$ (32,127)	\$ (32,127)	\$ (12,021)	\$ 20,106



**City of Atwater, California**

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

**Shaffer Lakes East - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 7,041	\$ 7,041
Use of money and property	-	-	955	955
<b>Total revenues</b>	-	-	7,996	7,996
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	6,578	(6,578)
<b>Total expenditures</b>	-	-	6,578	(6,578)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	1,418	1,418
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	979	979
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	979	979
<b>Net change in fund balances</b>	-	-	2,397	2,397
<b>FUND BALANCES:</b>				
Beginning of year	91,692	91,692	91,692	-
End of year	\$ 91,692	\$ 91,692	\$ 94,089	\$ 2,397

**City of Atwater, California**

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

**Price Annexation - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 53,665	\$ 53,665
Use of money and property	-	-	75	75
<b>Total revenues</b>	-	-	53,740	53,740
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	117,611	(117,611)
Capital outlay	-	-	1,782	(1,782)
<b>Total expenditures</b>	-	-	119,393	(119,393)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	-	(65,653)	(65,653)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	83,813	83,813
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	83,813	83,813
<b>Net change in fund balances</b>	-	-	18,160	18,160
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	(60,215)	(60,215)	(60,215)	-
End of year	\$ (60,215)	\$ (60,215)	\$ (42,055)	\$ 18,160

**City of Atwater, California**

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

**Sandalwood Square - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 6,896	\$ 6,896
Use of money and property	-	-	146	146
<b>Total revenues</b>	-	-	7,042	7,042
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	7,412	(7,412)
Capital outlay	-	-	198	(198)
<b>Total expenditures</b>	-	-	7,610	(7,610)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(568)	(568)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	5,756	5,756
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	5,756	5,756
<b>Net change in fund balances</b>	-	-	5,188	5,188
<b>FUND BALANCES:</b>				
Beginning of year	5,471	5,471	5,471	-
End of year	\$ 5,471	\$ 5,471	\$ 10,659	\$ 5,188

**City of Atwater, California**

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

**Pajaro Dunes - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 3,446	\$ 3,446
Use of money and property	-	-	477	477
<b>Total revenues</b>	-	-	3,923	3,923
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	4,011	(4,011)
Capital outlay	-	-	110	(110)
<b>Total expenditures</b>	-	-	4,121	(4,121)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(198)	(198)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in			2,198	2,198
Transfers out			-	-
<b>Total other financing sources (uses)</b>	-	-	2,198	2,198
<b>Net change in fund balances</b>	-	-	2,000	2,000
<b>FUND BALANCES:</b>				
Beginning of year	42,410	42,410	42,410	-
End of year	\$ 42,410	\$ 42,410	\$ 44,410	\$ 2,000

**City of Atwater, California**

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

**Redwood Estates - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 2,802	\$ 2,802
Use of money and property	-	-	703	703
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,505</b>	<b>3,505</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	5,835	(5,835)
Capital outlay	-	-	202	(202)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>6,037</b>	<b>(6,037)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(2,532)</b>	<b>(2,532)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	515	515
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>515</b>	<b>515</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(2,017)</b>	<b>(2,017)</b>
<b>FUND BALANCES:</b>				
Beginning of year	67,380	67,380	67,380	-
End of year	\$ 67,380	\$ 67,380	\$ 65,363	\$ (2,017)

**City of Atwater, California**

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

**Cottage Gardens - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 403	\$ 403
Intergovernmental	-	-	-	-
Use of money and property	-	-	324	324
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>727</b>	<b>727</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	1,767	(1,767)
Capital outlay	-	-	26	(26)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,793</b>	<b>(1,793)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(1,066)</b>	<b>(1,066)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	4,031	4,031
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>4,031</b>	<b>4,031</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>2,965</b>	<b>2,965</b>
<b>RESIDUAL EQUITY TRANSFER (OUT)</b>	<b>(685,894)</b>	<b>(685,894)</b>	<b>(685,894)</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of year	712,574	712,574	712,574	-
End of year	\$ 26,680	\$ 26,680	\$ 29,645	\$ 2,965

**City of Atwater, California**

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

**Airport Business Park - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 5,235	\$ 5,235
<b>Total revenues</b>	-	-	5,235	5,235
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	2,593	(2,593)
<b>Total expenditures</b>	-	-	2,593	(2,593)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	2,642	2,642
Transfers in	-	-	468	468
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	468	468
<b>Net change in fund balances</b>	-	-	3,110	3,110
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	946	946	946	-
End of year	\$ 946	\$ 946	\$ 4,056	\$ 3,110

**City of Atwater, California**

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

**Silva Ranch - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 961	\$ 961
<b>Total revenues</b>	-	-	961	961
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	20,460	(20,460)
Capital outlay			283	(283)
<b>Total expenditures</b>	-	-	20,743	(20,743)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(19,782)	(19,782)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	625	625
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	625	625
<b>Net change in fund balances</b>	-	-	(19,157)	(19,157)
<b>FUND BALANCES:</b>				
Beginning of year	112,272	112,272	112,272	-
End of year	\$ 112,272	\$ 112,272	\$ 93,115	\$ (19,157)



**City of Atwater, California**

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

**Mello Ranch - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	986	986
<b>Total revenues</b>	-	-	986	986
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	14,253	(14,253)
Capital outlay	-	-	285	(285)
<b>Total expenditures</b>	-	-	14,538	(14,538)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(13,552)	(13,552)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	1,529	1,529
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	1,529	1,529
<b>Net change in fund balances</b>	-	-	(12,023)	(12,023)
<b>FUND BALANCES:</b>				
Beginning of year	109,685	109,685	109,685	-
End of year	\$ 109,685	\$ 109,685	\$ 97,662	\$ (12,023)

**City of Atwater, California**

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

**Camelia Estates - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	249	249
<b>Total revenues</b>	-	-	249	249
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	1,224	(1,224)
<b>Total expenditures</b>	-	-	1,224	(1,224)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(975)	(975)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	200	200
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	200	200
<b>Net change in fund balances</b>	-	-	(775)	(775)
<b>FUND BALANCES:</b>				
Beginning of year	24,962	24,962	24,962	-
End of year	\$ 24,962	\$ 24,962	\$ 24,187	\$ (775)

**City of Atwater, California**

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

**Juniper Meadows - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 2,283	\$ 2,283
Use of money and property	-	-	115	115
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>2,398</b>	<b>2,398</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	1,126	(1,126)
Capital outlay	-	-	9	(9)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,135</b>	<b>(1,135)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	1,263	1,263
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	92	92
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>92</b>	<b>92</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>1,355</b>	<b>1,355</b>
<b>FUND BALANCES:</b>				
Beginning of year	6,323	6,323	6,323	-
End of year	\$ 6,323	\$ 6,323	\$ 7,678	\$ 1,355

**City of Atwater, California**

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

**Camelia Meadows - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	420	420
<b>Total revenues</b>	-	-	420	420
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	3,579	(3,579)
Capital outlay	-	-	59	(59)
<b>Total expenditures</b>	-	-	3,638	(3,638)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(3,218)	(3,218)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	231	231
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	231	231
<b>Net change in fund balances</b>	-	-	(2,987)	(2,987)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	43,484	43,484	43,484	-
End of year	\$ 43,484	\$ 43,484	\$ 40,497	\$ (2,987)

**City of Atwater, California**

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

**Stone Creek - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	1,780	1,780
<b>Total revenues</b>	-	-	1,780	1,780
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	16,955	(16,955)
Capital outlay	-	-	353	(353)
<b>Total expenditures</b>	-	-	17,308	(17,308)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(15,528)	(15,528)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	1,471	1,471
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	1,471	1,471
<b>Net change in fund balances</b>	-	-	(14,057)	(14,057)
<b>FUND BALANCES:</b>				
Beginning of year	187,192	187,192	187,192	-
End of year	\$ 187,192	\$ 187,192	\$ 173,135	\$ (14,057)

**City of Atwater, California**

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

**America West - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	631	631
<b>Total revenues</b>	-	-	631	631
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	1,925	(1,925)
Capital outlay	-	-	25	(25)
<b>Total expenditures</b>	-	-	1,950	(1,950)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(1,319)	(1,319)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	518	518
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	518	518
<b>Net change in fund balances</b>	-	-	(801)	(801)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	62,555	62,555	62,555	-
End of year	\$ 62,555	\$ 62,555	\$ 61,754	\$ (801)

**City of Atwater, California**

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

**Bell Crossing - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 13,041	\$ 13,041
Use of money and property	-	-	72	72
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>13,113</b>	<b>13,113</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	13,223	(13,223)
Capital outlay	-	-	863	(863)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>14,086</b>	<b>(14,086)</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(973)</b>	<b>(973)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	498	498
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>498</b>	<b>498</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>(475)</b>	<b>(475)</b>
<b>FUND BALANCES:</b>				
Beginning of year	7,826	7,826	7,826	-
End of year	\$ 7,826	\$ 7,826	\$ 7,351	\$ (475)

**City of Atwater, California**

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

**Atwater South - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	1,394	1,394
<b>Total revenues</b>	-	-	1,394	1,394
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	36,162	(36,162)
Capital outlay	-	-	285	(285)
<b>Total expenditures</b>	-	-	36,447	(36,447)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(35,053)	(35,053)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	3,642	3,642
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	3,642	3,642
<b>Net change in fund balances</b>	-	-	(31,411)	(31,411)
<b>FUND BALANCES:</b>				
Beginning of year	169,659	169,659	169,659	-
End of year	\$ 169,659	\$ 169,659	\$ 138,248	\$ (31,411)



**City of Atwater, California**

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

**Beluga Court - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 812	\$ 812
Use of money and property	-	-	63	63
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>875</b>	<b>875</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	77	(77)
Capital outlay				-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>(77)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>798</b>	<b>798</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	46	46
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>46</b>	<b>46</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>844</b>	<b>844</b>
<b>FUND BALANCES:</b>				
Beginning of year	5,498	5,498	5,498	-
End of year	\$ 5,498	\$ 5,498	\$ 6,342	\$ 844

**City of Atwater, California**

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

**Mello Ranch 2 - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	1,953	1,953
<b>Total revenues</b>	-	-	1,953	1,953
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	28,550	(28,550)
Capital outlay	-	-	245	(245)
<b>Total expenditures</b>	-	-	28,795	(28,795)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	(26,842)	(26,842)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	1,431	1,431
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	1,431	1,431
<b>Net change in fund balances</b>	-	-	(25,411)	(25,411)
<b>FUND BALANCES:</b>				
Beginning of year	215,515	215,515	215,515	-
End of year	\$ 215,515	\$ 215,515	\$ 190,104	\$ (25,411)

**City of Atwater, California**

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

**Meadow View - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	1,286	1,286
<b>Total revenues</b>	-	-	1,286	1,286
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	15,488	(15,488)
Capital outlay			241	(241)
<b>Total expenditures</b>	-	-	15,729	(15,729)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(14,443)	(14,443)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	900	900
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	900	900
<b>Net change in fund balances</b>	-	-	(13,543)	(13,543)
<b>FUND BALANCES:</b>				
Beginning of year	138,743	138,743	138,743	-
End of year	\$ 138,743	\$ 138,743	\$ 125,200	\$ (13,543)

**City of Atwater, California**

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

**Aspenwood - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 14,686	\$ 14,686
Use of money and property	-	-	1,050	1,050
<b>Total revenues</b>	-	-	15,736	15,736
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	6,452	(6,452)
Capital outlay	-	-	72	(72)
<b>Total expenditures</b>	-	-	6,524	(6,524)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	9,212	9,212
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	732	732
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	732	732
<b>Net change in fund balances</b>	-	-	9,944	9,944
<b>FUND BALANCES:</b>				
Beginning of year	101,202	101,202	101,202	-
End of year	\$ 101,202	\$ 101,202	\$ 111,146	\$ 9,944

**City of Atwater, California**

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

**Applegate Ranch - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 7,150	\$ 7,150
Use of money and property	-	-	248	248
<b>Total revenues</b>	-	-	7,398	7,398
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	6,477	(6,477)
Capital outlay	-	-	26	(26)
<b>Total expenditures</b>	-	-	6,503	(6,503)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	895	895
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	750	750
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	750	750
<b>Net change in fund balances</b>	-	-	1,645	1,645
<b>FUND BALANCES:</b>				
Beginning of year	23,424	23,424	23,424	-
End of year	\$ 23,424	\$ 23,424	\$ 25,069	\$ 1,645

**City of Atwater, California**

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

**Reserve - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	132	132
<b>Total revenues</b>	-	-	132	132
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	252	(252)
<b>Total expenditures</b>	-	-	252	(252)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(120)	(120)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	74	74
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	74	74
<b>Net change in fund balances</b>	-	-	(46)	(46)
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	12,966	12,966	12,966	-
End of year	\$ 12,966	\$ 12,966	\$ 12,920	\$ (46)

**City of Atwater, California**

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

**CFD Districts - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ 484,557	\$ 484,557	\$ 563,061	\$ 78,504
Use of money and property	-	-	740	740
<b>Total revenues</b>	<b>484,557</b>	<b>484,557</b>	<b>563,801</b>	<b>79,244</b>
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	474,950	474,950	469,843	5,107
<b>Total expenditures</b>	<b>474,950</b>	<b>474,950</b>	<b>469,843</b>	<b>5,107</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,607</b>	<b>9,607</b>	<b>93,958</b>	<b>84,351</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<b>9,607</b>	<b>9,607</b>	<b>93,958</b>	<b>84,351</b>
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>			<b>(19,891)</b>	
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	114,541	114,541	114,541	-
End of year	\$ 124,148	\$ 124,148	\$ 188,608	\$ 84,351

**City of Atwater, California**

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

**Simon Annexation Lighting District - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	117	117
<b>Total revenues</b>	-	-	117	117
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	47	(47)
<b>Total expenditures</b>	-	-	47	(47)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	70	70
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	167	167
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	167	167
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	237	237
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>			11,199	
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 11,436	\$ 237



**City of Atwater, California**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual  
Simon Annexation Landscaping District - Maintenance District Special Revenue Fund  
For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	70	70
<b>Total revenues</b>	-	-	70	70
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	66	(66)
<b>Total expenditures</b>	-	-	66	(66)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	4	4
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	56	56
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	56	56
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	60	60
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>			6,606	
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 6,666	\$ 60

**City of Atwater, California**

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

**Juniper Meadows 2 Lighting District - Maintenance District Special Revenue Fund**

**For the year ended June 30, 2020**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 2,246	\$ 2,246
Use of money and property	-	-	44	44
<b>Total revenues</b>	-	-	2,290	2,290
<b>EXPENDITURES:</b>				
Current:				
Urban redevelopment and housing	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	2,290	2,290
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	84	84
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	84	84
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	-	-	2,374	2,374
<b>RESIDUAL EQUITY TRANSFER IN (OUT)</b>			2,086	
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 4,460	\$ 2,374

## INTERNAL SERVICE FUNDS

<b>Fund Type</b>	<b>Description</b>
Building Maintenance	Accounts for the activities of building maintenance, custodial service, and building modification projects on a City-wide basis.
Employee Benefits	Accounts for all activities for employee benefits that are provided by the City.
Risk Management Fund	Accounts for all activities of the City's self-insurance programs, the costs of which are distributed among designated user departments.
Information Technology Fund	Accounts for all activities of the City's computer networks, the costs of which are distributed among user departments using equitable formulas.

**City of Atwater, California**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2020**

ASSETS	<u>Building Maintenance</u>	<u>Employee Benefits</u>	<u>Risk Management</u>
<b>Current assets:</b>			
Cash and investments	\$ 458,421	\$ 973,506	\$ 683,383
Receivables:			
Accounts	2,343	8,629	8,872
Interest	945	2,450	1,423
Due from other funds	-	-	-
Prepaid expenses	-	4,341	-
<b>Total current assets</b>	<u>461,709</u>	<u>988,926</u>	<u>693,678</u>
<b>Noncurrent assets:</b>			
Capital assets, net	550,252	-	70,844
<b>Total noncurrent assets</b>	<u>550,252</u>	<u>-</u>	<u>70,844</u>
<b>Total assets</b>	<u>\$ 1,011,961</u> 535,608	<u>\$ 988,926</u>	<u>\$ 764,522</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 107,026	17,736	\$ 34,429
Accrued liabilities	7,805	866	-
Unearned revenue	-	-	-
Compensated absences - current portion	710	-	-
Due within one year - capital lease payable	-	-	-
<b>Total current liabilities</b>	<u>115,541</u>	<u>18,602</u>	<u>34,429</u>
<b>Noncurrent liabilities:</b>			
Compensated absences	18,771	-	455,883
<b>Total liabilities</b>	<u>134,312</u>	<u>18,602</u>	<u>490,312</u>
<b>Net Position:</b>			
Net investment in capital assets	550,252	-	70,844
Unrestricted	327,397	970,324	203,366
<b>Total net position</b>	<u>877,649</u>	<u>970,324</u>	<u>274,210</u>
<b>Total liabilities and net position</b>	<u>\$ 1,011,961</u>	<u>\$ 988,926</u>	<u>\$ 764,522</u>

<b>Information Technology</b>	<b>Totals</b>
\$ 254,168	\$ 2,369,478
767	20,611
505	5,323
-	-
-	4,341
<u>255,440</u>	<u>2,399,753</u>
176,837	797,933
<u>176,837</u>	<u>797,933</u>
<u>\$ 432,277</u>	<u>\$ 3,197,686</u>

\$ 59,470	\$ 218,661
4,507	13,178
-	-
6,321	7,031
-	-
<u>70,298</u>	<u>238,870</u>
-	474,654
<u>70,298</u>	<u>713,524</u>
176,837	797,933
<u>185,142</u>	<u>1,686,229</u>
<u>361,979</u>	<u>2,484,162</u>
<u>\$ 432,277</u>	<u>\$ 3,197,686</u>

**City of Atwater, California**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2020**

	<b>Building Maintenance</b>	<b>Employee Benefits</b>	<b>Risk Management</b>
<b>OPERATING REVENUES:</b>			
Interdepartmental charges	\$ 1,164,910	\$ 743,359	\$ 525,162
Other	-	52,818	102,441
<b>Total operating revenues</b>	<b>1,164,910</b>	<b>796,177</b>	<b>627,603</b>
<b>OPERATING EXPENSES:</b>			
Salaries and benefits	280,315	-	-
Contractual services	173,097	5,995	104,172
Materials and supplies	1,659	-	-
Repairs and maintenance	463,281	-	-
Insurance	-	678,028	863,863
Utilities	87,765	-	-
Other operating costs	-	31	7,019
Depreciation	49,096	-	3,269
<b>Total operating expenses</b>	<b>1,055,213</b>	<b>684,054</b>	<b>978,323</b>
<b>OPERATING INCOME (LOSS)</b>	<b>109,697</b>	<b>112,123</b>	<b>(350,720)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest revenue	4,724	10,326	6,225
<b>Total non-operating revenues (expenses)</b>	<b>4,724</b>	<b>10,326</b>	<b>6,225</b>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<b>114,421</b>	<b>122,449</b>	<b>(344,495)</b>
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>114,421</b>	<b>122,449</b>	<b>(344,495)</b>
<b>NET POSITION:</b>			
Beginning of year	763,228	847,875	618,705
End of year	<u>\$ 877,649</u>	<u>\$ 970,324</u>	<u>\$ 274,210</u>

<b>Information Technology</b>	<b>Totals</b>
\$ 602,581	\$ 3,036,012
-	155,259
<u>602,581</u>	<u>3,191,271</u>
166,238	446,553
210,150	493,414
-	1,659
-	463,281
-	1,541,891
-	87,765
178,639	185,689
59,556	111,921
<u>614,583</u>	<u>3,332,173</u>
<u>(12,002)</u>	<u>(140,902)</u>
2,176	23,451
<u>2,176</u>	<u>23,451</u>
(9,826)	(117,451)
-	-
-	-
<u>-</u>	<u>-</u>
(9,826)	(117,451)
371,805	2,601,613
<u>\$ 361,979</u>	<u>\$ 2,484,162</u>

**City of Atwater, California**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2020**

	<b>Building Maintenance</b>	<b>Employee Benefits</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from interfund services provided	\$ 1,168,725	\$ 789,977
Cash paid to suppliers for goods and services	(658,543)	(678,642)
Cash paid to employees for services	(277,457)	(947)
<b>Net cash provided (used) by operating activities</b>	<b>232,725</b>	<b>110,388</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
(Acquisition)/Disposal of capital assets	(63,740)	-
<b>Net cash (used) by capital and related financing activities</b>	<b>(63,740)</b>	<b>-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	5,209	11,715
<b>Net cash provided by investing activities</b>	<b>5,209</b>	<b>11,715</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>174,194</b>	<b>122,103</b>
<b>CASH AND CASH EQUIVALENTS:</b>		
Beginning of year	284,227	851,403
End of year	<b>\$ 458,421</b>	<b>\$ 973,506</b>
<b>Reconciliation of income from operations to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$ 109,697	\$ 112,123
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	49,096	-
(Increase) decrease in current assets:		
Accounts receivable	3,815	(6,200)
Prepaid expenses	-	(1,081)
Increase (decrease) in liabilities:		
Accounts payable	67,259	6,493
Accrued liabilities	(137)	(947)
Compensated absences	2,995	-
<b>Net cash provided by operating activities</b>	<b>\$ 232,725</b>	<b>\$ 110,388</b>



<b>Risk Management</b>	<b>Information Technology</b>	<b>Totals</b>
\$ 618,731	\$ 602,581	\$ 3,180,014
(968,852)	(364,436)	(2,670,473)
455,883	(155,410)	22,069
<u>105,762</u>	<u>82,735</u>	<u>531,610</u>
(2)	(13,967)	(77,709)
<u>(2)</u>	<u>(13,967)</u>	<u>(77,709)</u>
7,196	2,443	26,563
<u>7,196</u>	<u>2,443</u>	<u>26,563</u>
112,956	71,211	480,464
570,427	182,957	1,889,014
<u>\$ 683,383</u>	<u>\$ 254,168</u>	<u>\$ 2,369,478</u>
\$ (350,720)	\$ (12,002)	\$ (140,902)
3,269	59,556	111,921
(8,872)	-	(11,257)
-	-	(1,081)
6,202	24,353	104,307
-	4,507	3,423
455,883	6,321	465,199
<u>\$ 105,762</u>	<u>\$ 82,735</u>	<u>\$ 531,610</u>

**City of Atwater, California**  
**Combining Statement of Assets and Liabilities**  
Agency Funds  
June 30, 2020

	<b>Sec 125 Medical</b>	<b>Sec 125 Dep Care</b>	<b>Community Facilities District #1</b>	<b>Totals</b>
<b>ASSETS</b>				
Cash and investments	\$ 2,462	\$ 407	\$ 98,021	\$ 100,890
Receivables:				
Interest	-	-	269	269
Assessments	-	-	-	-
Due from other funds	-	-	407	407
<b>Total assets</b>	<b>\$ 2,462</b>	<b>\$ 407</b>	<b>\$ 98,697</b>	<b>\$ 101,566</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	407	-	407
Due to others	2,462	-	98,697	101,159
<b>Total liabilities</b>	<b>\$ 2,462</b>	<b>\$ 407</b>	<b>\$ 98,697</b>	<b>\$ 101,566</b>

**City of Atwater, California**  
**Combining Statement of Changes in Assets and Liabilities**  
Agency Funds  
For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>SECTION 125 MEDICAL</b>				
<b>ASSETS</b>				
Cash and investments	\$ 240	\$ 2,462	\$ (240)	\$ 2,462
Due from other funds	-	-	-	-
<b>Total assets</b>	<u>\$ 240</u>	<u>\$ 2,462</u>	<u>\$ (240)</u>	<u>\$ 2,462</u>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Due to (from) others	240	2,462	(240)	2,462
<b>Total liabilities</b>	<u>\$ 240</u>	<u>\$ 2,462</u>	<u>\$ (240)</u>	<u>\$ 2,462</u>
<b>SECTION 125 DEPENDENT CARE</b>				
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 407	\$ -	\$ 407
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 407</u>	<u>\$ -</u>	<u>\$ 407</u>
<b>LIABILITIES</b>				
Due to other funds	\$ -	\$ 407	\$ -	\$ 407
Due to (from) others	-	-	-	-
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ 407</u>	<u>\$ -</u>	<u>\$ 407</u>
<b>COMMUNITY FACILITIES DISTRICT #1</b>				
<b>ASSETS</b>				
Cash and investments	\$ 73,985	\$ 98,021	\$ (73,985)	\$ 98,021
Cash and investments held by trustees	-	-	-	-
Receivables:				
Interest	25	269	(25)	269
Assessments	2,373	-	(2,373)	-
Due from other funds	407	407	(407)	407
<b>Total assets</b>	<u>\$ 76,790</u>	<u>\$ 98,697</u>	<u>\$ (76,790)</u>	<u>\$ 98,697</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to (from) others	76,790	98,697	(76,790)	98,697
<b>Total liabilities</b>	<u>\$ 76,790</u>	<u>\$ 98,697</u>	<u>\$ (76,790)</u>	<u>\$ 98,697</u>

(continued)

**City of Atwater, California**  
**Combining Statement of Changes in Assets and Liabilities**  
Agency Funds  
For the year ended June 30, 2020

<b>TOTAL OF ALL AGENCY FUNDS</b>	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
<b>ASSETS</b>				
Cash and investments	\$ 74,225	\$ 100,890	\$ (74,225)	\$ 100,890
Cash and investments held by trustees	-	-	-	-
Receivables:				
Interest	25	269	(25)	269
Assessments	2,373	-	(2,373)	-
Due from other funds	407	407	(407)	407
<b>Total assets</b>	<u>\$ 77,030</u>	<u>\$ 101,566</u>	<u>\$ (77,030)</u>	<u>\$ 101,566</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	407	-	407
Due to (from) others	77,030	101,159	(77,030)	101,159
<b>Total liabilities</b>	<u>\$ 77,030</u>	<u>\$ 101,566</u>	<u>\$ (77,030)</u>	<u>\$ 101,566</u>

(concluded)

**SUPPLEMENTAL SCHEDULE**

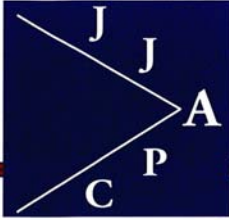
**City of Atwater, California**  
**Schedule of Debt Service Coverage**  
**June 30, 2020 and 2019**

The City has covenanted in the Installment Sale Agreement, to the extent permitted by law, to fix, prescribe and collect rates and charges for the Wastewater System, respectively, which will be at least sufficient to yield "Net Revenues" equal to 120% of debt service (including the Installment Payments and debt service on other Parity Debt) coming due and payable during such Fiscal Year.

	2020	2019
Service charges	\$ 11,046,791	\$ 11,532,410
Connection fees	194,707	72,527
Total service charges	<u>11,241,498</u>	<u>11,604,937</u>
Investment income	222,948	284,191
Other income	6,292	105
Total miscellaneous revenue	<u>229,240</u>	<u>284,296</u>
<b>Total Revenue</b>	<u>\$ 11,470,738</u>	<u>\$ 11,889,233</u>
Personnel costs	1,091,528	988,815
Supplies (1)	156,691	114,215
Professional Services (2)	1,714,967	1,600,594
Wastewater Treatment Plant Mgmt. Service (3)	2,009,526	1,904,105
Other Charges (1), (4)	370,781	326,209
<b>Total Operations and Maintenance</b>	<u>5,343,493</u>	<u>4,933,938</u>
<b>Net Revenue Available For Debt Service</b>	<u>\$ 6,127,245</u>	<u>\$ 6,955,295</u>
Debt service:		
2008 Wastewater Bond	\$ -	\$ 1,347,856
2010 Wastewater Bond	-	3,244,030
2011 Wastewater Bond	-	683,100
2017A Wastewater Revenue Refunding Bonds	3,372,519	-
2018A Wastewater Revenue Refunding Bonds	1,252,690	-
Total debt service	<u>\$ 4,625,209</u>	<u>\$ 5,274,986</u>
<b>Net Revenue After Debt Service</b>		
Calculated coverage	<u>1.32</u>	<u>1.32</u>
<b>Meets covenant restrictions</b>	<b>Yes</b>	<b>Yes</b>

**Notes:**

- (1) Includes Entries for Both Sewer Enterprise Fund and Wastewater Treatment Plant. Capital Expenses are funded by transfers from the Sewer Enterprise Capital Fund
- (2) Includes Communications, Utilities, Memberships, Subscriptions, Travel, Conference, Meetings, Training, Rents, Leases and Miscellaneous
- (3) Paid to Private Operator
- (4) Includes Equipment, Streets, Water, Parks and Building Maintenance



JJACPA, Inc.

A Professional Accounting Services Corp.

**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**

**Independent Auditor's Report**

To the Honorable Mayor and City Council  
of the City of Atwater  
Atwater, 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, the aggregate remaining fund information, and the budgetary comparison information of the City of Atwater (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 17, 2021.

**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 the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2020-01 that we consider to be significant deficiencies

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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.

March 17, 2021

*JJACPA, Inc.*  
**JJACPA, Inc.**  
**Dublin, CA**