In-person participation by the public will be permitted. In addition, remote public participation is available in the following ways:

1. *Livestream online at www.atwater.org (Please be advised that there is a broadcasting delay. If you would like to participate in public comment, please use the option below).*
2. *Submit a written public comment prior to the meeting: Public comments submitted to cityinfo@atwater.org by 4:00 p.m. on the day of the meeting will be distributed to the City Council, and made part of the official minutes but will not be read out loud during the meeting.*

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Persons requesting accommodation should contact the City in advance of the meeting, and as soon as possible, at (209) 357-6300.

CITY OF ATWATER

City Council

AGENDA

Council Chambers
750 Bellevue Road
Atwater, California

April 11, 2022

CALL TO ORDER: **5:00 PM**

ROLL CALL:

Ambriz ____, Button ____, Cale ____, Raymond ____, Creighton _____

CLOSED SESSION:

Adjourn to Conference Room A

- **Pursuant to Government Code Section 54956.8, Conference with Real Property Negotiator regarding price and terms of payment. Agency Negotiators: Public Works/Community Development Director Thompson and City Attorney Splendorio. Negotiating Parties: Kiranjeet Dhami, Bellevue Swimming Club Inc., and Roberto Hugo Carbajal**

  Property Locations: **1039 Atwater Blvd., APN 156-060-001**
  1089 Atwater Blvd., APN 156-060-011
  255 E. Bellevue Road, APN 156-060-014
  337 E. Bellevue Road, APN 156-060-009

- **Pursuant to Government Code Section 54957, Public Employment: Title: Public Works Director**

- **Conference with Labor Negotiator - Government Code Section 54957.6 Agency Negotiators: City Manager Waterman, Deputy City Manager Del Real, and City Attorney Splendorio; Unrepresented Employee: Public Works Director**

- **Conference with Labor Negotiators - Government Code Section 54957.6, Agency Negotiators: City Manager Waterman, Deputy City Manager Del Real, and City Attorney Splendorio, Bargaining Units: AFSCME Local 2703 - Clerical Employees Unit, Mid-Managers Group, and Miscellaneous Employees Unit**

- **Conference with Labor Negotiators - Government Code Section 54957.6, Agency Negotiators: City Manager Waterman, Deputy City Manager Del Real, and City Attorney Splendorio, Bargaining Units: Atwater Police Officers Association**

REGULAR SESSION: (Council Chambers)

CALL TO ORDER: **6:00 PM**

PLEDGE OF ALLEGIANCE TO THE FLAG:

INVOCATION:

Invocation by Pastor Rich Miller

ROLL CALL:

Ambriz ____, Button ____, Cale ____, Raymond ____, Creighton _____

MAYOR OR CITY ATTORNEY REPORT OUT FROM CLOSED SESSION:

SUBSEQUENT NEED ITEMS: (The City Clerk shall announce any requests for items requiring immediate action subsequent to the posting of the agenda. Subsequent need items require a two-thirds vote of the members of the City Council present at the meeting.)

APPROVAL OF AGENDA AS POSTED OR AS AMENDED: (This is the time for the City Council to remove items from the agenda or to change the order of the agenda.)

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

CEREMONIAL MATTERS:

- **Certificate of Recognition - Atwater High School CCC Student Athletes and Athletic Director**

  Staff's Recommendation: That Mayor Creighton and the City Council recognize the Atwater High School CCC Student Athletes and Athletic Director for their achievements.

*****CONSENT CALENDAR*****

NOTICE TO THE PUBLIC

Background information has been provided on all matters listed under the Consent Calendar, and these items are considered to be routine. All items under the Consent Calendar are normally approved by one motion. If discussion is requested on any item, that item will be removed from the Consent Calendar for separate action.

WARRANTS:

1. **April 11, 2022**

   Staff's Recommendation: Approval of warrants as listed.

MINUTES: (City Council)

2. March 28, 2022 - Regular meeting

Staff's Recommendation: Approval of minutes as listed.

MINUTES: (Audit and Finance Committee)

3. February 28, 2022 - Regular meeting

Staff's Recommendation: Acceptance of minutes as listed.

RESOLUTIONS:

4. Accepting intergovernmental transfer of police mobile command post vehicle from City of Grover Beach to the City of Atwater and authorizing its addition to the Police Department's Military Equipment List (Police Chief Salvador)

Staff's Recommendation: Adoption of Resolution No. 3307-22 accepting an intergovernmental transfer of a police mobile command post vehicle from the City of Grover Beach to the City of Atwater and authorizing its addition to the Police Department's Military Equipment List.

5. Approving Budget Amendment establishing budget in American Rescue Plan Act Fund and amending 5-Year Capital Improvement Program; and awarding General Construction Contract to Westside Landscape and Concrete for Sidewalk Repairs on Third Street and Atwater Boulevard (Public Works/Community Development Director Thompson)

Staff's Recommendation: Adoption of Resolution No. 3308-22 approving Budget Amendment No. 27 amending Fiscal Year 2021-22 Budget establishing budget in the American Rescue Plan Act Fund and amending the 5-Year Capital Improvement Program regarding the Third Street and Atwater Boulevard sidewalk, curb, and gutter repair; awards a General Construction Contract, in a form approved by the City Attorney, to Westside Landscape and Concrete, Inc. of Newman, California for sidewalk and gutter replacement on Atwater Boulevard and Third Street, in an amount not to exceed $59,988; authorizes and directs the City Manager to sign and affirm construction contract change orders up to an additional aggregate of $5,998.80 (10%); and authorizes and directs the City Manager, or her designee, to execute the Contract on behalf of the City.

ORDINANCES (WAIVING SECOND READING AND ADOPTION):

6. **Waiving the second reading and adopting an ordinance of the City Council amending Section 2.10.020(E) of the Atwater Municipal Code to Adjust the Boundaries of City Council Election Districts and to Confirm Such Revised Council District Boundaries** (City Attorney Splendorio)

   Staff's Recommendation: Waives the second reading and adopts Ordinance No. CS 1048 amending Section 2.10.020(E) of the Atwater Municipal Code to Adjust the Boundaries of City Council Election Districts and to Confirm Such Revised Council District Boundaries.

*****END OF CONSENT CALENDAR*****

REPORTS AND PRESENTATIONS FROM STAFF:

7. **Accepting City of Atwater's audited Financial Statements for Fiscal Year ended June 30, 2021 and related reports** (City Manager Waterman and Finance Director Youmara)

   Staff's Recommendation: Motion to accept City of Atwater's audited Financial Statements for Fiscal Year ended June 30, 2021, including related reports; and to authorize and direct the City Manager to file the Statements with the State of California Controller's Office and to the various institutions as appropriate; or

   Motion to approve staff's recommendation as presented.

8. **Presentation regarding Certified Municipal Clerk Certification** (Deputy City Clerk Thuang)

CITY MANAGER REPORTS/UPDATES:

9. **City Manager Updates**

COMMENTS FROM THE PUBLIC:

NOTICE TO THE PUBLIC

At this time any person may comment on any item which is not on the agenda. You may state your name and address for the record; however, it is not required. Action will not be taken on an item that is not on the agenda. If it requires action, it will be referred to staff and/or placed on a future agenda. Please limit comments to a maximum of three (3) minutes.

CITY COUNCIL MATTERS:

City Council comments

CLOSED SESSION:

Continuation of Closed Session if necessary

ADJOURNMENT:

CERTIFICATION:

I, Lucy Armstrong, City Clerk of the City of Atwater, do hereby certify that a copy of the foregoing agenda was posted at City Hall a minimum of 72 hours prior to the meeting.

Lucy Armstrong

LUCY ARMSTRONG
CITY CLERK

SB 343 NOTICE
In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting will be made available for public inspection in the office of the City Clerk at City Hall during normal business hours at 750 Bellevue Road.

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

In compliance with the federal Americans with Disabilities Act of 1990, upon request, the agenda can be provided in an alternative format to accommodate special needs. If you require special accommodations to participate in a City Council, Commission or Committee meeting due to a disability, please contact the City Clerk's Office a minimum of three (3) business days in advance of the meeting at (209) 357-6317. You may also send the request by email to larmstrong@atwater.org.

~ April 2022 ~

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
					1	2
3	4	5	6	7	8	9
10	11 City Council Meeting - 6:00 PM	12	13	14	15	16
17	18	19	20 Planning Commission Meeting - 6:00 PM	21	22	23
24	25 Audit & Finance Committee Meeting - 4:30 PM City Council Meeting - 6:00 PM	26	27	28 **Merced County District 3 Supervisor McDaniel Office Hours - 1:30 PM - 3:30 PM**	29	30

~ May 2022 ~

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5	6	7
8	9 City Council Meeting - 6:00 PM	10	11	12	13	14
15	16	17	18 Planning Commission Meeting - 6:00 PM	19	20	21
22	23 Audit & Finance Committee Meeting - 4:30 PM City Council Meeting - 6:00 PM	24	25	26 **Merced County District 3 Supervisor McDaniel Office Hours - 1:30 PM - 3:30 PM**	27	28
29	30 City Holiday Memorial Day Observed **Trash pick up delayed 1 day**	31				

WARRANTS SUMMARY FOR APRIL 11, 2022

TOTAL OF WARRANTS (FROM WARRANT REPORT)	$ 2,270,060.02

ADDITIONAL WARRANTS (THESE AMOUNTS ARE **NOT** INCLUDED IN TOTAL WARRANTS)

DATE	DESCRIPTION	AMOUNT
4/6/2022	Prewrittens included in this current warrant run	$ (3,462.71)
3/24/2022	PERS Retirement EFT 3/3/22-3/16/22	$ 47,984.78
3/28/2022	AFLAC-MAR 2022	$773.07
3/30/2022	Retiree Medical Reimbursement- APRIL 2022	$ 28,393.60
3/14/2022	PERS Health - APRIL 2022	$80,874.53
	TOTAL ADDITIONAL WARRANTS	$ 154,563.27

GRAND TOTAL OF WARRANTS PAID ========== $2,424,623.29

INFORMATIONAL ONLY (INCLUDED IN THE TOTAL WARRANTS TOTAL)

DATE	DESCRIPTION	AMOUNT	
3/24/2022	Net Payroll	$168,284.97	$232,528.37
3/24/2022	Federal Taxes	$57,070.40	
3/24/2022	State Taxes	$7,173.00	
3/24/2022	Payroll Deductions	$823.46	
3/24/2022	Net Payroll	$11,358.58	$13,267.46
3/24/2022	Federal Taxes	$1,908.88	
3/24/2022	State Taxes	$0.00	
3/24/2022	Payroll Deductions	$0.00	
	TOTAL INFORMATIONAL WARRANTS	$246,619.29	

CITY TREASURER

Accounts Payable

Checks for Approval

User: vnaranjo
Printed: 4/6/2022 - 2:05 PM

Prewrittens

City of Atwater
Community Pride City Wide
750 Bellevue Road, Atwater CA 95301

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
19318	03/28/2022	General Fund	Miscellaneous Union Dues	AFSCME DISTRICT COUNCIL 57		663.46
					Check Total:	663.46
19319	03/28/2022	General Fund	Garnishments	FRANCHISE TAX BOARD		160.00
					Check Total:	160.00
19320	03/30/2022	Employee Benefits Fund	Health Insurance, Retirees	DAVID CHURCH		1,679.46
					Check Total:	1,679.46
19321	03/30/2022	Employee Benefits Fund	Health Insurance, Retirees	GARY FRAGO		256.37
					Check Total:	256.37
19322	03/30/2022	Employee Benefits Fund	Health Insurance, Retirees	WILLIAM MARTIN		676.23
					Check Total:	676.23
19323	03/30/2022	Employee Benefits Fund	Health Insurance, Retirees	BILL SWALLEY		27.19
					Check Total:	27.19
					Report Total:	3,462.71

Accounts Payable

Checks for Approval

User: vnaranjo
Printed: 4/6/2022 - 11:56 AM

City of Atwater
Community Pride City Wide
750 Bellevue Road, Atwater CA 95301

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
0	04/11/2022	Sewer Enterprise Fund	Cash with Fiscal Agent	THE BANK OF NEW YORK MELLON		42,147.38
0	04/11/2022	Sewer Enterprise Fund	Cash with Fiscal Agent	THE BANK OF NEW YORK MELLON		52,916.63
0	04/11/2022	Sewer Enterprise Fund	Cash with Fiscal Agent	THE BANK OF NEW YORK MELLON		80,416.63
0	04/11/2022	Sewer Enterprise Fund	Cash with Fiscal Agent	THE BANK OF NEW YORK MELLON		195,361.45
					Check Total:	370,842.09
19329	04/11/2022	Water Enterprise Fund	Professional Services	ABS PRESORT, INC.		671.64
19329	04/11/2022	Sewer Enterprise Fund	Professional Services	ABS PRESORT, INC.		671.64
19329	04/11/2022	General Fund	Professional Services	ABS PRESORT, INC.		510.76
19329	04/11/2022	Sanitation Enterprise	Professional Services	ABS PRESORT, INC.		671.65
19329	04/11/2022	Water Enterprise Fund	Office Supplies	ABS PRESORT, INC.		1,166.67
19329	04/11/2022	Sewer Enterprise Fund	Office Supplies	ABS PRESORT, INC.		1,166.67
19329	04/11/2022	Sanitation Enterprise	Office Supplies	ABS PRESORT, INC.		1,166.66
					Check Total:	6,025.69
19330	04/11/2022	General Fund	Special Departmental Expense	AIRGAS NCN		203.89
					Check Total:	203.89
19331	04/11/2022	General Fund	Communications	AT and T - CALNET3		124.18
19331	04/11/2022	Northwood Village LD	Communications	AT and T - CALNET3		22.56
19331	04/11/2022	Meadow View LD	Communications	AT and T - CALNET3		22.56
19331	04/11/2022	Water Enterprise Fund	Communications	AT and T - CALNET3		246.48
19331	04/11/2022	Sewer Enterprise Fund	Communications	AT and T - CALNET3		337.77
19331	04/11/2022	Internal Service Fund	Communications	AT and T - CALNET3		546.47
					Check Total:	1,300.02
19332	04/11/2022	Employee Benefits Fund	Dental Insurance	BENEFIT COORDINATORS CORPORATION (BC		5,878.38
19332	04/11/2022	Employee Benefits Fund	Dental Insurance	BENEFIT COORDINATORS CORPORATION (BC		377.97
19332	04/11/2022	Employee Benefits Fund	Dental Insurance	BENEFIT COORDINATORS CORPORATION (BC		377.97
19332	04/11/2022	Employee Benefits Fund	Dental Insurance	BENEFIT COORDINATORS CORPORATION (BC		5,473.29
19332	04/11/2022	Employee Benefits Fund	Dental Insurance	BENEFIT COORDINATORS CORPORATION (BC		2,332.47
19332	04/11/2022	Employee Benefits Fund	Dental Insurance	BENEFIT COORDINATORS CORPORATION (BC		2,202.29

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		16,642.37
19333	04/11/2022	Sewer Enterprise Fund	Special Departmental Expense	BIG CREEK LUMBER COMPANY		16.47
19333	04/11/2022	Sewer Enterprise Fund	Special Departmental Expense	BIG CREEK LUMBER COMPANY		25.21
				Check Total:		41.68
19334	04/11/2022	Water Enterprise Fund	Professional Services	BSK ASSOCIATES		168.00
19334	04/11/2022	Water Enterprise Fund	Professional Services	BSK ASSOCIATES		19.00
				Check Total:		187.00
19335	04/11/2022	General Fund	Training	CACEO		500.00
				Check Total:		500.00
19336	04/11/2022	General Fund	Professional Services	CDCE, INC.		3,540.00
				Check Total:		3,540.00
19337	04/11/2022	General Fund	Uniform & Clothing Expense	CINTAS		12.32
19337	04/11/2022	Gas Tax/Street Improvement	Uniform & Clothing Expense	CINTAS		28.32
19337	04/11/2022	Water Enterprise Fund	Uniform & Clothing Expense	CINTAS		41.83
19337	04/11/2022	Sewer Enterprise Fund	Uniform & Clothing Expense	CINTAS		52.13
19337	04/11/2022	Sanitation Enterprise	Uniform & Clothing Expense	CINTAS		4.82
19337	04/11/2022	Internal Service Fund	Special Departmental Expense	CINTAS		17.75
19337	04/11/2022	Internal Service Fund	Uniform & Clothing Expense	CINTAS		15.02
19337	04/11/2022	Internal Service Fund	Uniform & Clothing Expense	CINTAS		12.53
				Check Total:		184.72
19338	04/11/2022	General Fund	Training	CITY OF FRESNO-POLICE DEPT		606.00
19338	04/11/2022	General Fund	Training	CITY OF FRESNO-POLICE DEPT		606.00
19338	04/11/2022	General Fund	Training	CITY OF FRESNO-POLICE DEPT		606.00
19338	04/11/2022	General Fund	Training	CITY OF FRESNO-POLICE DEPT		606.00
19338	04/11/2022	General Fund	Training	CITY OF FRESNO-POLICE DEPT		606.00
				Check Total:		3,030.00
19339	04/11/2022	General Fund	Training	CITY OF TURLOCK		700.00
				Check Total:		700.00
19340	04/11/2022	Gas Tax/Street Improvement	Special Departmental Expense	CONSOLIDATED ELECTRICAL DISTRIBUTORS		464.78
				Check Total:		464.78
19341	04/11/2022	General Fund	Professional Services	CSG CONSULTANTS, INC.		7,696.00
19341	04/11/2022	General Fund	Inspection Fees	CSG CONSULTANTS, INC.		4,623.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		12,319.00
19342	04/11/2022	Internal Service Fund	Professional Services	DELRAY TIRE		35.00
19342	04/11/2022	Internal Service Fund	Operations & Maintenance	DELRAY TIRE		797.20
19342	04/11/2022	Internal Service Fund	Professional Services	DELRAY TIRE		70.00
19342	04/11/2022	Internal Service Fund	Operations & Maintenance	DELRAY TIRE		902.29
				Check Total:		1,804.49
19343	04/11/2022	Public Safety Trans & Use Tax	Professional Services	DEPT.OF FORESTRY & FIRE PROTECTION		706,230.66
				Check Total:		706,230.66
19344	04/11/2022	General Fund	Uniform & Clothing Expense	ENTENMANN-ROVIN CO.		150.00
				Check Total:		150.00
19345	04/11/2022	Water Enterprise Fund	Special Departmental Expense	EWING IRRIGATION PRODUCTS INC.		62.71
				Check Total:		62.71
19346	04/11/2022	General Fund	Office Supplies	FEDERAL EXPRESS		117.49
				Check Total:		117.49
19347	04/11/2022	Water Enterprise Fund	Professional Services	FIDELITY NATIONAL TITLE		500.00
				Check Total:		500.00
19348	04/11/2022	General Fund	SMI Tax	PATRICK R. FIELD		110.50
19348	04/11/2022	General Fund	SB 1473	PATRICK R. FIELD		34.00
19348	04/11/2022	General Fund	Building Permits	PATRICK R. FIELD		187.00
19348	04/11/2022	General Fund	Building Permits	PATRICK R. FIELD		7,767.00
				Check Total:		8,098.50
19349	04/11/2022	ARPA-American Rescue Plan Act	City Bldg - Civic Center #1	FORENSIC ANALYTICAL CONSULTING SERVI		1,174.00
				Check Total:		1,174.00
19350	04/11/2022	Water Enterprise Fund	Special Departmental Expense	GRAINGER, INC.		990.99
19350	04/11/2022	1,2,3-TCP Fund	Professional Services	GRAINGER, INC.		153.41
				Check Total:		1,144.40
19351	04/11/2022	General Fund	Professional Services	JLB TRAFFIC ENGINEERING, INC		316.91
19351	04/11/2022	Gas Tax/Street Improvement	Professional Services	JLB TRAFFIC ENGINEERING, INC		43.05
				Check Total:		359.96
19352	04/11/2022	Sewer Enterprise Fund	Special Departmental Expense	JORGENSEN COMPANY		967.20

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
19352	04/11/2022	Sewer Enterprise Fund	Special Departmental Expense	JORGENSEN COMPANY		233.84
19352	04/11/2022	Sewer Enterprise Fund	Professional Services	JORGENSEN COMPANY		65.00
				Check Total:		1,266.04
19353	04/11/2022	Water Enterprise Fund	Special Departmental Expense	KELLOGG'S SUPPLY		476.31
19353	04/11/2022	Water Enterprise Fund	Special Departmental Expense	KELLOGG'S SUPPLY		790.01
19353	04/11/2022	Water Enterprise Fund	Special Departmental Expense	KELLOGG'S SUPPLY		-755.59
19353	04/11/2022	Water Enterprise Fund	Special Departmental Expense	KELLOGG'S SUPPLY		474.14
				Check Total:		984.87
19354	04/11/2022	Internal Service Fund	Operations & Maintenance	LATTA'S AUTO SUPPLY		76.72
				Check Total:		76.72
19355	04/11/2022	Internal Service Fund	Operations & Maintenance	LAWSON PRODUCTS		460.19
				Check Total:		460.19
19356	04/11/2022	General Fund	Miscellaneous	LOOMIS DEPT. 0757		985.73
				Check Total:		985.73
19357	04/11/2022	Internal Service Fund	Operations & Maintenance	MCAULEY MOTORS		5.02
19357	04/11/2022	Internal Service Fund	Operations & Maintenance	MCAULEY MOTORS		207.32
				Check Total:		212.34
19358	04/11/2022	General Fund	Training	ADOLFO MORALES		48.46
				Check Total:		48.46
19359	04/11/2022	Gas Tax/Street Improvement	Small Tools	O'REILLY AUTO PARTS		51.94
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		86.06
19359	04/11/2022	Sewer Enterprise Fund	Special Departmental Expense	O'REILLY AUTO PARTS		15.66
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		20.46
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		6.16
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		137.13
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		100.43
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		48.96
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		9.19
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		52.18
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		100.42
19359	04/11/2022	Internal Service Fund	Operations & Maintenance	O'REILLY AUTO PARTS		10.65
				Check Total:		639.24
19360	04/11/2022	General Fund	Utilities	PACIFIC GAS & ELECTRIC		584.20
19360	04/11/2022	General Fund	Utilities	PACIFIC GAS & ELECTRIC		789.26

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
19360	04/11/2022	Gas Tax/Street Improvement	Utilities	PACIFIC GAS & ELECTRIC		136.52
19360	04/11/2022	Water Enterprise Fund	Utilities	PACIFIC GAS & ELECTRIC		12,107.31
19360	04/11/2022	Sewer Enterprise Fund	Utilities	PACIFIC GAS & ELECTRIC		1,405.44
				Check Total:		15,022.73
19361	04/11/2022	Sewer Enterprise Fund	Professional Services	A.M. PECHE & ASSOC. LLC		2,579.54
				Check Total:		2,579.54
19362	04/11/2022	Water Enterprise Fund	Accounts Payable	CONNIE PENA		324.57
19362	04/11/2022	Sewer Enterprise Fund	Accounts Payable	CONNIE PENA		411.62
19362	04/11/2022	Sanitation Enterprise	Accounts Payable	CONNIE PENA		47.07
19362	04/11/2022	Sanitation Enterprise	Accounts Payable	CONNIE PENA		151.03
				Check Total:		934.29
19363	04/11/2022	General Fund Capital	Phase 3 Ped Imp Proj Downtown	PRECISION ENGINEERING, INC.		378.47
19363	04/11/2022	Measure V 20% AlternativeModes	Phase 3 Ped Imp Proj Downtown	PRECISION ENGINEERING, INC.		49.03
				Check Total:		427.50
19364	04/11/2022	General Fund	Training	PRI MANAGEMENT GROUP		518.00
				Check Total:		518.00
19365	04/11/2022	SB1-Road Maint & Rehab RMRA	Broadway Traffic Retasking	QUAD KNOPF		125.00
				Check Total:		125.00
19366	04/11/2022	Gas Tax/Street Improvement	Special Departmental Expense	SAFE-T-LITE		270.84
				Check Total:		270.84
19367	04/11/2022	General Fund	Evidence Room Funds	ERNESTINE SANCHEZ		1,501.00
				Check Total:		1,501.00
19368	04/11/2022	General Fund	Special Departmental Expense	HENRY SCHEIN, INC.		2,468.54
				Check Total:		2,468.54
19369	04/11/2022	Gas Tax/Street Improvement	Special Departmental Expense	SHERWIN-WILLIAMS CO.		312.14
				Check Total:		312.14
19370	04/11/2022	Gas Tax/Street Improvement	Professional Services	SIERRA AIRLESS		190.62
				Check Total:		190.62
19371	04/11/2022	General Fund	Training	THIRD DEGREE COMMUNICATIONS		1,050.00

Check Number	Check Date	Fund Name	Account Name	Vendor Name	Void	Amount
				Check Total:		1,050.00
19372	04/11/2022	Information Technology Fund	Special Departmental Expense	TPX COMMUNICATIONS		5,177.54
				Check Total:		5,177.54
19373	04/11/2022	Employee Benefits Fund	Health Reimbursements	UNUM LIFE INSURANCE		976.37
19373	04/11/2022	Employee Benefits Fund	Health Reimbursements	UNUM LIFE INSURANCE		161.08
				Check Total:		1,137.45
19374	04/11/2022	General Fund	Youth Basketball	URBAN ILLUSTRATORS		5,455.80
				Check Total:		5,455.80
19375	04/11/2022	General Fund	Communications	VERIZON WIRELESS		560.14
				Check Total:		560.14
19376	04/11/2022	General Fund	Special Departmental Expense	VINCENT COMMUNICATIONS, INC		535.36
				Check Total:		535.36
19377	04/11/2022	Employee Benefits Fund	Vision Insurance	VISION SERVICE PLAN (CA)		1,002.06
				Check Total:		1,002.06
19378	04/11/2022	1,2,3-TCP Fund	Project Retention	W.M. LYLES COMPANY		-57,211.81
19378	04/11/2022	1,2,3-TCP Fund	TCP Remediation Project	W.M. LYLES COMPANY		1,144,236.26
				Check Total:		1,087,024.45
19379	04/11/2022	Sewer Enterprise Fund	Special Departmental Expense	WINTON HARDWARE		1.71
19379	04/11/2022	General Fund	Special Departmental Expense	WINTON HARDWARE		5.56
				Check Total:		7.27
				Report Total:		2,266,597.31

CITY OF ATWATER

CITY COUNCIL

ACTION MINUTES

March 28, 2022

REGULAR SESSION: (Council Chambers)

The City Council of the City of Atwater met in Regular Session this date at 6:03 PM in the City Council Chambers located at the Atwater Civic Center, 750 Bellevue Road, Atwater, California and on Zoom; Mayor Creighton presiding.

PLEDGE OF ALLEGIANCE TO THE FLAG:

The Pledge of Allegiance was led by Adam Reed.

INVOCATION:

The Invocation was led by John Motz.

ROLL CALL:

Present:	***City Council Members Ambriz, Button, Raymond, Mayor Pro Tem Cale, Mayor Creighton***
Absent:	***None***
Staff Present:	***City Manager Waterman, City Attorney Splendorio (via teleconference), CAL FIRE Battalion Chief Ayuso, Police Chief Salvador, Public Works/Community Development Director Thompson, Finance Director Youmara, Deputy City Clerk Martin***

SUBSEQUENT NEED ITEMS: ***None***

APPROVAL OF AGENDA AS POSTED OR AS AMENDED:

MOTION: ***City Council Member Raymond moved to approve the agenda as posted. The motion was seconded by Mayor Pro Tem Cale and the vote was: Ayes: Button, Cale, Raymond, Ambriz, Creighton; Noes: None; Absent: None. The motion passed.***

CEREMONIAL MATTERS:

Ceremonial Presentation with Engie Services U.S. to Old Town Atwater

Engie Services U.S. made the presentation to Old Town Atwater.

PRESENTATIONS:

Monthly report by Merced County District 3 Supervisor McDaniel

Merced County District 3 Supervisor McDaniel reported the following:

- ***Mobile district office hours are 1:30 PM – 3:30 PM on the fourth Thursday of each month at the Atwater Community Center.***

Merced County District 3 Supervisor McDaniel and Merced County Community and Economic Development Director Mark Hendrickson presented a PowerPoint presentation detailing the Castle Rail District Project which includes the board vision, the current partnership and overview of Patriot Rail, future plans, and the next steps. They also addressed concerns of the City Council regarding project costs, logistics, and the traffic impacts.

CONSENT CALENDAR:

Agenda item #6 under Resolutions, "Authorizing submittal of grant application to California Department of Parks and Recreation for Per Capita Grant Program and approving Budget Amendment establishing revenue and expense account for Per Capita Grant Funds" and Agenda item #7 under Agreements, "Approving On-Call Professional Services Agreements with various consultants for Construction/Project Management Services" were removed from the Consent Calendar for separate discussion and possible action.

MOTION: ***Mayor Pro Tem Cale moved to approve the Consent Calendar as amended. The motion was seconded by City Council Member Ambriz and the vote was: Ayes: Raymond, Button, Cale, Ambriz, Creighton; Noes: None; Absent: None. The motion passed.***

WARRANTS:

1. March 28, 2022

ACTION: Approval of warrants as listed.

TREASURER'S REPORT:

2. February 28, 2022

ACTION: Approval of report as listed.

MINUTES: (City Council)

3. March 14, 2022 – Regular meeting

ACTION: Approval of minutes as listed.

MINUTES: (Planning Commission)

4. a) February 16, 2022 – Regular meeting
   b) February 24, 2022 – Adjourned meeting

ACTION: Acceptance of minutes as listed.

RESOLUTIONS:

5. Waiving electoral requirement for General Plan Technical Advisory Committee (Public Works/Community Development Director Thompson)

ACTION: Adoption of Resolution No. 3306-22 waiving the electoral requirement for the General Plan Technical Advisory Committee in relation to the three at large, technical members.

6. Authorizing submittal of grant application to California Department of Parks and Recreation for Per Capita Grant Program and approving Budget Amendment establishing revenue and expense account for Per Capita Grant Funds (Public Works/Community Development Director Thompson)

This item was removed from the Consent Calendar for separate discussion and possible action.

AGREEMENTS:

7. Approving On-Call Professional Services Agreements with various consultants for Construction/Project Management Services (Public Works/Community Development Director Thompson)

This item was removed from the Consent Calendar for separate discussion and possible action.

8. Approving Improvement Agreement with Atwater Elementary School District for public improvements related to construction of new elementary school (Public Works/Community Development Director Thompson)

ACTION: Approval of the Improvement Agreement, in a form approved by the City Attorney, with the Atwater Elementary School District for public improvements related to the construction of a new elementary school; and authorizes and directs the City Manager, or her designee, to execute the Agreement on behalf of the City.

9. Approving Memorandum of Understanding with County of Merced for Merced County Operational Area Technical Rescue Team (CAL FIRE Battalion Chief Ayuso)

ACTION: Approval of the Memorandum of Understanding, in a form approved by the City Attorney, with the County of Merced for the Merced County Operational Area Technical Rescue Team; and authorizes and directs the City Manager, or his or her designee, to execute any and all documents related to the Memorandum of Understanding on behalf of the City.

10. Awarding General Construction Contract to Straight Edge Roofing for installation of new roof at future City Administration Building (Thompson)

ACTION: Awards a General Construction Contract, in a form approved by the City Attorney, to Straight Edge Roofing of Atwater, California for the installation of a new roof and gutters at the future City Administration Building at 1160 Fifth Street, in an amount not to exceed $39,950; authorizes and directs the City Manager to sign and affirm construction contract change orders up to an additional aggregate of $3,995.00 (10%); and authorizes and directs the City Manager, or her designee, to execute the Contract on behalf of the City.

11. Waiving the Formal Procurement Process and Awarding a Sole Source Purchase to Tesco Controls, Inc. for upgrades to the SCADA Hardware and Software (Public Works/Community Development Director Thompson)

ACTION: ***Waives the Formal Procurement Process and awards a sole source purchase to Tesco Controls, Inc. of Sacramento, CA for upgrades to the City SCADA hardware and software, in an amount not to exceed $249,500; and authorizes and directs the City Manager to execute the Purchase Order on behalf of the City.***

12. Approving Cooperative Agreement with Comcast Business Communications, LLC for the installation of Internet Services at future City Administration Building (City Manager Waterman)

ACTION: ***Approval of the Cooperative Agreement, in a form approved by the City Attorney, with Comcast Business Communications, LLC of Philadelphia, Pennsylvania, for the installation of internet services at the future City Administration building, in an amount not to exceed $47,000; and authorizes and directs the City Manager to execute the Agreement on behalf of the City.***

ORDINANCES (WAIVING SECOND READING AND ADOPTION):

13. Waiving the second reading and adoption of an ordinance of the City Council adopting a Military Equipment Use Policy and adding said Policy to the Atwater Police Department Policy Manual (Police Chief Salvador)

ACTION: ***Waives the second reading and adopts Ordinance No. CS 1045 adopting a Military Equipment Use Policy and adding said Policy to the Atwater Police Department Policy Manual.***

14. Waiving the second reading and adopting an ordinance of the City Council amending Section 8.16, “Solid Waste, Recyclables, and Organic Waste Collection,” of Title 8, “Health and Safety,” of the Atwater Municipal Code (Public Works/Community Development Director Thompson)

ACTION: ***Waives the second reading and adopts Ordinance No. CS 1047 amending Section 8.16, “Solid Waste, Recyclables, and Organic Waste Collection,” of Title 8, “Health and Safety,” of the Atwater Municipal Code.***

RESOLUTIONS:

Authorizing submittal of grant application to California Department of Parks and Recreation for Per Capita Grant Program and approving Budget Amendment establishing revenue and expense account for Per Capita Grant Funds (Public Works/Community Development Director Thompson)

Public Works/Community Development Director Thompson, City Manager Waterman, and City Attorney Splendorio provided background information on this item and addressed concerns of the City Council regarding the choice of project options, total project cost, timeframe, deadlines, disadvantaged areas, and the application process.

City Council Member Button stated he is against voting on this item at this meeting due to not having more time to discuss the different options.

City Council Member Raymond agreed with City Council Member Button's comments.

MOTION: ***Mayor Pro Tem Cale moved to choose option B; and adoption of Resolution No. 3304-22 approving the submittal of grant application to California Department of Parks and Recreation for Per Capita Grant funds; and adoption of Resolution No. 3305-22 approving Budget Amendment No. 26 amending Fiscal Year 2021-22 Budget to establish a revenue and expense account for Per Capita Grant funds; and authorizes and directs the City Manager, or her designee, to serve as the City's authorized representative to execute all documents on behalf of the City. The motion was seconded by City Council Member Ambriz and the vote was: Ayes: Ambriz, Cale, Creighton; Noes: Button, Raymond; Absent: None. The motion passed.***

AGREEMENTS:

Approving On-Call Professional Services Agreements with various consultants for Construction/Project Management Services (Public Works/Community Development Director Thompson)

City Manager Waterman provided background information on this item.

MOTION: ***City Council Member Ambriz moved to approve the Professional Services On-Call Master Agreements, in a form approved by the City Attorney, with GHD, Inc. of Fresno, California, Griffin Structures of Irvine, California, Precision Civil Engineering, Inc. of Fresno, California, Premier Management Group of Roseville, California, and Quad Knopf, Inc. of Merced, California for construction/project management services, in an amount not to exceed $200,000 per Task Order and Agreement; and authorizes and directs the City Manager, or her designee, to execute the Agreements on behalf of the City. The motion was seconded by City Council Member Raymond and the vote was: Ayes: Button,***

Ambriz, Cale, Raymond, Creighton; Noes: None; Absent: None. The motion passed.

PUBLIC HEARINGS:

Consideration of Revised City Council District Electoral Boundaries as Required by Elections Code Section 21601 and Ordinance Amendment Adjusting Council District Boundaries (City Attorney Splendorio)

City Attorney Splendorio provided background information on this item.

Henry Castillo of Best Best & Krieger LLP presented a PowerPoint presentation detailing the 2021-22 redistricting process which includes redistricting rules and goals, and existing districts and district boundaries. He also presented the final map considerations for map option 1 along with its findings.

Mayor Creighton opened the public hearing to receive public input on district boundaries and the proposed ordinance.

One person asked for clarification regarding the notification process of district changes and polling locations.

Henry Castillo of Best Best & Krieger LLP addressed concerns of the public regarding the notification process of district changes and polling locations.

No one else came forward to speak, and Mayor Creighton Closed the public hearing.

MOTION: City Council Member Ambriz moved to waive the first reading (by title only) and introduce an Ordinance entitled, An Ordinance of the City Council of the City of Atwater, California Amending Section 2.10.020(E) of the Atwater Municipal Code to Adjust the Boundaries of City Council Election Districts and to Confirm Such Revised Council District Boundaries. The motion was seconded by City Council Member Button and the vote was: Ayes: Raymond, Ambriz, Button, Cale, Creighton; Noes: None; Absent: None. The motion passed.

REPORTS AND PRESENTATIONS FROM STAFF:

Fire Department 2021 Annual Report (CAL FIRE Battalion Chief Ayuso)

CAL FIRE Battalion Chief Ayuso presented a PowerPoint presentation and reported on the following:

- ***The organizational structure of the Atwater Fire Department and the City's contract with CAL FIRE to provide services include eleven paid employees. Two battalion chiefs, four captains, and five engineers.***
- ***Daily staffing levels include one battalion chief and two personnel at***

Station 41 and Station 42.

- ***The Reserve Firefighter Program currently has five active reserves.***

- ***The Fire Department's equipment and fire trucks and commented on the Fire Department's current capabilities and limitations.***

- ***Station 41 received 2,868 calls and Station 42 received 1,859 calls in 2021 pertaining to structure fires, vegetation fires, other fires, vehicle accidents, and medical aids/public assists. Calls received regarding other fires were up 3% and vehicle accidents were up 30% from 2020.***

- ***The Fire Department met the SB 1205 State Mandate and completed inspections on 220 apartments, 227 businesses, 17 schools, and 26 assemblies.***

- ***Accomplishments of the Fire Department in 2021 include the new engine put in service at Station 41, the purchase of a second set of battery-operated extrication equipment on OTS grant and a forcible entry prop, the Memorandum of Understanding entered with the Merced County Hazardous Materials Team, securing grant funding opportunities to reimburse COVID-19 related purchases, and the completion of the annual Ladder Truck Academy.***

CITY MANAGER REPORTS/UPDATES:

City Manager Updates

City Manager Waterman had nothing to report.

COMMENTS FROM THE PUBLIC:

Notice to the public was read.

One person thanked CAL FIRE Battalion Chief Ayuso and the Fire Department for their service to the community and spoke regarding the need for additional staffing for the Fire Department.

No one else came forward to speak.

CITY COUNCIL MATTERS:

City Council comments

City Council Member Button reminded the community to drive carefully near Osborn Park because of the current Atwater Little League games and to attend the upcoming City Easter Egg Hunt on April 9, 2022 from 10:00 AM – 12:00 PM at Veterans Park. He also clarified that his previous statement made regarding agenda item #6 was not directed towards staff's efforts in preparing the item.

City Council Member Raymond had nothing to report.

Mayor Pro Tem Cale wished the community a Happy Easter.

City Council Member Ambriz thanked staff for their presentations and for the recent alleyway clean-up on Olive Avenue. He also spoke regarding the creation of a plan for future alleyway clean-ups.

Mayor Creighton reminded the community of the upcoming City Easter Egg Hunt on April 9, 2022 at Veterans Park and commended staff for the recent alleyway cleanup on Olive Avenue. He also spoke regarding the need for nighttime police patrols in the downtown district and commented on the Russia-Ukraine war.

ADJOURNMENT:

Mayor Creighton adjourned the meeting at 7:34 PM.

_____

JANELL MARTIN
DEPUTY CITY CLERK

By: Leslie Thuang
Recording Secretary

CITY OF ATWATER

REGULAR MEETING
AUDIT AND FINANCE COMMITTEE

ACTION MINUTES

February 28, 2022

The City of Atwater Audit and Finance Committee met in Regular Session this date at 4:37 PM in the City Council Chambers located at the Atwater Civic Center, 750 Bellevue Road, Atwater, California; Committee Chair Ambriz presiding.

PLEDGE OF ALLEGIANCE OF THE FLAG: ***Deferred to Regular Council Meeting.***

ROLL CALL:

Present:	***Committee Chair Ambriz, Committee Vice Chair Button, Committee Member Borba***
Absent:	***None***
Staff Present:	***City Manager Waterman, Finance Director Youmara***

APPROVAL OF AGENDA AS POSTED OR AS AMENDED:

MOTION: ***Vice Chair Button moved to approve the agenda as posted. The motion was seconded by Committee Member Borba and the vote was: Ayes: Button, Borba, Ambriz; Noes: None. The motion passed.***

SUBSEQUENT NEED ITEMS:

None to report.

MINUTES:

January 24, 2022 – Regular meeting

MOTION: ***Vice Chair Button moved to approve the minutes as listed. The motion was seconded by Committee Chair Ambriz and the vote was: Ayes: Borba, Button, Ambriz Noes: None. The motion passed.***

FUNDING AND BUDGET MATTERS:

Treasurer's Report for the month ending January 31, 2022 (City Treasurer Borba)

***MOTION:* Committee Chair Ambriz moved to approve the January 31, 2022 Treasurer's Report as listed. The motion was seconded by Committee Vice Chair Button and the vote was: Ayes: Button, Ambriz; Noes: None. The motion passed.**

REPORTS AND PRESENTATIONS FROM STAFF:

Verbal presentation on MuniServices' 3rd Quarter 2021 Report on Sales Tax and Business Activity for the City of Atwater. (Finance Director Youmara)

***Finance Director Youmara updated Committee on the* MuniServices' 3rd Quarter 2021 Report on Sales Tax and Business Activity for the City of Atwater.**

No action requested. Informational item only.

COMMENTS FROM THE PUBLIC:

No one came forward to speak.

COMMITTEE MEMBER COMMENTS:

None to report.

ADJOURNMENT:

Committee Chair Ambriz adjourned the meeting at 4:48 PM.

DANNY AMBRIZ
COMMITTEE CHAIR

By: Delilah Youmara
Finance Director

CITY COUNCIL
AGENDA REPORT

CITY COUNCIL

Paul Creighton, Mayor
Danny Ambriz — Tyler Button
John Cale — Brian Raymond

MEETING DATE: April 11, 2022
TO: Mayor and City Council
FROM: Michael Salvador, Police Chief
PREPARED BY: Michael Salvador, Police Chief
SUBJECT: **Accepting intergovernmental transfer of police mobile command post vehicle from City of Grover Beach to the City of Atwater and authorizing its addition to the Police Department's Military Equipment List** (Police Chief Salvador)

RECOMMENDED COUNCIL ACTION

Adoption of Resolution No. 3307-22 accepting an intergovernmental transfer of a police mobile command post vehicle from the City of Grover Beach to the City of Atwater and authorizing its addition to the Police Department's Military Equipment List.

I. BACKGROUND/ANALYSIS:

The City of Atwater Police Department is always searching for equipment to increase its efficiency and provide the highest quality of service. The Police Department was made aware of an asset that would suit that purpose. The City of Grover Beach has received a new crime scene/emergency command post vehicle and has made available its current command post vehicle for an intergovernmental transfer. Currently, the Police Department does not have a command post vehicle for major events (i.e. July 4th Activities) and must rely upon a regional asset if available. This vehicle is a fully equipped vehicle that has storage, environmental equipment and communications gear to allow for the ability to manage events and provide a temporary dispatch center in the event that the current dispatch center needs to be relocated. This vehicle also has the capability to deploy to major crime scenes with the resources necessary to fully support a major investigation in all weather conditions. This vehicle would replace the smaller crime scene van the department currently uses.

The vehicle is a 1994 Chevy box truck with 17,024 miles currently. It is outfitted with emergency equipment including VHf/UHF radios, computers and internet routers. The side of the vehicle has a compartment and wiring for a TV display station. There are external lights mounted on the vehicle for nighttime operations.

The vehicle has been well maintained and is a major upgrade in department capabilities for a variety of public safety situations that the department experiences.

Staff recommends a finding that this piece of equipment is necessary for the department to carry out its mission and the City Council authorizes its addition to the Police Department's Military Equipment Policy (Policy 710).

II. FISCAL IMPACTS:

The City of Grover Beach is offering the command post vehicle to the City of Atwater at no cost. This item has been reviewed by the Finance Department.

III. LEGAL REVIEW:

This item has been reviewed by the City Attorney's Office.

IV. EXISTING POLICY:

Pursuant to the recently passed AB481, this piece of equipment is defined as military equipment. Prior to taking possession of the vehicle, the City Council must approve the acquisition and the addition of the equipment to the Police Department's authorized military equipment policy (Policy 710).

V. ALTERNATIVES:

N/A

VI. INTERDEPARTMENTAL COORDINATION:

N/A

VII. PUBLIC PARTICIPATION:

N/A

VIII. ENVIRONMENTAL REVIEW:

This item is not considered a “project” under the California Environmental Quality Act (CEQA) pursuant to section 15060(c)(2) and (3) and 15061(b)(3) of the State CEQA Guidelines. This item will not result in a direct or foreseeable indirect physical change in the environment as it does not authorize the construction of any new structures or other physical changes to the environment.

IX. STEPS FOLLOWING APPROVAL:

Coordinate the transfer with the City of Grover Beach and the addition of the asset to the City's inventory.

Submitted by:

Michael Salvador, Police Chief

Approved by:

Lori Waterman, City Manager

Attachments:

1. Resolution No. 3307-22 Authorizes Acquisition of Mobile Command Post for Atwater Police Department
2. Photograph of Command Post 1
3. Photograph of Command Post 2
4. Photograph of Command Post 3

CITY COUNCIL
OF THE
CITY OF ATWATER

RESOLUTION NO. 3307-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATWATER ACCEPTING AN INTERGOVERNMENTAL TRANSFER OF A POLICE MOBILE COMMAND POST VEHICLE FOR THE ATWATER POLICE DEPARTMENT AND AUTHORIZING ITS ADDITION TO THE POLICE DEPARTMENT'S MILITARY EQUIPMENT LIST

WHEREAS, effective January 1, 2022, Assembly Bill 481 (AB 481 or the Bill), codified in Government Code sections 7070 through 7075, requires a law enforcement agency (LEA) to obtain approval from the applicable governing body, via adoption of a "military equipment" use Policy (the Policy) by ordinance (the Ordinance), prior to the LEA funding, acquiring, or using military equipment.; and

WHEREAS, the City Council of the City of Atwater approved Ordinance CS 1045, establishing a Military Equipment Use Policy for the Atwater Police Department (APD); and

WHEREAS, the City Council of the City of Atwater finds that APD is committed to using the most up-to-date tools and equipment to safeguard the citizens of Atwater. Many items deemed to be "military equipment" by AB 481 are in fact employed by APD, and LEA's across the country, to specifically reduce risk to community members. These items provide peace officers with the ability to safely resolve volatile situations which otherwise might rise to the level of a lethal force encounter; and

WHEREAS, the City Council of the City of Atwater finds that a command post vehicle is needed to provide the Atwater Police with the most up-to-date tools and equipment to safeguard the citizens of Atwater.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Atwater does hereby authorize the acceptance of a mobile command post vehicle via intergovernmental transfer from the City of Grover Beach, for no charge to the City of Atwater, and authorizes its addition to Atwater Police Department's Military Equipment List and Policy.

The foregoing resolution is hereby adopted this 11th day of April 2022.

AYES:
NOES:
ABSENT:

APPROVED:

_____
PAUL CREIGHTON, MAYOR

ATTEST:

_____
LUCY ARMSTRONG, CITY CLERK

POLICE

GROVER BEACH POLICE DEPARTMENT
POLICE

Grover Beach
POLICE
20
POLICE
POLICE

CITY COUNCIL
AGENDA REPORT

CITY COUNCIL

Paul Creighton, Mayor
Danny Ambriz — Tyler Button
John Cale — Brian Raymond

MEETING DATE: April 11, 2022
TO: Mayor and City Council
FROM: Greg Thompson, Community Development Director
PREPARED BY: Justin Vinson
SUBJECT: **Approving Budget Amendment establishing budget in American Rescue Plan Act Fund and amending 5-Year Capital Improvement Program; and awarding General Construction Contract to Westside Landscape and Concrete for Sidewalk Repairs on Third Street and Atwater Boulevard** (Public Works/Community Development Director Thompson)

RECOMMENDED COUNCIL ACTION

Adoption of Resolution No. 3308-22 approving Budget Amendment No. 27 amending Fiscal Year 2021-22 Budget establishing budget in the American Rescue Plan Act Fund and amending the 5-Year Capital Improvement Program regarding the Third Street and Atwater Boulevard sidewalk, curb, and gutter repair; awards a General Construction Contract, in a form approved by the City Attorney, to Westside Landscape and Concrete, Inc. of Newman, California for sidewalk and gutter replacement on Atwater Boulevard and Third Street, in an amount not to exceed $59,988; authorizes and directs the City Manager to sign and affirm construction contract change orders up to an additional aggregate of $5,998.80 (10%); and authorizes and directs the City Manager, or her designee, to execute the Contract on behalf of the City.

I. BACKGROUND/ANALYSIS:

City staff have been given direction by the City Council to repair sidewalks throughout the City that pose a threat to public safety. This includes sidewalks that are a trip hazard to pedestrians, cracked, and gutters that no longer allow the flow of storm water to convey to the nearest drain. The main thoroughfares and downtown are the main priorities of staff, since these areas of town are the most used by pedestrians for walking. The area of sidewalk that will be replaced with this job is located downtown.

There were three trees planted in tree wells along Third Street and Atwater Boulevard that destroyed the sidewalk, curb, and gutter over time. City staff has already cut these three trees down to the stump and will work with the contractor to grind the stumps and roots. Once the concrete is removed, and before the placement of new concrete, City staff will plant three new trees (that are on the approved City tree list) and install a root

barrier to prevent damage to the new sidewalk, curb, and gutter.

The contractor will replace the sidewalk, curb, and gutter up to the storefronts and install an ADA-compliant ramp on the north-east corner of Atwater Boulevard and Third Street. The contractor will have to sawcut the concrete in front of the storefronts to ensure that when the existing sidewalk is removed, there is no damage done to the storefronts. This process is the reason staff are contracting out this work instead of performing the job with City staff. Once the job is completed, there will be three new trees in existing tree wells and approximately 1,500 square feet of new sidewalk, curb, and gutter.

Staff reached out to local vendors for informal proposals to replace the sidewalk, curb, and gutter on Atwater Boulevard and Third Street. Three (3) bid proposals were received, totaled, and reviewed for responsiveness. All three bids came including prevailing wage.

The Bid Summary (**EXHIBIT "A"**) shows the lowest bid coming in at $59,988. Staff has reviewed the bid and determined that the bid submitted by Westside Landscape and Concrete, Inc. of Newman, California for the amount of $59,988 is a responsive and acceptable bid.

II. FISCAL IMPACTS:

Upon approval of Budget Amendment No. 27, sufficient funding is available in the Fiscal Year 2021-22 Budget ARPA-American Rescue Plan Act Fund, Capital Projects, for this specific Street and Sidewalk Improvements project account no. 1010-1080-XXXX. Pursuant to Section 7: Purchasing Procedures in the City's Purchasing System Manual, Public Works, Small Projects section. This item has been reviewed by the Finance Department.

III. LEGAL REVIEW:

This item has been reviewed by the City Attorney's Office.

IV. EXISTING POLICY:

N/A

V. ALTERNATIVES:

N/A

VI. INTERDEPARTMENTAL COORDINATION:

N/A

VII. PUBLIC PARTICIPATION:

The public will have an opportunity to provide comments on this item prior to City Council action.

VIII. ENVIRONMENTAL REVIEW:

This project is Categorically Exempt (CE) pursuant to the California Environmental Quality Act (CEQA) guidelines, Section 15301, "Existing Facilities" Class1(c): Operation, repair, maintenance, or minor alteration to existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities.

IX. STEPS FOLLOWING APPROVAL:

Upon approval by the City Council, the General Construction Contract will be routed for signatures.

Submitted by:

Greg Thompson, Public Works/Community Development Director

Approved by:

Lori Waterman, City Manager

Attachments:

1. Resolution No. 3308-22 Approves Budget Amendment No. 27 RE ARPA Fund Budget and 5-Year CIP Program Third St & Atwater Blvd
2. Westside Landscape and Concrete Inc. Agreement
3. Exhibit A - Bid Summary

CITY COUNCIL
OF THE
CITY OF ATWATER

RESOLUTION NO. 3308-22

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ATWATER APPROVING BUDGET AMENDMENT NO. 27 AMENDING FISCAL YEAR 2021-22 BUDGET ESTABLISHING BUDGET IN THE AMERICAN RESCUE PLAN ACT FUND AND AMENDING THE 5-YEAR CAPITAL IMPROVEMENT PROGRAM REGARDING THE THIRD STREET AND ATWATER BOULEVARD SIDEWALK, CURB AND GUTTER REPAIR

WHEREAS, the City Council of the City of Atwater adopted Resolution No. 3224-21 adopting the Fiscal Year 2021-22 Budget on June 14, 2021; and

WHEREAS, from time to time, and in order to operate effectively, it is necessary to amend said budget.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Atwater does hereby approve Budget Amendment No. 27 to the Fiscal Year 2021-22 Budget as follows:

SECTION 1: Establishing budget in ARPA-American Rescue Plan Act Fund, Capital Projects Expense for the Street & Sidewalk Improvements category for Fiscal Year 2021-22 and amending the 5-Year Capital Improvement Program as follows:

Decrease Budget (Expense)	1010-1080-V033	Street & Sidewalk Improvements	$59,988
Establish Budget (Expense)	1010-1080-XXXX	Third Street and Atwater Blvd Sidewalk, Curb & Gutter Repair	$59,988

BE IT FURTHER RESOLVED that a copy of this resolution appends to the original budget document that is available in the Finance Department and the City Clerk's office.

The foregoing resolution is hereby adopted this 11th day of April 2022.

AYES:
NOES:
ABSENT:

APPROVED:

_____
PAUL CREIGHTON, MAYOR

ATTEST:

_____
LUCY ARMSTRONG, CITY CLERK

GENERAL CONSTRUCTION CONTRACT

This GENERAL CONSTRUCTION CONTRACT ("Contract") is made by and between the CITY OF ATWATER, a California municipal corporation ("City") and Westside Landscape and Concrete, Inc. ("Contractor") as of April 12, 2022, City and Contractor shall be referred to herein separately as a "Party" and collectively as "Parties".

1. The Contract. It is mutually agreed and understood that the complete Contract shall consist of the following component documents, all of which are fully a part hereof as if herein set out in full, or if not attached, as if hereto attached:

A. This Contract;
B. Plans and Specifications;
C. Special Provisions for**;**
D. Notice to Contractors;
E. Proposal to the City of Atwater;
F. Performance Bond;
G. Labor and Material Bond;
H. Current edition of the Caltrans Standard Specifications;
I. Current edition of the Caltrans Standard Plans;
J. The latest revisions to the General Prevailing Wage Rates; and
K. Any Published Addenda.

Any and all obligations of the City and the Contractor are fully set forth and described therein.

All of the above component documents are intended to cooperate so that any work called for in one and not mentioned in the other, or vice versa, is to be executed the same as if mentioned in all said documents. The component documents comprising the complete Contract are sometimes hereinafter referred to as the "Contract Documents". To the extent any of the Contract Documents are in conflict with each other, the component documents shall have priority based upon their hierarchical order set forth above.

2. Effective Date. This Contract shall only become effective once all of the Parties have executed the Contract (the "Effective Date"). Contractor, however, shall not commence the performance of the work until it has been given notice by City ("Notice to Proceed").

3. Term. This Contract shall commence on the Effective Date and naturally terminate after Final Payment of Contractor by City as defined by Section 5-1.08 of the Special Provisions. Section 8-1.14 of the 2010 Caltrans Standard Specifications provides for Terminations. Section 2-1.12A of the 2010 Caltrans Standard Specifications allows for termination in accordance with 49 CFR 26.13(b) for failure by the contractor to carry out the requirements of 49 CFR part 26 in the award and administration of this contract.

4. The Work. Contractor agrees to furnish all tools, equipment, apparatus, facilities, labor, transportation, and material necessary to perform and complete in a good and workmanlike manner all work of improvement in accordance with the Contract Documents, and in the manner designated in, and in strict conformity with, the Project Plans and Specifications,

"REPLACEMENT OF SIDEWALK, CURB, AND GUTTER AT ATWATER BLVD AND THIRD ST" for construction in Atwater, Merced County, California. It is understood and agreed that said tools, equipment, apparatus, facilities, labor, transportation, and material shall be furnished and said work performed and completed as required in said Project Plans and Specifications under the sole direction and control of the Contractor, and subject to inspection and approval of the City or its representative. The City hereby designates the City Engineer as its representative for the purpose of this Contract.

City, without invalidating this Contract, may order changes to the work, consisting of additions, deletions, or other revisions. All such changes to the work, including in the Contract Price and Contract time for performance, shall be authorized by Change Order or Work Change Directive, signed by the City Manager. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract time for performance if it fails to secure such written authorization for such work, except in the case of an emergency as provided in the 2010 Caltrans Standard Specifications or the Special Provisions.

5. Contract Price. The City agrees to pay, and the Contractor agrees to receive and accept, the following Contract prices as full compensation for furnishing all materials and performing all work in accordance with this Contract as follows:

TOTAL CONTRACT PRICE: Fifty-Nine Thousand Nine Hundred and Eighty-Eight Dollars ($59,988.00,)

Additional services may be authorized by the City Manager in an amount up to, but not to exceed 10% of the Total Contract Amount stated above as $59,988.00. In the event that additional services are deemed necessary, the Contractor shall provide a written request to the City Manager indicating the reason for the additional work, scope and cost of such work. The City Manager shall provide a written response to the request, either approving or denying the additional expenditure, in whole or in part, based upon a recommendation by the Public Works Director, or his designee. If additional services are requested and approved, they shall not exceed the amount approved in writing by the City Manager. In that event, the new total compensation shall not exceed the Total Contract Amount as stated herein, plus 10% of that price, or $5,998.80. If additional services in excess of this amount (total contract price plus 10%) are deemed necessary by City staff, an amendment to this Agreement will be required and must be approved by City Council prior to commencing the work.

6. Termination. If the Contractor should become insolvent or if Contractor should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or if it or any of its subcontractors should violate any of the provisions of the Contract Documents, the City may serve written notice upon Contractor and its surety of its intention to terminate the Contract. The notice shall contain the reasons for the City's intent to terminate the Contract and unless the violation ceases and/or is corrected within ten (10) days of service of the notice, the Contract shall cease and terminate. In the event of any such termination, the City shall immediately serve a written notice of termination on the surety and the Contractor, and the surety shall have the right to take over and perform the Contract. The surety shall serve a written notice of intent to take over and perform the Contract on the City within fifteen (15) days of service of the notice to terminate and shall commence performance of the Contract within thirty (30) days from service of the notice to terminate. In the event the surety fails to serve the notice

of intent to take over and perform or fails to commence performance as required in this Section, the City may take over the work and prosecute the same to completion by contract or by any other method it may deem advisable, for the account and at the expense of the Contractor, and the Contractor and its surety shall be liable to the City for any excess cost incurred by the City, and in such event the City may, without liability for so doing, take possession of and utilize in completing the work such materials, appliances, plant, and other property belonging to the Contractor as may be on the site of the work and necessary to complete the work. The City may also terminate the Contractor's performance under the Agreement, either in whole or in part, at its own discretion, with or without cause, or for convenience or when conditions encountered during the work make it impossible or impracticable to proceed, or when the City is prevented from proceeding with the Agreement by act of God, by law, or by official action of a public authority, or upon a determination by the City that such termination is in the best interest and convenience of the City, or whenever the City is prohibited from completing the work for any reason. The City shall provide no less than fifteen (15) calendar days written notice of its intent to terminate the Agreement for convenience and shall endeavor to provide the Contractor with consultation with the City prior to termination.

7. Notices. All notices given pursuant to this Contract shall be in writing and shall be mailed by first class mail, postage prepaid, certified or registered, with return receipt requested. Such notice shall be deemed served or given three (3) business days after deposit in the United States Postal Service. The address of each Party to this Contract for purposes of notice shall be as indicated below. Each Party may change its address for notice by giving notice of such change to the other Party in the manner set forth above.

If to City: Lori Waterman, City Manager
City of Atwater
750 Bellevue Road
Atwater, California 95301

If to Contractor: Armando Garcia
Westside Landscape and Concrete Inc.
27107 Highway 33
Newman, CA 95301

If to Surety: _____

8. Assignment of Contract. The Contractor shall not assign the Contract, moneys due under the Contract, or monies to become due under the Contract, without first obtaining the prior written consent of the City.

9. Contract Security. The Contractor shall furnish a surety bond in an amount at least equal to One Hundred Percent (100%) of the Contract price as security for the faithful performance of this Contract ("Performance Bond"). The Contractor shall also furnish a separate surety bond in an amount at least equal to One Hundred Percent (100%) of the Contract price as security for the payment of all persons for furnishing materials, provisions, provender, or other supplies used in, upon, for, or about the performance of the work contracted to be done, or for performing any work

or labor thereon of any kind, and for the payment of amounts due under the Unemployment Insurance Code with respect to such work or labor in connection with this Contract, and for the payment of a reasonable attorney's fee to be fixed by the court in case suit is brought upon the bond ("Labor and Material Bond").

10. Insurance. Contractor shall maintain in full force and effect policies of insurance set forth herein, which shall be placed with insurers with a current A M Best's rating of no less than A VII and will provide City with written proof of said insurance. Contractor shall maintain coverage as follows and will provide City with written proof of said insurance. Such insurance shall remain in effect at least until final payment and at all times thereafter when Contractor may be correcting, removing, or replacing defective work. The cost of such insurance shall be included in the contractor's bid. Contractor shall maintain coverage as follows:

A. Minimum Scope of Insurance.

1. Commercial General Liability coverage at least as broad as the Insurance Services Office, Inc. (ISO Form CG 00 01) with limits of liability of at least $2,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance forms or other forms with a general aggregate limit are used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be $4,000,000.

2. An Additional Insured Endorsement to the Commercial General Liability coverage form naming the City as an insured at least as broad as ISO form CG 20 37 10 01 entitled ADDITIONAL INSURED-OWNERS, LESSEES OR CONTRACTORS COMPLETED OPERATIONS.

3. Business Auto Liability coverage at least as broad as ISO form CA 00 01 with limits of liability of at least $1,000,000 combined single limit per accident for bodily injury and property damage, covering any automobile owned, leased, hired or borrowed by the Contractor, its agents, representatives, or employees, or for which the Contractor is responsible.

4. An Automobile Liability Special Endorsement to the Business Auto Liability form naming the City as an insured with regard to damages and the defense of claims arising out of use of any automobile for which the Contractor is responsible. (In the alternative, the Contractor may provide a Designated Insured Endorsement form at least as broad as ISO Form CA 00 01).

5. Workers' Compensation coverage for the Contractor's employees with limits as required by California law, and Employers Liability coverage with limits of liability of at least $1,000,000 per accident or occurrence.

6. A Certificate of Liability Insurance showing evidence of the above liability coverages prior to the commencement of work.

B. Deductibles and Self-Insured Retentions.

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects to the City, its officers, public officials, employees and volunteers, or (2) the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

C. Other Insurance Provisions.

The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain the following provisions:

1. The City, its officers, public officials, agents, employees and volunteers are to be covered as insured's with respect to liability and defense arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (CG 20 10), or as a separate owner's policy.

2. For any claims related to this project, the Contractor's liability insurance coverage shall be primary insurance as respects the City, its officers, public officials, employees and volunteers. Any insurance of self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be endorsed shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

4. Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the California Civil Code.

5. The Contractor agrees that any and all liability insurance coverages available to it as a named insured will be applicable to the City as an Additional Insured.

6. If other than ISO forms are used by the insurer(s) for the Contractor, each form used will require individual review and approval by the City of Atwater.

D. Acceptability of Commercial Insurers.

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than "A: VII."

E. Verification of Coverage.

Contractor shall furnish the City with Certificates of Liability Insurance and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the City or on other than the Entity's forms, provided those endorsements or policies conform to the requirements of the Contract. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

F. Subcontractors.

Contractor shall include all subcontractors as insured under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the insurance requirements stated herein.

G. For Construction Risks.

If this is a Proposal and Contract that involves a construction risk, in addition to the Insurance Requirement specified above, the Contractor shall procure and maintain Course of Construction (Builder's Risk) insurance covering all risks of loss with limits of liability of not less than the completed value of the project with no coinsurance penalty provisions.

The Course of Construction insurance policies shall contain the following provisions:

1. The City shall be named as loss payee; and

2. The insurer shall waive all rights of subrogation against the City.

11. Indemnification. The Contractor will indemnify, defend with counsel selected by the City, save, keep, and hold harmless, the City and all officers, public officials, employees, and agents thereof from and against any and all actions, claims, loss, cost, damage, injury (including, without limitation, disability, injury or death of an employee of Contractor or its subcontractors), expense and liability of every kind, nature and description that arise out of, pertain to or relate to performance of the work, provided that any such action, claim, loss, cost, damage, injury, expense or liability is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the work itself), including the loss of use resulting there from but only to the extent caused by any negligent act or omission of Contractor, subcontractor, any supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the work or anyone for whose acts any of them may be liable. It is understood that the duty of Contractor to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. Notwithstanding the above, the Contractor shall, wherever it is necessary, keep and maintain at his sole cost and expense during the course of his operations under this Contract such warnings, signs, and barriers as may be required to protect the public. The provisions of the preceding sentence shall not impose any liability upon the City and are for the express benefit of the general public.

Acceptance by City of insurance certificates and endorsements required under this Contract does not relieve Contractor from liability under this indemnification and hold harmless clause. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether or not such insurance policies shall have been determined to apply. By execution of this Contract, Contractor acknowledges and agrees to the provisions of this Section and that it is a material element of consideration.

It is expressly understood that Contractor is an independent contractor and that its employees shall not be employees of or have any contractual relationship with the City. Contractor shall be responsible for the payment of all taxes, workers' compensation insurance and unemployment insurance. Should contractor desire any insurance protection, the Contractor is to acquire such protection at its expense.

In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Contract is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

12. Accident Prevention. Precaution shall be exercised at all times for protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Industrial Accident Commission of the State of California.

13. Payment. The City will make partial and final payment to the Contractor except that the City will retain five percent (5%) of the final payment amount until the expiration of thirty-five (35) days from the date of recording by City of the notice of acceptance of completion of all work covered by this Contract, at which time and not before, City shall pay to Contractor the remaining five percent (5%), less any previous payments and deductions provided for herein.

The closure date for the purpose of making monthly progress payment will be the last calendar day of that month. The Contractor may request in writing that such monthly closure date be changed. The Engineer may approve such request when it is compatible with the City's payment procedure.

Each month, the Contractor will submit its own invoice for work performed through the closure date and the Engineer will make an approximate measurement of the work performed through the closure date and as a basis for making monthly payments, estimate its value based on the Contract unit prices or as the Engineer deems appropriate. The City will endeavor to, not later than twenty (20) working days after receipt of the Contractor's invoice, make partial payment to the Contractor, based on work performed and material incorporated in the project as of the closure date of the particular calendar month, providing that the Contractor's invoice for the work performed agrees with the Engineer's determination. If the Engineer's determination differs from the Contractor's invoice, the City will make payment to the Contractor for those items or portions of items not in dispute not later than payment would have been made had no dispute occurred. Within ten (10)

calendar days after agreement on disputed work is achieved between the City and the Contractor, the City shall pay the Contractor for any additional monies due as a result of settling any dispute. When the work has been satisfactorily completed, the Engineer will determine the quantity of work performed and prepare the final estimate.

The payment of progress payments by the City shall not be construed as an absolute acceptance of the work done up to the time of such payments, but the entire work is to be subjected to the inspection and approval of the City and subject to whatever inspection and approval may be required by law.

It is further agreed by the Parties that before each payment is made as provided above, receipts and releases of liens of all kinds for all labor and materials and all other indebtedness connected with the work shall be presented to the City by the Contractor upon the request of the City.

14. Prevailing Wage. The statement of prevailing wages appearing in the General Prevailing Wage Rates is hereby specifically referred to and by this reference is made a part of this Contract. It is further expressly agreed by and between the Parties hereto that should there be any conflict between the terms of this instrument and the bid or proposal of said Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the terms of said proposal conflicting herewith.

15. Article VI. The improvements contemplated in the performance of this Contract is a Federal-Aid improvement over which the State of California shall exercise general supervision. The State of California therefore shall have the right to assume full and direct control over this Contract whenever the State of California, at its sole discretion, shall determine that its responsibility to the United States so requires. In such cases, the State Contract Act will govern.

16. General Provisions.

(a) *Modification.* No alteration, amendment, modification, or termination of this Contract shall be valid unless made in writing and in accordance with the Contract Documents.

(b) *Waiver.* No covenant, term, or condition or the breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

(c) *Authority*. All Parties to this Contract warrant and represent that they have the power and authority to enter into this Contract and the names, titles, and capacities herein stated on behalf of any entities, persons, states, or firms represented or purported to be represented by such entities, persons, states or firms and that all former requirements necessary or required by the state or federal law in order to enter into the Contract have been fully complied with.

(d) *Drafting and Ambiguities*. Each Party acknowledges that it has reviewed this Contract with its own legal counsel, and based upon the advice of that counsel, freely entered into this Contract. Each Party has participated fully in the review and revision of this Contract.

Any rule of construction that ambiguities are to be resolved against the drafting party does not apply in interpreting this Contract.

(e) *Governing Law*. This Contract shall be governed by and construed in accordance with the laws of the state of California.

(f) *Venue*. Venue for all legal proceedings shall be in the Superior Court of California for the County of Merced.

(g) *Severability*. If this Contract in its entirety is determined by a court to be invalid or unenforceable, this Contract shall automatically terminate as of the date of final entry of judgment. If any provision of this Contract shall be determined by a court to be invalid and unenforceable, or if any provision of this Contract is rendered invalid or unenforceable according to the terms of any federal or state statute, which becomes effective after the Effective Date of this Contract, the remaining provisions shall continue in full force and effect and shall be construed to give effect to the intent of this Contract.

(h) *Counterparts*. This Contract may be executed simultaneously and, in several counterparts, each of which shall be deemed an original, but which together shall constitute one and the same instrument.

(i) *Audit*. City shall have access at all reasonable times to all reports, contract records, contract documents, contract files, and personnel necessary to audit and verify Contractor's charges to City under this Contract.

(j) *Entire Contract*. This Contract, together with its specific references, attachments and exhibits, constitutes the entire agreement of the Parties with respect to the subject matters hereof, and supersedes any and all prior negotiations, understanding and agreements with respect hereto, whether oral or written.

(k) *Supersedes Prior Agreement*. It is the intention of the Parties hereto that this Contract shall supersede any prior agreements, discussions, commitments, or representations whether, written, electronic or oral, between the Parties with respect to the subject matter of this Contract.

(l) *Mandatory and Permissive*. "Shall" and "will" and "agrees" are mandatory. "May" and "can" are permissive.

(m) *Headings*. Headings used in this Contract are for reference purposes only and shall not be considered in construing this Contract.

(n) *Attorney's Fees and Costs*. If any action at law or in equity, including action for declaratory relief, is brought to enforce or interpret provisions of this Contract, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the court in the same action or in a separate action brought for that purpose, in addition to any other relief to which such Party may be entitled.

(o) *Necessary Acts and Further Assurances*. The Parties shall at their own cost and expense execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Contract.

(p) *Time is of the Essence*. Time is of the essence in this Contract for each covenant and term of a condition herein.

IN WITNESS WHEREOF, three (3) identical counterparts of this Contract, each of which shall for all purposes be deemed an original thereof, have been duly executed by the Parties hereinabove named, on the day and year first herein written.

CITY OF ATWATER, a Municipal Corporation

By: _____
Lori Waterman, City Manager

ATTEST:

By: _____
Lucy Armstrong, City Clerk

APPROVED AS TO FORM:

By: _____
Frank Splendorio, City Attorney

ACCOUNT DATA:

Contract No. _____

Project Account No./Amount:

_____ / $ _____

By: _____
Finance Director Verification

WESTSIDE LANDSCAPE AND CONCRETE INC.

By:_____
Armando Garcia, President

LICENSE NO. _____

TAXPAYER I.D. NO. _____

VENDOR NO. _____

ADDRESS: _____

PHONE: _____

FAX: _____

EMAIL: _____

(SEAL)

CITY OF ATWATER
PUBLIC WORKS DEPARTMENT

BID SUMMARY

PROFESSIONAL SERVICES

Project No. Sidewalk curb, gutter, and ADA ramps improvement replacement
Atwater Blvd & Third Street Only

Bid's Date. 3-30-22

Account #

No.	Contractor	Bid Total	Note
1	Westside Landscaping	$59,988	
2	Joe's Landscaping	$96,500	
3	MV Construction	$106,590	

Please see attached supporting documents.

Thank you,

Gloria Perez

CITY COUNCIL
OF THE
CITY OF ATWATER

ORDINANCE NO. CS 1048

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ATWATER AMENDING SECTION 2.10.020(E) OF THE ATWATER MUNICIPAL CODE TO ADJUST THE BOUNDARIES OF CITY COUNCIL ELECTION DISTRICTS AND TO CONFIRM SUCH REVISED COUNCIL DISTRICT BOUNDARIES

WHEREAS, the United States Census Bureau is required by Article I, Section 2, of the United States Constitution to conduct an accurate count of the population every ten years; and

WHEREAS, California Elections Code Section 21601 requires that following each decennial federal census, and using that census as a basis, the Council shall, by ordinance or resolution, adjust the boundaries of any or all of the City's Council election districts to be substantially equal in population as required by the United States Constitution, California Constitution, and the Federal Voting Rights Act. In establishing the boundaries of the districts the Council must give consideration to the following factors in the following priority: (a) contiguity of districts, (b) communities of interest, (c) easy identification of districts through use of natural or artificial boundaries and (d) district compactness; and

WHEREAS, California Elections Code Section 21602 requires that the Council adopt an ordinance establishing Council districts by April 17, 2022; and

WHEREAS, on September 27, 2021, the Census Bureau sent 2020 Census data to the State of California with an official population estimate of 32,085 residents for the City of Atwater; and

WHEREAS, the City Council of the City of Atwater ("City Council") held four public hearings on February 14, 2022, February 28, 2022, March 14, 2022, and March 28, 2022, where the Council received briefings from the City's demographic consultant relating to the redistricting process and state and federal redistricting criteria, including the California Elections Code, the Federal Voting Rights Act and the United States Constitution, heard public testimony, and directed staff and the City's redistricting consultant to prepare draft

Council district maps for consideration; and

WHEREAS, in addition, City staff conducted public outreach by way of print and digital advertisements, which led to public hearings with public comment on redistricting criteria and communities of interest; and

WHEREAS, at the March 14, 2022 and March 28, 2022 public hearings, the Council received a presentation of draft maps prepared by the City's demographic consultant for compliance with applicable laws and standards and reviewed additional maps submitted by the public; and

WHEREAS, at the March 14, 2022 public hearing, the City Council agreed on Map Alternative 1, designating it as the preferred map and directed that it be presented to the Council for adoption by Ordinance; and

WHEREAS, at each of the public hearings on redistricting, the Council heard testimony relating to "communities of interest," which led the Council to reach the following determinations about communities of interest on the preferred map, as required under federal and state law:

(1) The election districts are geographically contiguous, i.e., they are arrayed in a simple and logical form without any islands and with minimal intrusions from the area of one district into another;

(2) To the extent practicable, the preferred map respects the geographic integrity of local neighborhoods and local communities of interest as determined by the Council based on testimony about what constitutes communities of interest in the public's view;

(3) The election districts are easily identifiable and understandable by residents and form a relatively simple pattern;

(4) To the extent practicable, the election districts are geographically compact, with configurations that are for the most part compact, simple shapes, with nearby populations included in the same districts;

(5) The election districts are balanced in terms of total population and voting age population and are well within the one-person/one-vote deviations permitted under federal and state voting rights laws; and

(6) Although the above criteria could not be met within any election district with a minority-majority district (i.e., a voting district where one distinct minority population is the majority population), the election districts do represent where possible an aggregation in single districts of substantial minority population blocs to enhance the potency of that minority voting voice.

WHEREAS, all information in the staff reports, maps, presentations, Council debate and public testimony referenced above is hereby incorporated into this decision and serves as evidentiary basis for these findings and legislative decision.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ATWATER DOES ORDAIN AS FOLLOWS:

SECTION 1. This Ordinance is adopted following four noticed City Council public hearings as required by California Elections Code section 21607.1.

SECTION 2. Section 2.10.020(E) (Election of Mayor and Council – Adjustment of Boundaries) of the Atwater Municipal Code is hereby amended in its entirety as provided in Exhibit A.

SECTION 3. City Council elections shall continue to be conducted "by districts" in four districts as set forth in Exhibit A. The term “by district” shall mean election of members of the legislative body by voters of the district alone, as provided in Government Code § 34871(d).

SECTION 4. All ordinances and resolutions, or parts thereof in conflict with this Ordinance are hereby repealed.

SECTION 5. The City Manager is directed to take all necessary steps to give effect to this Ordinance. If necessary to facilitate the implementation of this Ordinance, the City Manager or his or her designee is authorized to make technical adjustments to the election district boundaries that do not substantively affect the populations in the districts, the eligibility of candidates, or the residence of elected officials within any district. The City Manager shall consult with the City Attorney concerning any technical adjustments deemed necessary and shall advise the City Council of any such adjustments required in the implementation of the districts.

SECTION 6. The City Clerk is hereby directed to provide a certified copy of this Ordinance to the Merced County Registrar of Voters for use in subsequent City of Atwater City Council Elections.

SECTION 7. Compliance with California Environmental Quality Act. This activity is exempt from environmental review under the California Environmental Quality Act (“CEQA”) (Pub. Resources Code, § 21000 et seq.) pursuant to State CEQA Guidelines, (Cal. Code Regs., tit. 14, § 15000 et seq.) §§ 15061(b)(3), 15320, and 15378(b)(3). The redistricting process is an organizational and administrative activity of the City, does not have the potential to result in either a direct or reasonably foreseeable indirect physical change in the environment, and is therefore not a project for purposes of CEQA. (State CEQA Guidelines, §§ 15061(b)(3); 15378(b)(5).) In the event the transition process does constitute a project, it is categorically exempt under the Class 20 (Changes in the Organization of Local Governments) categorical exemption. (State CEQA Guidelines, §

15320.) None of the exceptions to the exemptions found in State CEQA Guidelines, § 15300.2 apply.

SECTION 8. Severability. If any section, subsection, subdivision, sentence, or clause or phrase in this Ordinance or any part thereof is for any reason held to be unconstitutional, invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council hereby declares that it would have adopted each section irrespective of the fact that any one or more subsections, subdivisions, sentences, clauses, or phrases are declared unconstitutional, invalid, or ineffective.

SECTION 9. Effective Date. Within fifteen (15) days from and after adoption, this Ordinance shall be published once in a newspaper of general circulation printed and published in Merced County and circulated in Atwater, in accordance with California Government Code Section 36933. This Ordinance shall take effect and be enforced thirty (30) days after its adoption.

SECTION 10. Publication. The City Clerk shall certify to the adoption of this Ordinance and cause it, or a summary of it, to be published in a newspaper of general circulation printed and published within the City of Atwater, pursuant to all legal requirements.

INTRODUCED: March 28, 2022
ADOPTED:
AYES:
NOES:
ABSENT:

APPROVED:

_____
PAUL CREIGHTON, MAYOR

ATTEST:

_____
LUCY ARMSTRONG, CITY CLERK

APPROVED AS TO FORM:

_____
FRANK SPLENDORIO, CITY ATTORNEY

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF MERCED) ss
CITY OF ATWATER)

I, Lucy Armstrong, City Clerk, hereby certify that the attached is a true copy of Ordinance No. CS 1048, introduced by the City Council of the City of Atwater, California, at a City Council meeting held the 28th day of March, 2022. Ordinance No. CS 1048 was passed, approved and adopted at a regular City Council meeting held at the 11th day of April, 2022.

WITNESS my hand and official seal of the City of Atwater this 12th day of April, 2022.

_____
Lucy Armstrong
City Clerk

EXHIBIT A

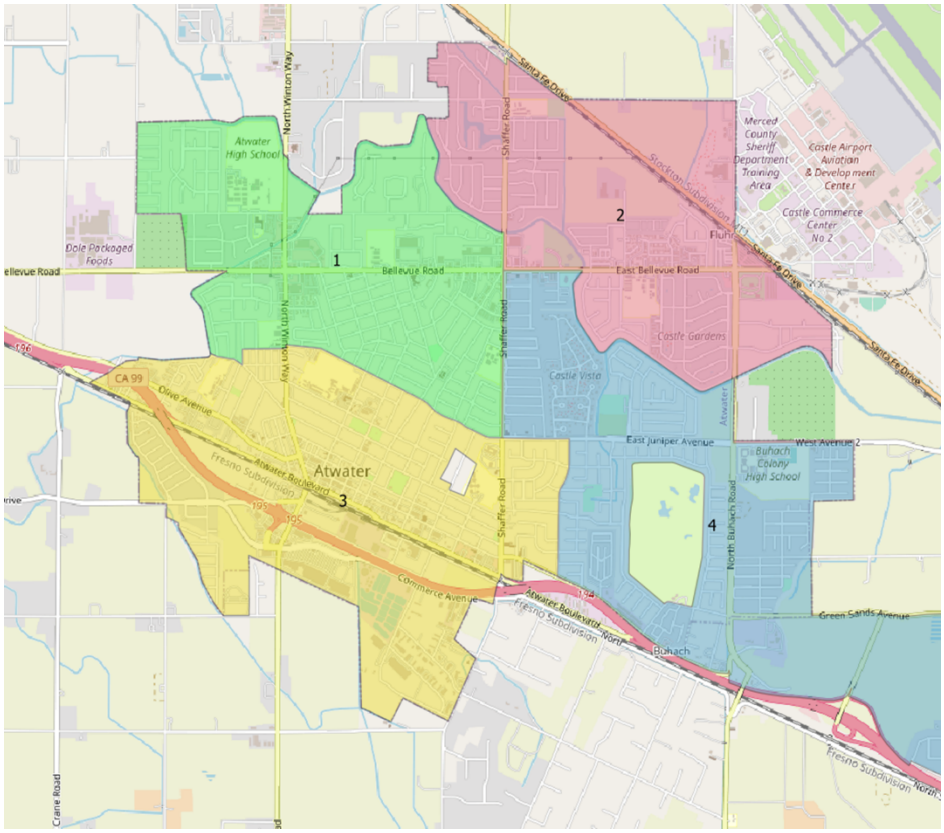
Section 2.10.020(E) of the Atwater Municipal Code is hereby amended in its entirety as follows:

E.
1. Pursuant to Elections Code Section 21601, as it may be amended from time to time, the City Council shall, by ordinance or resolution, adjust the boundaries of any or all of the districts following each decennial federal census. Using the census as a basis, the City Council shall adjust the boundaries so that the districts shall be as nearly equal in population as practicable and in compliance with all applicable provisions of law.

2. At the time of any annexation of territory to the City, the City Council shall designate, by resolution adopted by a vote of at least a majority of the City Council, the contiguous district to which the annexed territory shall be a part and shall amend the district boundaries if necessary in accordance with Election Code Section 21603, as it may be amended from time to time.

3. Pursuant to Elections Code Section 21606, the term of office of any Council member who has been elected and whose term has not expired shall not be affected by any change in the boundaries of the district from which he or she was elected.

Final Map



CITY COUNCIL
AGENDA REPORT

CITY COUNCIL

Paul Creighton, Mayor
Danny Ambriz — Tyler Button
John Cale — Brian Raymond

MEETING DATE: April 11, 2022
TO: Mayor and City Council
FROM: Delilah Youmara, Finance Director
PREPARED BY: Delilah Youmara, Finance Director
SUBJECT: **Accepting City of Atwater's audited Financial Statements for Fiscal Year ended June 30, 2021 and related reports** (City Manager Waterman and Finance Director Youmara)

RECOMMENDED COUNCIL ACTION

Motion to accept City of Atwater's audited Financial Statements for Fiscal Year ended June 30, 2021, including related reports; and to authorize and direct the City Manager to file the Statements with the State of California Controller's Office and to the various institutions as appropriate; or

Motion to approve staff's recommendation as presented.

I. BACKGROUND/ANALYSIS:

BACKGROUND:

The City's independent external auditors, Badawi & Associates Certified Public Accountants, have completed the City's annual audit and issued the Annual Financial Report for the Fiscal Year Ended June 30, 2021 which includes the basic financial statements for the City and other required reports.

ANALYSIS:

The financial statements are prepared by the City's Finance Department in accordance with Generally Accepted Accounting Principles (GAAP).

Our external auditors have the responsibility to audit these statements in accordance with the Generally Accepted Auditing Standards with the goal of determining whether the financial statements are free of material misstatement.

If this goal can be supported with the results of their audit, the external auditor will issue an unqualified or "clean" opinion. The financial statements for FYE 6/30/21 contain an unqualified opinion. In addition to the financial statements, the Auditors also issue a

report on internal controls over financial reporting and on compliance and other matters based on an audit of the financial statements performed in accordance with the Government Auditing Standards.

This report details specifics about items of significant concern to the financial well being of the City. The Report of Internal Control identifies deficiencies in the City's system of internal control and identifies the weakness as either a "Material Weakness" or "Significant Deficiency". A Material Weakness is a deficiency that creates a reasonable possibility that a material misstatement will occur in the financial statements and a Significant Deficiency is a deficiency that is less severe than a Material Weakness.

The City's report for June 30, 2021 identified one Significant Deficiency in internal control pertaining to accounts payable function. Staff has addressed the issue and implemented a temporary solution and is formulating a permanent solution. The prior year Significant Deficiency pertaining to the General Fund Balance deficit(s) that occurred from fiscal year 2013 to 2018 is no longer noted as the City of Atwater has maintained a positive and growing General Fund balance for past three fiscal years.

Since Fiscal Year end June 30, 2019, the City's General Fund has maintained a positive Fund Balance. The Fund Balance has increased in each of the following two Fiscal Years, 2019/2020 and 2020/2021. The City Council took several positive steps prior to Fiscal Year 2019/2020 to resolve the negative Fund Balance in the General Fund. Resolution No. 3068-19 was adopted by City Council on March 25, 2019, establishing a General Fund reserve policy and inter-fund advance and loan policy. The Resolution set the minimum target level for the General Fund reserve at ten (10) percent of annual operating costs. The goal was to build-up to ten (10) percent in an orderly manner, over time.The policy of a ten (10) percent General Fund reserve was achieved by this City Council within three fiscal year cycles.The Adopted Fiscal Year 2021/2022 Budget, included a General Fund Reserve Goal of 12 (twelve) percent.

The Management Discussion and Analysis (MD&A), starting on page 5 of the Annual Financial Report, provides the reader with an overview of the report and financial highlights included in the Annual Financial Report, along with an analysis of the City's Basic Financial Statements. The MD&A tells the "number(s) story" in words and helps to explain the significance of the numbers in the financial statements which follow.

Governmental financial statements provide the reader with statements from two different viewpoints. The distinction is important for the reader to understand. The Basic Financial Statements are divided into two main sections; the Government-Wide Financial Statements and the Fund Financial Statements.

The Government-Wide Financial Statements combine all the resources, liabilities, and activities into one statement providing for a broader view of the City as a whole. These statements only distinguish between Governmental and Business Type activities.

The Fund Financial Statements on the other hand, provide detailed Fund level statements that focus primarily on the short-term activities of the City and correspond closely to the manner in which the Funds are reported for budget purposes.

The Notes to the Basic Financial Statements provide valuable insight into the financial organization of the City and provide supporting information for the significant categories of accounts that appear throughout the Financial Statements.

II. FISCAL IMPACTS:

The fees for the independent audit services were approved by the City Council, in association with the Professional Services Agreement between the City and Badawi & Associates, Certified Public Accountants, in the amount of $35,730 for FYE 2021. This has been reviewed by the Finance Department.

III. LEGAL REVIEW:

This item has been reviewed by the City Attorney's Office.

IV. EXISTING POLICY:

N/A

V. ALTERNATIVES:

City Council could choose not to accept the City of Atwater's audited Financial Statements for Fiscal Year Ended June 30, 2021 and related reports.

VI. INTERDEPARTMENTAL COORDINATION:

N/A

VII. PUBLIC PARTICIPATION:

The public will have an opportunity to provide comments on this item prior to City Council action.

VIII. ENVIRONMENTAL REVIEW:

This item is not a "project" under the California Environmental Quality Act (CEQA) as this activity does not cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to Public Resources Code section 21065.

IX. STEPS FOLLOWING APPROVAL:

Upon approval and acceptance, the City of Atwater's audited Financial Statements for Fiscal Year ended June 30, 2021 and related reports will be filed appropriately.

Submitted by:

Delilah Youmara, Finance Director

Submitted & Approved by:

Lori Waterman, City Manager

Attachments:

1. Draft Audited Financial Report - Fiscal Year End June 30, 2021

City of Atwater

Atwater, California

DRAFT

Annual Financial Report

For the year ended June 30, 2021

Prepared by:
Finance Department

DRAFT

City of Atwater
Annual Financial Report
For the year ended June 30, 2021
Table of Contents

Page

INTRODUCTORY SECTION

Table of Contents i
Letter of Transmittal v
List of City Officials viii
City of Atwater Organizational Chart ix

FINANCIAL SECTION

Independent Auditor's Report 1

Management's Discussion and Analysis (Required Supplementary Information) 5

Basic Financial Statements:

Government-Wide Financial Statements
Statement of Net Position 23
Statement of Activities 24

Fund Financial Statements
Governmental Funds:
Balance Sheet 28
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position 29
Statement of Revenues, Expenditures and Changes in Fund Balances 30
Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Activities 31
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund 32
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Measure H Special Revenue Fund 33
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Measure V Special Revenue Fund 34

Proprietary Funds
Statement of Net position – Proprietary Funds 35
Statement of Revenues, Expenses, and Changes in Fund Net position 36
Statement of Cash Flows 37

DRAFT

City of Atwater
Annual Financial Report
For the year ended June 30, 2021
Table of Contents

Page

FINANCIAL SECTION, Continued

Fiduciary Funds:
Statement of Fiduciary Net Position 39
Statement of Changes in Fiduciary Net Position 40

Notes to the Basic Financial Statements 43

Required Supplementary Information
Schedule of the City's Proportionate Share of the
Net Pension Liability and Related Ratios – Last 10 years 86
Schedule of Pension Contributions – Last 10 Years 88
Schedule of Changes in the Net OPEB Liability and Related Ratios – Last 10 Years 90
Schedule of OPEB Contributions – Last 10 Years 91

Other Supplementary Information

Combining and Individual Fund Financial Statements and Schedules
Non-Major Governmental Funds:
Combining Balance Sheet 94
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 95

Non-Major Special Revenue Funds:
Combining Balance Sheet 96
Combining Statement of Revenues, Expenditures and Changes in Fund Balances 100
Statements of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:
Police Grants Fund 104
Gas Tax Fund 105
Local Transportation Fund 106
Facility Impact Fee Fund 107
Community Development Block Grants Fund 108
CDBG Program Income Fund 109
Home Investment Partnership Fund 110
Housing Authority Fund 111
Narcotics Program Fund 112
Neighborhood Stabilization Fund 113
Applegate Interchange Fund 114
Regional Surface Transportation Program Fund 115
Pension Rate Stabilization 115 Trust Fund 116

DRAFT

Page

FINANCIAL SECTION, Continued

Combining Balance Sheet – Maintenance District Special Revenue Funds 118
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Maintenance District Special Revenue Funds 126
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Maintenance District Special Revenue Funds 133

Internal Service Funds:
Combining Statement of Net Position 166
Combining Statement of Revenues, Expenses and Changes in Net Position 167
Combining Statement of Cash Flows 168
Custodial Funds:
Combining Statement of Fiduciary Net Position 169
Combining Statement of Changes in Fiduciary Net Position 170

Schedule of Debt Service Coverage 171

DRAFT

This page intentionally left blank

DRAFT

City of Atwater

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

April 5, 2022

Honorable Mayor and Members
of the Atwater City Council

We are pleased to submit the City of Atwater' Annual Financial Report for the fiscal year ended June 30, 2021. 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.

DRAFT

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 Badawi & Associates, 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, 2021, 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, 2021, 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 31,970. 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.

DRAFT

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 fiscal year 2020-2021 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 52.8 percent of total General Fund revenue. Property and sales tax revenues have remained strong and the City's housing market has continued to grow throughout 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 Badawi & Associates. 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,

Lori Waterman,
City Manager

DRAFT

List of City Officials

CITY COUNCIL

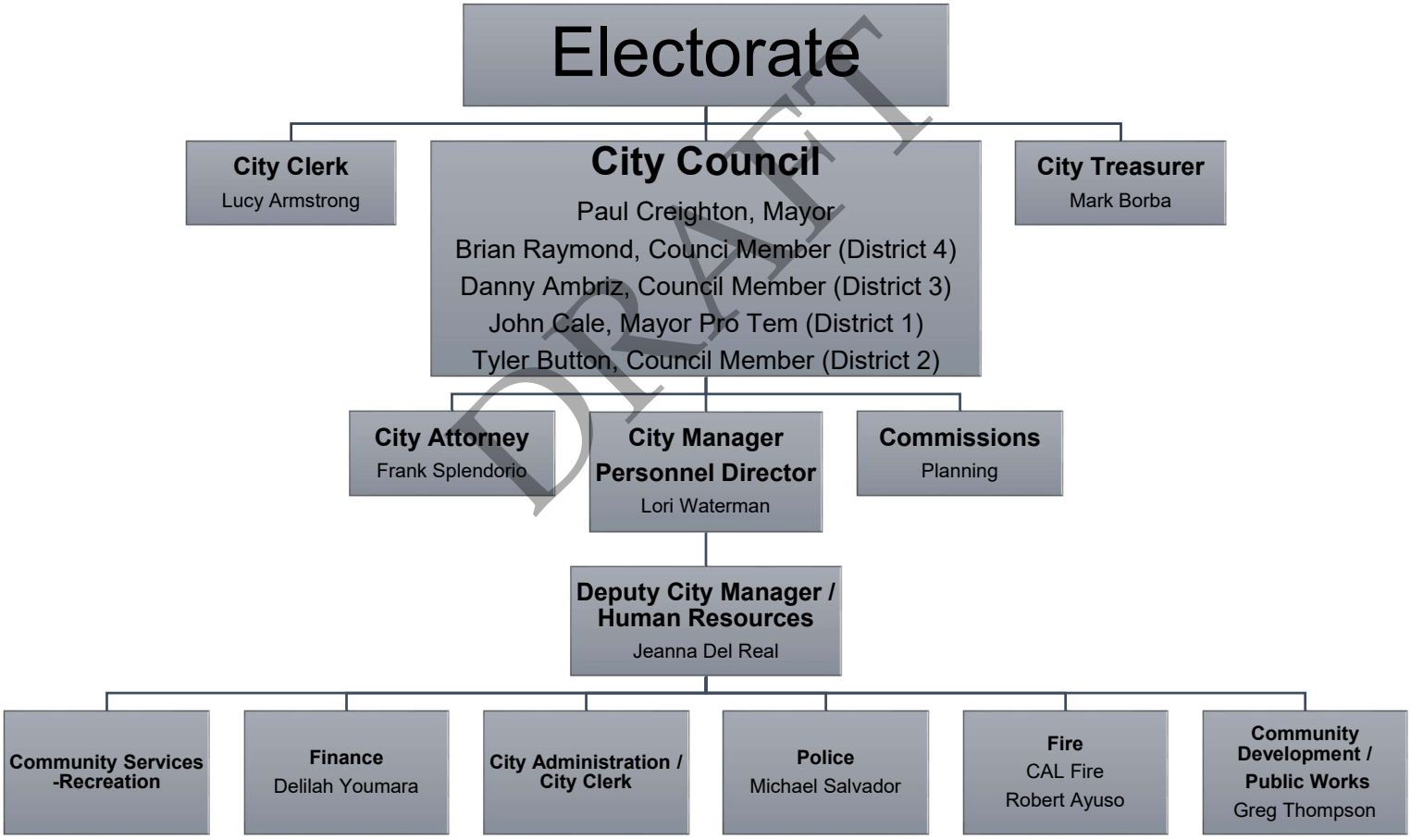
- Paul Creighton, Mayor
- John Cale, Mayor Pro Tem
- Brian Raymond, Council Member
- Tyler Button, Council Member
- Danny Ambriz, Council Member

CITY OFFICIALS

- Lori Waterman, City Manager
- Lucy Armstrong, City Clerk
- Mark Borba, City Treasurer
- Frank Splendorio, City Attorney
- Greg Thompson, Public Works/Community Development Director
- Jeanna Del Real, Deputy City Manager
- Delilah Youmara, Finance Director
- Michael Salvador, Police Chief

DRAFT

CITY OF ATWATER
ORGANIZATIONAL CHART
2021



DRAFT

Council Committees

Audit & Finance

Citizens Oversight for Public Safety Transaction and Use Tax Commission

This page intentionally left blank

DRAFT

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the 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 major governmental funds budgetary comparison information of the City of Atwater, California (City), as of and for the year ended June 30, 2021, 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

The City's 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.

DRAFT

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, Measure H Fund, and Measure V Fund 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 and required other post-employment benefit (OPEB) information on pages 5-18 and 86-91 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.

DRAFT

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 introductory section, other budgetary comparison schedules, combining and individual nonmajor fund financial statements, budgetary comparison schedules of nonmajor governmental funds, and schedule of debt service coverage are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April XX, 2022 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 solely 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 the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Badawi & Associates, CPAs
Berkeley, California
April XX, 2022

DRAFT

This page intentionally left blank

DRAFT

Management's Discussion and Analysis

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, 2021. 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, 2021, totaled $83.7 million. Governmental activities the net position was $367,106, while the business-type activities net position was $83.4 million.
- Total City revenues, including program and general revenues, and business-type activities were $54.2 million; while total expenses were $36.3 million.
- Governmental program and general revenues were $31.5 million compared to governmental program expenses of $16.7 million.
- Program revenues from business-type activities were $22.7 million, while expenses for business-type activities were $19.6 million.
- The City's total net capital asset balance for governmental activities was $19.4 million and $19.4 million for business-type activities.

Fund Highlights

- Net General Fund revenues and other financing sources (uses) exceeded expenditures by $4.0 million as compared to the prior year when revenues and other financing sources (uses) exceeded expenditures by $2.2 million.
- At June 30, 2021, the General Fund has a positive fund balance of $7.1 million.

DRAFT

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.

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.

DRAFT

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.

DRAFT

For the fiscal year ended June 30, 2021, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- General Fund
- Measure H Special Revenue Fund
- Measure V Special Revenue Fund

PROPRIETARY FUNDS:

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

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

For the fiscal year ended June 30, 2021, 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 43–84 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 94–132 of this report.

DRAFT

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 $83.7 million as of June 30, 2021. The Summary of Net position as of June 30, 2020 and 2021 follows:

Summary of Net Position

	2020			2021		
	Govern-mental Activities	Business-type Activities	Total	Govern-mental Activities	Business-type Activities	Total
Current and other assets	$ 22,123,192	$ 78,214,648	$ 100,337,840	$ 30,994,233	$ 72,775,978	$ 103,770,211
Noncurrent assets	25,935,397	77,592,231	103,527,628	20,600,723	91,047,679	111,648,402
Deferred outflows of resources	9,605,176	-	9,605,176	12,763,610	-	12,763,610
Total assets and deferred outflows of resources	57,663,765	155,806,879	213,470,644	64,358,566	163,823,657	228,182,223
Current and other liabilities	4,147,115	3,723,055	7,870,170	2,497,521	10,510,134	13,007,655
Long-term liabilities	48,307,030	71,068,912	119,375,942	53,168,838	69,894,497	123,063,335
Deferred inflows of resources	14,452,873	-	14,452,873	8,325,101	-	8,325,101
Total liabilities and deferred inflows of resources	66,907,018	74,791,967	141,698,985	63,991,460	80,404,631	144,396,091
Net position:						
Net investment in capital assets	21,940,603	6,590,835	28,531,438	19,435,140	19,447,136	38,882,276
Restricted	5,145,442	973,522	6,118,964	6,709,498	973,031	7,682,529
Unrestricted (deficit)	(36,329,298)	73,450,555	37,121,257	(25,777,532)	62,998,859	37,221,327
Total net position	$ (9,243,253)	$ 81,014,912	$ 71,771,659	$ 367,106	$ 83,419,026	$ 83,786,132

DRAFT

Overall, the total net position increased by $12.0 million. The total net position of governmental activities increased by $9.0 million and total net position for business-type activities increased by $3.0 million.

The total restricted net position increased by $1.5 million and unrestricted net position experienced a very slight increase of $100,000 over the previous year.

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were $54.2 million for the fiscal year ended June 30, 2021. Significant revenues for the City for fiscal year 2020-21 were derived from charges for services 48%, sales and use tax 19%, operating/capital grants and contributions 10%, property taxes and assessments 10% and.

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

1. **Charges for Services.** Charges for services increased $514,470 or 2% over last fiscal year. This is primarily due to adopted increases in water and sewer user charges.

2. **Sales and Use Tax**. Sales Tax revenue increased by $4.0 million or 60% over last fiscal year. This is primarily due to Measure V Regional and Measure V regular apportionments being included in the total. The City does continue to see economic growth even during the COVID-19 pandemic.

3. **Operating/Capital Grants and Contributions**. Capital contributions represent 10% of overall total revenues for the City.

4. **Property Taxes and Assessments.** Property tax revenue increased by $524,604 or 9% over last fiscal year. This is due primarily to higher property values.

DRAFT

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2020, and 2021, follows:

Changes in Net Position

	2020			2021		
	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	$ 3,873,618	$ 22,444,216	$ 26,317,834
Grants and contributions:						
Operating	2,144,358	20,000	2,164,358	1,296,316	268,985	1,565,301
Capital	1,001,391	-	1,001,391	3,924,136	-	3,924,136
General revenues:						
Property taxes and assessments	5,361,375	-	5,361,375	5,885,979	-	5,885,979
Transient occupancy taxes	52,861	-	52,861	69,857	-	69,857
Sales and use tax	6,288,047	-	6,288,047	10,290,754	-	10,290,754
Franchise taxes	834,600	-	834,600	914,660	-	914,660
Other taxes	1,176,852	-	1,176,852	1,725,746	-	1,725,746
Intergovernmental	338,649	-	338,649	2,707,936	-	2,707,936
Use of money and property	202,450	1,125,039	1,327,489	469,918		469,918
Other	373,913	42,587,486	42,961,399	374,567	-	374,567
Total revenues	21,070,440	66,239,945	87,310,385	31,533,487	22,713,201	54,246,688
Expenses:						
Governmental activities:						
General government	5,175,295	-	5,175,295	5,121,443	-	5,121,443
Public safety	9,724,945	-	9,724,945	8,695,486	-	8,695,486
Highways and streets	2,572,962	-	2,572,962	1,739,724	-	1,739,724
Urban redevelopment and housing	581,711	-	581,711	875,920	-	875,920
Community services	562,930	-	562,930	273,648	-	273,648
Interest and fiscal charges	675,672	2,967,784	3,643,456	40,542	2,879,948	2,920,490
Business-type activities:						
Water	-	4,336,532	4,336,532	-	3,817,672	3,817,672
Sewer	-	8,668,278	8,668,278	-	9,129,327	9,129,327
Sanitation	-	3,543,067	3,543,067	-	3,801,257	3,801,257
Total expenses	19,293,515	19,515,661	38,809,176	16,746,763	19,628,204	36,374,967
Change in net position after transfers	1,776,925	46,724,284	48,501,209	14,832,330	3,039,391	17,871,721
Transfer from Successor Agency	-	-	-	-	-	-
Transfers	152,375	(152,375)	-	-	-	-
Change in net position	1,929,300	46,571,909	48,501,209	14,832,330	3,039,391	17,871,721
Net position:						
Beginning of year	(11,172,553)	34,443,003	23,270,450	(9,243,253)	81,014,912	71,771,659
Adjustment	-	-	-	(5,221,971)	(635,277)	(5,857,248)
Beginning, as adjusted	(11,172,553)	34,443,003	23,270,450	(14,465,224)	80,379,635	65,914,411
End of year	$ (9,243,253)	$ 81,014,912	$ 71,771,659	$ 367,106	$ 83,419,026	$ 83,786,132

DRAFT

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Governmental and business-type activity expenses of the City for the year totaled $36.3 million. Governmental activity expenses totaled $16.7 million or 46.% of total expenses. Business-type activities incurred $19.6 million or 54% of total expenses during the fiscal year. Public safety costs represented 49.5% 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 2021, are as follows:

DRAFT

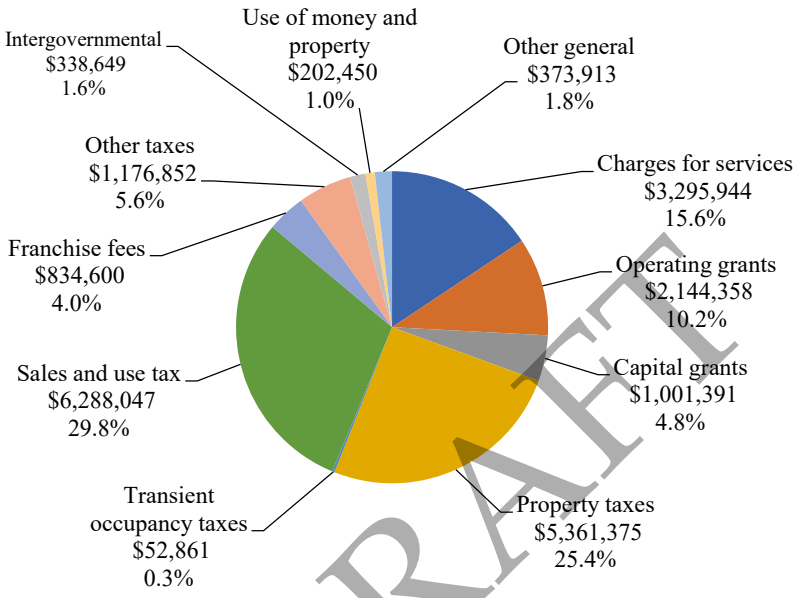
	2020		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	$ 5,175,295	$ 2,742,283	$ 5,121,443	$ 2,491,383
Public safety	9,724,945	8,322,856	8,695,486	8,030,392
Highway and streets	2,572,962	247,094	1,739,724	(3,665,334)
Urban revelopment and housing	581,711	513,111	875,920	728,319
Community services	562,930	350,806	273,648	27,542
Interest on long-term debt	675,672	675,672	40,542	40,452
Total	$ 19,293,515	$ 12,851,822	$ 16,746,763	$ 7,652,693

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

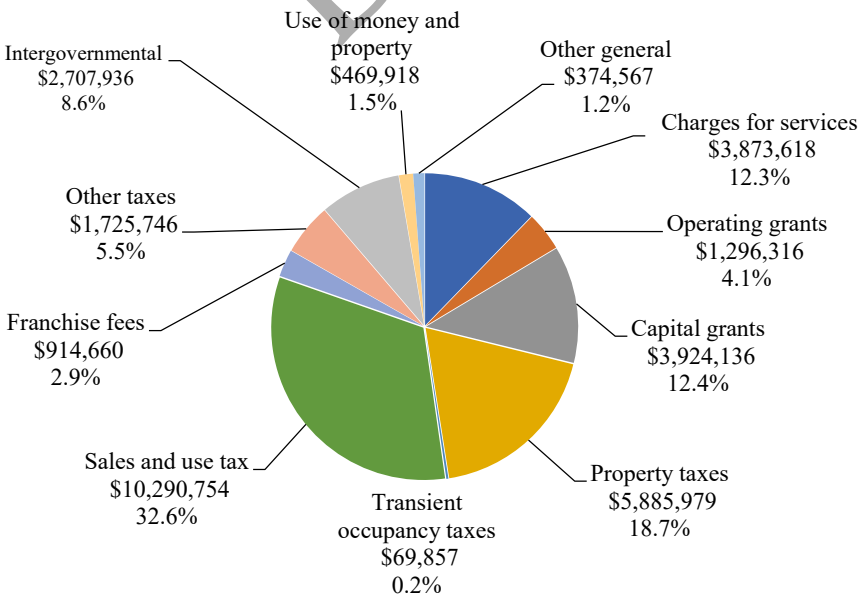
Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2020, and 2021, are as follows:

Revenues by Source - Governmental Activities 2020



Revenues by Source - Governmental Activities 2021



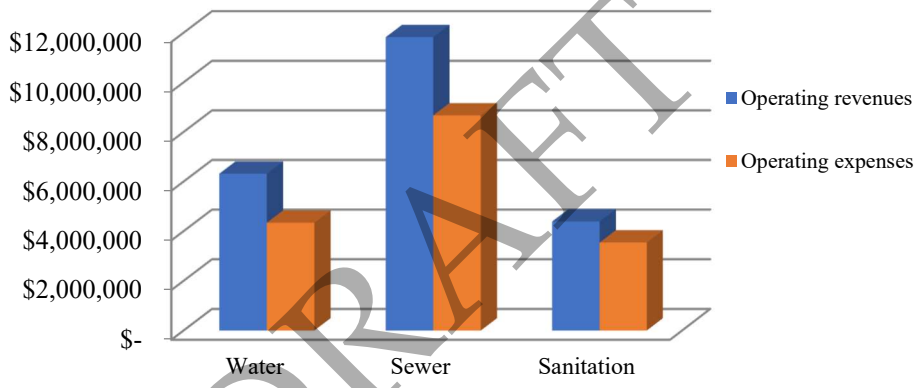
DRAFT

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities

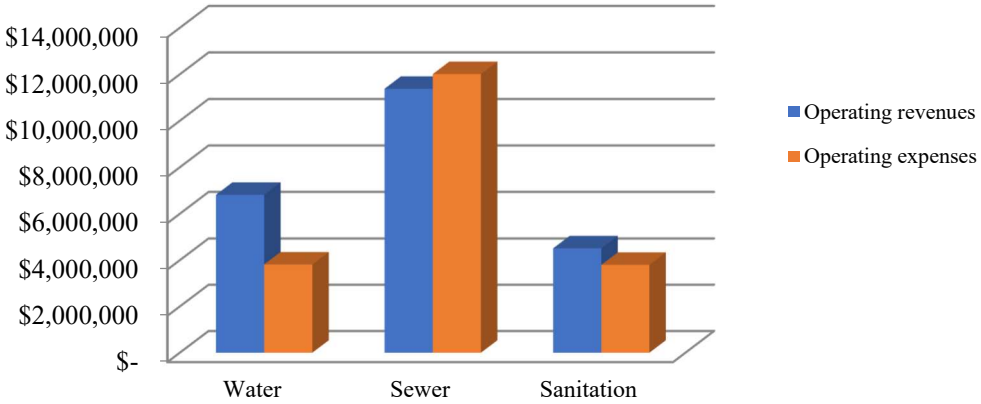
The City has three business-type activities: Water, Sewer, and Sanitation Operations. The operating revenues and expenses for the business-type activities for the fiscal years ended June 30, 2020 and 2021 are as follows:

Operating Revenues and Expenses
Business-type Activities
2020



DRAFT

Operating Revenues and Expenses
Business-type Activities
2021

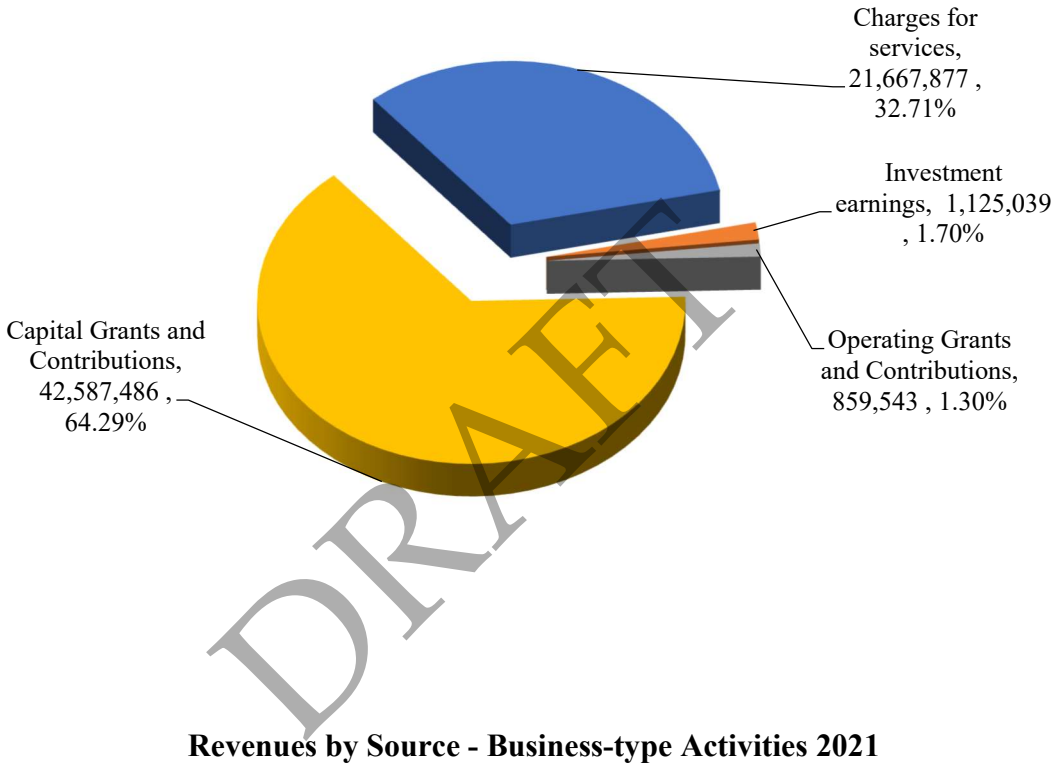


GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type Activities, Continued

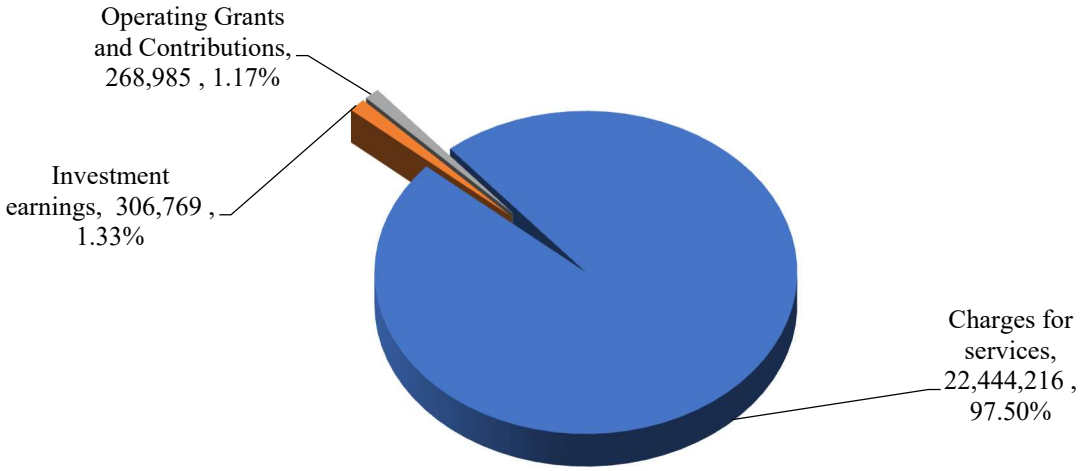
The revenues by source for the business-type activities for the fiscal years ended June 30, 2020, and 2021, are as follows:

Revenues by Source - Business-type Activities 2020



DRAFT

Revenues by Source - Business-type Activities 2021



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, 2021, the City's governmental funds reported combined fund balances of $26.4 million. 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, 2021, the General Fund had a fund balance of $7.1 million. The General Fund balance improved by $4.0 million from the prior fiscal year and is the third 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, 2021, the special revenue funds had a combined fund balance of $13.7 million.

Capital Projects Funds. The City's capital projects funds consist of the general and performance bond nonmajor funds. As of June 30, 2021, the capital project funds had a combined fund balance of $1.2 million.

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 $3.0 million for enterprise funds and increased by $437,676 for internal service funds in the fiscal year ended June 30, 2021. For the enterprise funds, the increase was due mainly to planned rate increases to utility users. The increase in the internal service funds net position was mainly the result of increase 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.

DRAFT

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS, Continued

General Fund Budgetary Highlights

General Fund actual revenues totaled $16.6 million which was 115.6 percent of the amended budget estimate. General Fund expenditures totaled $12.7 million or 89.2 percent of the approved amended budget. The General Fund balance increased by $4.0 million to a balance of $7.1 million.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2021 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	2021	2020	2021	2020	2021
Land	$ 299,384	$ 299,384	$ 764,902	$ 764,902	$ 1,064,286	$ 1,064,286
Construction in progress	3,923,298	4,838,500	1,422,526	18,232,069	5,345,824	$ 23,070,569
Buildings and improvements	6,924,256	7,114,734	110,628,997	110,628,997	117,553,253	$ 117,743,731
Infrastructure	1,164,766	1,164,766	-	-	1,164,766	$ 1,164,766
Roads	51,985,107	52,103,503	-	-	51,985,107	$ 52,103,503
Equipment	9,380,681	10,288,510	10,479,136	10,771,400	19,859,817	$ 21,059,910
Total	$ 73,677,492	$ 75,809,397	$ 123,295,561	$ 140,397,368	$ 196,973,053	$ 216,206,765

The June 30, 2021 total balance reflects addition to construction in progress of $20.4 million. Total depreciation for the year amounted to $5.1 million.

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 48 for significant accounting policies and Note 4 on pages 60 and 61 for other capital asset information.

DEBT ADMINISTRATION

At June 30, 2021, the City had $73.4 million in debt outstanding consisting of compensated absences, capital lease obligations and revenue bonds.

	2021		
	Governmental Activities	**Business-type Activities**	**Total**
Compensated absences	$ 751,913	$ 123,507	$ 875,420
Capital lease obligation	925,515	36,179	961,694
2017A Wastewater Revenue Refunding Bonds	-	52,165,000	52,165,000
2018A Wastewater Revenue Refunding Bonds	-	14,505,000	14,505,000
Unamortized bond premium	-	4,894,364	4,894,364
Unamortized underwriting discount	-		-
Total	$ 1,677,428	$ 71,724,050	$ 73,401,478

DRAFT

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 62.

NEXT YEARS BUDGET AND THE ECONOMY

The budget for Fiscal Year 2021-2022 budget was developed based on the City's multi-year fiscal solvency recovery program and the unknown fiscal impacts of the COVID-19 pandemic. The City's total Fiscal Year 2021-2022 adopted budget approves appropriations at $65.8 million. The budget provides funding for staffing of 97.0 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 three consecutive fiscal years and is projected to maintain a positive fund balance and continue to meet the reserve requirement as established by Council. The budget fulfills the goal of no new debt as well as allocating funds for General Fund reserves.

The City of Atwater is located in central California in Merced County. The City has experienced increases in economic activity, property and sales tax revenue, and an increased interest in development activity. 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 end of COVID-19 pandemic. Although the forecast and long-term effects appear positive, 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.

DRAFT

BASIC
FINANCIAL STATEMENTS

DRAFT

This page intentionally left blank

DRAFT

GOVERNMENT-WIDE FINANCIAL STATEMENTS

DRAFT

This page intentionally left blank

DRAFT

City of Atwater
Statement of Net Position
June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 27,343,316	$ 69,401,837	$ 96,745,153
Restricted cash and investments	-	973,031	973,031
Receivables:			
Accounts	3,567,871	2,388,154	5,956,025
Internal balances	(12,441)	12,441	-
Prepaid items	95,487	515	96,002
Total current assets	30,994,233	72,775,978	103,770,211
Noncurrent assets:			
Advances to Successor Agency Private Purpose Trust	80,706	-	80,706
Investment in land held for resale	159,363	-	159,363
Capital assets:			
Nondepreciable	5,137,883	18,996,971	24,134,854
Depreciable	70,671,513	121,400,395	192,071,908
Less accumulated depreciation	(55,448,742)	(49,349,687)	(104,798,429)
Total capital assets	20,360,654	91,047,679	111,408,333
Total noncurrent assets	20,600,723	91,047,679	111,648,402
Total assets	51,594,956	163,823,657	215,418,613
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	7,420,997	-	7,420,997
Deferred outflows - OPEB	5,342,613	-	5,342,613
Total deferred outflows of resources	12,763,610	-	12,763,610
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	1,578,615	6,962,208	8,540,823
Interest payable	-	549,238	549,238
Deposits payable	287,285	452,193	739,478
Other liabilities	164,114	660,004	824,118
Unearned revenue	-	56,938	56,938
Compensated absences - current portion	57,317	13,516	70,833
Long-term debt - current	410,190	1,816,037	2,226,227
Total current liabilities	2,497,521	10,510,134	13,007,655
Noncurrent liabilities:			
Compensated absences	694,596	109,991	804,587
Net pension liability	27,776,819	-	27,776,819
Net OPEB liability	24,182,098	-	24,182,098
Long-term debt	515,325	69,784,506	70,299,831
Total noncurrent liabilities	53,168,838	69,894,497	123,063,335
Total liabilities	55,666,359	80,404,631	136,070,990
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	1,629,571	-	1,629,571
Deferred inflows of resources - OPEB	6,695,530	-	6,695,530
Total deferred inflows of resources	8,325,101	-	8,325,101
NET POSITION			
Net investment in capital assets	19,435,140	19,447,136	38,882,276
Restricted	6,709,498	973,031	7,682,529
Unrestricted	(25,777,532)	62,998,859	37,221,327
Total net position	$ 367,106	$ 83,419,026	$ 83,786,132

See accompanying Notes to Basic Financial Statements.

DRAFT

City of Atwater
Statement of Activities
For the year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Program Revenues: Total
Governmental activities:					
General government	$ 5,121,443	$ 2,627,570	$ 2,490	$ -	$ 2,630,060
Public safety	8,695,486	153,924	511,170	-	665,094
Highways and streets	1,739,724	936,143	688,489	3,780,426	5,405,058
Urban redevelopment and housing	875,920	3,891	-	143,710	147,601
Community services	273,648	152,090	94,167	-	246,257
Interest on long-term debt	40,542	-	-	-	-
Total governmental activities	16,746,763	3,873,618	1,296,316	3,924,136	9,094,070
Business-type Activities:					
Water	3,817,672	6,558,942	258,430	-	6,817,372
Sewer	12,009,275	11,368,817	10,555	-	11,379,372
Sanitation	3,801,257	4,516,457	-	-	4,516,457
Total Business-Type activities	19,628,204	22,444,216	268,985	-	22,713,201
Total primary government	$ 36,374,967	$ 26,317,834	$ 1,565,301	$ 3,924,136	$ 31,807,271
		General Revenues:			
		Taxes:			
		Property taxes, levied for general purposes			
		Transient occupancy tax			
		Sales taxes			
		Franchise fes			
		Other taxes			
		Total taxes			
		Intergovernmental			
		Use of money and property			
		Other general revenues			
		Sale of real property			
		Total general revenues			
		Transfers			
		Total general revenues and transfers			
		Change in net position			
		Net position - beginning of year, as restated			
		Net position - end of year			

DRAFT

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (2,491,383)	$ -	$ (2,491,383)
(8,030,392)	-	(8,030,392)
3,665,334	-	3,665,334
(728,319)	-	(728,319)
(27,391)	-	(27,391)
(40,542)	-	(40,542)
(7,652,693)	-	(7,652,693)
-	2,999,700	2,999,700
-	(629,903)	(629,903)
-	715,200	715,200
-	3,084,997	3,084,997
(7,652,693)	3,084,997	(4,567,696)
5,885,979	-	5,885,979
69,857	-	69,857
10,290,754	-	10,290,754
914,660	-	914,660
1,725,746	-	1,725,746
18,886,996	-	18,886,996
2,707,936	-	2,707,936
163,149	306,769	469,918
398,778	-	398,778
(24,211)	-	(24,211)
3,245,652	306,769	3,552,421
352,375	(352,375)	-
3,598,027	(45,606)	3,552,421
14,832,330	3,039,391	17,871,721
(14,465,224)	80,379,635	65,914,411
$ 367,106	$ 83,419,026	$ 83,786,132

DRAFT

This page intentionally left blank

DRAFT

FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

DRAFT

City of Atwater
Balance Sheet
Governmental Funds
June 30, 2021

	Major Funds				
	General Fund	Measure H Special Revenue Fund	Measure V Special Revenue Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	$ 7,222,662	$ 929,325	$ 2,718,653	$ 14,233,610	$ 25,104,250
Receivables:					
Taxes	319,735	-	-	18,601	338,336
Interest	4,248	393	1,487	6,860	12,988
Intergovernmental	3,514	-	276,983	486,162	766,659
Other receivable	1,323,955	575,887	-	498,638	2,398,480
Prepaid items	28,196	-	-	13,492	41,688
Due from other funds	358	-	-	-	358
Advance to Successor Agency Private Purpose Trust	-	-	-	80,706	80,706
Investment in land held for resale	-	-	-	159,363	159,363
Total assets	8,902,668	1,505,605	2,997,123	15,497,432	28,902,828
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	856,363	3,356	28,808	241,289	1,129,816
Accrued liabilities	321,397	17,353	-	9,399	348,149
Due to other funds	-	-	-	12,799	12,799
Deposits payable	175,619	-	-	111,666	287,285
Other liabilities	-	-	117,064	47,050	164,114
Total liabilities	1,353,379	20,709	145,872	422,203	1,942,163
Deferred Inflows of Resources					
Unavailable revenues	363,064	-	90,672	15,359	469,095
Total deferred inflows of resources	363,064	-	90,672	15,359	469,095
Fund Balances:					
Nonspendable					
Prepaid items	28,196	-	-	294	28,490
Investment in land held for resale	-	-	-	159,363	159,363
Restricted	-	-	-	6,723,826	6,723,826
Assigned	-	1,484,896	2,760,579	8,189,477	12,434,952
Unassigned	7,158,029	-	-	(13,090)	7,144,939
Total fund balances	7,186,225	1,484,896	2,760,579	15,059,870	26,491,570
Total liabilities, deferred inflows of resources and fund balances	$ 8,902,668	$ 1,505,605	$ 2,997,123	$ 15,497,432	$ 28,902,828

DRAFT

See accompanying Notes to Basic Financial Statements.

City of Atwater

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2021

Total Fund Balances - Total Governmental Funds		$ 26,491,570
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:		

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	$ 5,137,883	$ -	5,137,883
Depreciable, net	15,222,771	(939,103)	14,283,668
Total capital assets	$ 20,360,654	$ (939,103)	19,421,551

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.	3,158,882
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	469,095
In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.	
Deferred outflows of resources related to pension	7,420,997
Deferred outflows of resources related to OPEB	5,342,613
Deferred inflows of resources related to pension	(1,629,571)
Deferred inflows of resources related to OPEB	(6,695,530)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	$ (57,317)	$ 2,823	$ (54,494)
Compensated absences - due in more than one year	(694,596)	21,021	(673,575)
Net pension liability	(27,776,819)	-	(27,776,819)
Net OPEB liability	(24,182,098)	-	(24,182,098)
Long-term debt - due in more than one year	(515,325)	-	(515,325)
Total long-term liabilities	$ (53,636,345)	$ 23,844	(53,612,501)
Net Position of Governmental Activities			$ 367,106

DRAFT

See accompanying Notes to Basic Financial Statements

City of Atwater
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2021

	Major Funds				
	General Fund	Measure H Special Revenue	Measure V Special Revenue	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes and assessments	$ 8,774,736	$ 2,705,019	$ 2,979,316	$ 1,312,548	$ 15,771,619
Licenses and permits	775,977	-	-	-	775,977
Fines and forfeitures	71,543	-	-	-	71,543
Intergovernmental	3,803,582	-	-	3,495,533	7,299,115
Use of money and property	155,830	2,530	11,965	78,622	248,947
Charges for services	3,005,266	-	-	-	3,005,266
Other revenues	17,199	-	-	116,156	133,355
Total revenues	16,604,133	2,707,549	2,991,281	5,002,859	27,305,822
EXPENDITURES:					
Current:					
General government	4,038,109	-	-	128	4,038,237
Public safety	7,129,101	1,522,021	-	44,364	8,695,486
Highways and streets	1,277,483	-	-	531,802	1,809,285
Urban redevelopment and housing	-	-	-	875,920	875,920
Community services	273,648	-	-	-	273,648
Capital outlay	-	65,445	182,973	1,551,605	1,800,023
Debt service					
Principal	-	276,370	-	-	276,370
Interest and fiscal charges	-	40,542	-	-	40,542
Total expenditures	12,718,341	1,904,378	182,973	3,003,819	17,809,511
REVENUES OVER (UNDER) EXPENDITURES	3,885,792	803,171	2,808,308	1,999,040	9,496,311
OTHER FINANCING SOURCES (USES):					
Transfers in	402,375	-	-	2,490,677	2,893,052
Transfers out	(2,390,677)	-	-	(50,000)	(2,440,677)
Proceeds from capital lease	-	45,349	-	105,013	150,362
Proceeds from sale of capital assets	2,163,034	-	-	(2,187,245)	(24,211)
Total other financing sources (uses)	174,732	45,349	-	358,445	578,526
Net change in fund balances	4,060,524	848,520	2,808,308	2,357,485	10,074,837
FUND BALANCES:					
Beginning of year, as restated	3,125,701	636,376	(47,729)	12,702,385	16,416,733
End of year	$ 7,186,225	$ 1,484,896	$ 2,760,579	$ 15,059,870	$ 26,491,570

DRAFT

See accompanying Notes to Basic Financial Statements.

City of Atwater
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities
For the year ended June 30, 2021

Net Change in Fund Balances - Total Governmental Funds	$	10,074,837
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:		
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.		1,719,222
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.		(1,350,681)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.		(9,029)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Long-term debt repayments		276,370
Changes in the net pension liability and related deferred inflows and deferred outflows do not use or provide current financial resources and are therefore not reported in the funds.		220,124
Changes in the net OPEB liability and related deferred inflows and deferred outflows do not use or provide current financial resources and are therefore not reported in the funds.		(213,544)
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.		3,896,193
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.		218,838
Change in Net Position of Governmental Activities	$	14,832,330

DRAFT

See accompanying Notes to Basic Financial Statements

City of Atwater

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

General Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes and assessments	$ 6,761,057	$ 6,761,057	$ 8,774,736	$ 2,013,679
Licenses and permits	476,124	476,124	775,977	299,853
Fines and forfeitures	97,500	97,500	71,543	(25,957)
Intergovernmental	3,876,481	3,876,481	3,803,582	(72,899)
Use of money and property	157,758	157,758	155,830	(1,928)
Charges for services	2,903,347	2,903,347	3,005,266	101,919
Other revenues	41,500	41,500	17,199	(24,301)
Total revenues	14,313,767	14,313,767	16,604,133	2,290,366
EXPENDITURES:				
Current:				
General government	5,037,069	5,037,069	4,038,109	998,960
Public safety	7,507,751	7,507,751	7,129,101	378,650
Public works	1,347,153	1,347,153	1,277,483	69,670
Community development	-	-	273,648	(273,648)
Non-departmental	362,797	362,797	-	362,797
Total expenditures	14,254,770	14,254,770	12,718,341	1,536,429
REVENUES OVER (UNDER) EXPENDITURES	58,997	58,997	3,885,792	3,826,795
OTHER FINANCING SOURCES (USES):				
Transfers in	502,375	502,375	402,375	(100,000)
Transfers out	(2,105,532)	(2,105,532)	(2,390,677)	(285,145)
Sale of capital assets	717,000	717,000	2,163,034	1,446,034
Total other financing sources (uses)	(886,157)	(886,157)	174,732	1,060,889
Net change in fund balances	$ (827,160)	$ (827,160)	4,060,524	$ 4,887,684
FUND BALANCES:				
Beginning of year			3,125,701	
End of year			$ 7,186,225	

DRAFT

City of Atwater

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

Measure H Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes and assessments	$ 1,830,582	$ 1,830,582	$ 2,705,019	$ 874,437
Use of money and property	1,000	1,000	2,530	1,530
Total revenues	1,831,582	1,831,582	2,707,549	875,967
EXPENDITURES:				
Current:				
Public safety	1,809,829	1,809,829	1,522,021	287,808
Capital outlay:				
General capital outlay	20,000	20,000	65,445	(45,445)
Debt service				
Principal	382,316	382,316	276,370	105,946
Interest and fiscal charges	-	-	40,542	(40,542)
Total expenditures	2,212,145	2,212,145	1,904,378	242,363
REVENUES OVER (UNDER) EXPENDITURES	(380,563)	(380,563)	803,171	1,118,330
OTHER FINANCING SOURCES (USES):				
Capital lease	-	-	45,349	45,349
Total other financing sources (uses)	-	-	45,349	45,349
Net change in fund balances	$ (380,563)	$ (380,563)	848,520	$ 1,163,679
FUND BALANCES:				
Beginning of year			636,376	
End of year			$ 1,484,896	

DRAFT

City of Atwater

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

Measure V Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes and assessments	$ 3,090,776	$ 3,090,776	$ 2,979,316	$ (111,460)
Use of money and property	2,700	2,700	11,965	9,265
Total revenues	3,093,476	3,093,476	2,991,281	(102,195)
EXPENDITURES:				
Capital outlay:				
General capital outlay	1,299,383	1,299,383	182,973	1,116,410
Total expenditures	1,299,383	1,299,383	182,973	1,116,410
Net change in fund balances	$ 1,794,093	$ 1,794,093	2,808,308	$ 1,014,215
FUND BALANCES:				
Beginning of year			(47,729)	
End of year			$ 2,760,579	

DRAFT

City of Atwater
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Sanitation	Totals	Internal Service Funds
ASSETS					
Current Assets:					
Cash and investments	$ 46,118,928	$ 20,480,934	$ 2,801,975	$ 69,401,837	$ 2,239,066
Restricted cash and investments	-	973,031	-	973,031	-
Receivables:					
Accounts	710,539	1,179,434	457,710	2,347,683	50,302
Interest	27,729	11,180	1,562	40,471	1,106
Due from other funds	-	562,140	-	562,140	-
Prepaid expenses	515	-	-	515	53,799
Total current assets	46,857,711	23,206,719	3,261,247	73,325,677	2,344,273
Noncurrent:					
Capital assets:					
Nondepreciable	17,672,055	1,239,572	85,344	18,996,971	-
Depreciable	19,768,584	101,065,140	566,671	121,400,395	2,569,342
Less accumulated depreciation	(16,754,854)	(32,157,633)	(437,200)	(49,349,687)	(1,630,239)
Net capital assets	20,685,785	70,147,079	214,815	91,047,679	939,103
Total noncurrent assets	20,685,785	70,147,079	214,815	91,047,679	939,103
Total assets	67,543,496	93,353,798	3,476,062	164,373,356	3,283,376
LIABILITIES					
Current liabilities:					
Accounts payable	6,223,890	709,439	2,370	6,935,699	93,672
Accrued payroll	7,636	17,481	1,392	26,509	6,978
Due to other funds	-	-	549,699	549,699	-
Interest payable	-	549,238	-	549,238	-
Deposits payable	452,193	-	-	452,193	-
Other liabilities	638,654	21,350	-	660,004	-
Unearned revenue	-	56,938	-	56,938	-
Compensated absences - current	2,534	9,922	1,060	13,516	2,823
Long-term debt - current	11,028	1,805,009	-	1,816,037	-
Total current liabilities	7,335,935	3,169,377	554,521	11,059,833	103,473
Noncurrent liabilities:					
Compensated absences	22,786	87,114	91	109,991	21,021
Long-term debt	7,062	69,777,444	-	69,784,506	-
Total noncurrent liabilities	29,848	69,864,558	91	69,894,497	21,021
Total liabilities	7,365,783	73,033,935	554,612	80,954,330	124,494
NET POSITION					
Net investment in capital assets	20,667,695	(1,435,374)	214,815	19,447,136	939,103
Restricted for capital projects	-	973,031	-	973,031	-
Unrestricted	39,510,018	20,782,206	2,706,635	62,998,859	2,219,779
Total net position	$ 60,177,713	$ 20,319,863	$ 2,921,450	$ 83,419,026	$ 3,158,882

DRAFT

See accompanying notes to Basic Financial Statements.

City of Atwater

Statement of Revenues, Expenditures and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Sanitation	Totals	Internal Service Funds
OPERATING REVENUES:					
Charges for services	$ 6,558,942	$ 11,368,817	$ 4,516,457	$ 22,444,216	$ 3,718,346
Other operating revenue	258,430	10,555	-	268,985	110,540
Total operating revenues	6,817,372	11,379,372	4,516,457	22,713,201	3,828,886
OPERATING EXPENSES:					
Salaries and benefits	563,186	1,433,573	118,355	2,115,114	625,988
Contractual services	281,878	2,216,146	2,861,502	5,359,526	432,941
Materials and supplies	143,604	116,072	16,777	276,453	7,667
Repairs and maintenance	-	9,491	-	9,491	462,639
Utilities	1,027,628	798,213	-	1,825,841	74,013
Insurance	-	-	-	-	1,607,206
Other operating costs	1,457,009	1,451,360	786,491	3,694,860	227,357
Depreciation	344,367	3,104,472	18,132	3,466,971	121,151
Total operating expenses	3,817,672	9,129,327	3,801,257	16,748,256	3,558,962
Operating income (loss)	2,999,700	2,250,045	715,200	5,964,945	269,924
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental revenues (expenses)	-	-	-	-	40,000
Interest revenue	206,183	88,905	11,681	306,769	8,914
Interest expense	-	(2,879,948)	-	(2,879,948)	-
Total nonoperating revenues (expenses)	206,183	(2,791,043)	11,681	(2,573,179)	48,914
Income before contributions and transfers	3,205,883	(540,998)	726,881	3,391,766	318,838
CONTRIBUTIONS AND TRANSFERS:					
Transfers in	-	-	-	-	100,000
Transfers out	(252,375)	(100,000)	-	(352,375)	(200,000)
Total contributions and transfers	(252,375)	(100,000)	-	(352,375)	(100,000)
Change in net position	2,953,508	(640,998)	726,881	3,039,391	218,838
NET POSITION:					
Beginning of year, as restated	57,224,205	20,960,861	2,194,569	80,379,635	2,940,044
End of year	$ 60,177,713	$ 20,319,863	$ 2,921,450	$ 83,419,026	$ 3,158,882

DRAFT

See accompanying notes to Basic Financial Statements.

City of Atwater

Statement of Revenues, Expenditures and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Sanitation	Totals	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	$ 6,566,816	$ 11,111,522	$ 4,423,442	$ 22,101,780	$ 3,753,954
Cash received from interfund service providers	-	-	-	-	-
Cash paid to suppliers for goods and services	3,197,686	(4,016,210)	(3,675,483)	(4,494,007)	(2,936,812)
Cash paid to employees for services	(583,922)	(1,391,376)	(116,527)	(2,091,825)	(634,146)
Net cash provided by (used in) operating activities	9,180,580	5,703,936	631,432	15,515,948	182,996
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in	-	-	-	-	100,000
Cash transfers out	(252,375)	(100,000)	-	(352,375)	(200,000)
Advance from other funds		2,873,985	(549,700)	2,324,285	-
Subsidy from grants	-	-	-	-	40,000
Net cash provided by (used in) noncapital financing activities	(252,375)	2,773,985	(549,700)	1,971,910	(60,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Note principal payments	18,090	(1,726,920)		(1,708,830)	-
Interest paid on capital debt	-	(2,889,184)		(2,889,184)	-
Purchase of capital assets	(16,205,823)	(716,596)	-	(16,922,419)	(262,321)
Net cash provided by (used in) capital and related financing activities	(16,187,733)	(5,332,700)	-	(21,520,433)	(262,321)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	323,443	125,611	17,679	466,733	8,913
Net cash provided by (used in) investing activities	323,443	125,611	17,679	466,733	8,913
Net cash flows	(6,936,085)	3,270,832	99,411	(3,565,842)	(130,412)
CASH AND INVESTMENTS - Beginning of year	53,055,013	18,183,133	2,702,564	73,940,710	2,369,478
CASH AND INVESTMENTS - End of year	$ 46,118,928	$ 21,453,965	$ 2,801,975	$ 70,374,868	$ 2,239,066
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	$ 2,999,700	$ 2,250,045	$ 715,200	$ 5,964,945	269,924
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	344,367	3,104,472	18,132	3,466,971	121,151
(Increase) decrease in accounts receivable	(250,041)	(427,626)	(93,015)	(770,682)	(25,474)
(Increase) decrease in prepaid expense	(515)	159,776	-	159,261	(49,458)
Increase (decrease) in accounts payable	5,428,141	553,722	(10,713)	5,971,150	(124,989)
Increase (decrease) in accrued payroll	(8,530)	(11,144)	677	(18,997)	
Increase (decrease) in accrued liabilities	638,654	21,350	-	660,004	(6,200)
Increase (decrease) in deposits payable	41,010	-	-	41,010	-
Increase (decrease) in compensated absences	(12,206)	53,341	1,151	42,286	(1,958)
Net cash provided by (used in) operating activities	$ 9,180,580	$ 5,703,936	$ 631,432	$ 15,515,948	$ 182,996

DRAFT

See accompanying notes to Basic Financial Statements.

This page intentionally left blank

DRAFT

City of Atwater
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	RDA Successor Agency Private Purpose Trust Fund	Custodial Funds
ASSETS		
Current assets:		
Cash and investments	$ 472,744	$ 133,145
Cash and investments with trustee/fiscal agent	2,876	-
Interest receivable	427	72
Loans/notes receivable	111,437	-
Total current assets	587,484	133,217
Land	706,256	
Property, plant and equipment	8,670,932	-
Less accumulated depreciation	(6,432,045)	-
Property, plant and equipment	2,945,143	-
Total assets	3,532,627	133,217
LIABILITIES		
Current liabilities:		
Accounts payable	2,435	-
Due to others	80,706	2,520
Due within one year	908,000	-
Total current liabilities	991,141	2,520
Long-term liabilities:		
Advance from governmental funds/activities	-	-
Due after one year	3,871,000	-
Total long-term liabilities	3,871,000	-
Total liabilities	4,862,141	2,520
NET POSITION		
Held in trust for dissolution of RDA	(1,329,514)	-
Held for the CFD Bond holders	-	130,697
Total Net Position	$ (1,329,514)	$ 130,697

DRAFT

See accompanying notes to Basic Financial Statements.

City of Atwater
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2021

	RDA Successor Agency Private Purpose Trust Fund	Custodial Funds
ADDITIONS:		
Property taxes	$ 1,046,143	31,881
Investment income	2,231	639
Other additions	1,401,993	-
Total additions	2,450,367	32,520
DEDUCTIONS:		
Depreciation expense	176,554	-
Urban redevelopment and housing	1,361,799	520
Interest expense	73,041	-
Total deductions	1,611,394	520
Change in net position	838,973	32,000
NET POSITION:		
Beginning of year, as restated	(2,168,487)	98,697
End of year	$ (1,329,514)	$ 130,697

DRAFT

See accompanying notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

DRAFT

This page intentionally left blank.

DRAFT

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.

A. 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.

The basic financial statements of the City include only the financial activities of the City. The City does not have component units.

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. 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.

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

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

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except for those representing balances between the governmental activities and business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

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

The City applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

Governmental Fund Financial Statements

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

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

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of presentation, 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.

The City reports the following major governmental funds:

- *General Fund* – used 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.
- *Measure V Special Revenue Fund* - accounts for Measure V, a voter approved sales tax measure, to provide enhanced public safety costs.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

Under the accrual basis of accounting, revenues are recognized 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. The City reports the following proprietary funds as major:

- *Water Enterprise Fund* – accounts for the operation and maintenance of the City's water treatment and distribution system.
- *Sewer Enterprise Fund* – accounts for the operation and maintenance of the City's wastewater treatment plant and collection facilities.
- *Sanitation Enterprise Fund* – accounts for all activities associates with the operation and maintenance of providing solid waste services.

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of presentation, Continued

Internal service fund balances and activities have been combined with governmental and business-type activities in the Government-Wide Financial Statements. These funds account for building maintenance, employee benefits, risk management and information technology.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has one private-purpose trust fund. The private-purpose trust fund accounts for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). Fiduciary funds are accounted for using the accrual basis of accounting.

The funds of the financial reporting entity are described below:

- Successor Agency – Former Atwater Community Development Agency Fund - accounts for funds collected and disbursed for the dissolution of the former Atwater Development Agency related to Administration and Retirement of enforceable obligations.

- Custodial Funds - account for assets held by the City in a purely custodial capacity and are not presented in the government-wide financial statements.

C. 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.

In accordance with GASB Statement No. 40, *Deposit, and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

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

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Cash Deposits and Investments, Continued

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

D. 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 7 for details of interfund transactions, including receivables and payables at year-end.

E. 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.

F. 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.

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. 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.

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

DRAFT

H. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position or balance sheet 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.

In addition to liabilities, the statement of net position or balance sheet 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.

J. 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.

K. 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, 2020
Measurement Period	July 1, 2019 to June 30, 2020

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Net Position and Fund Balance

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."

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 (e.g. 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

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

L. Net Position and Fund Balance, Continued

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).

M. 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 XIIIA of the State Constitution (Proposition 13 adopted by voters on June 6, 2078) 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.

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Revenues, Expenditures, and Expenses, Continued

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

DRAFT

N. 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, 2021. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

O. *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.

P. New Accounting Pronouncements

In 2021, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 84 - *Fiduciary Activities* – The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Management has implemented this Statement in fiscal year 2021.

- GASB Statement No. 90 – *Majority Equity Interests* – The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legal separate organization should be reported as an investment if a government's holding of the equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement is not applicable to the City.

- GASB Statement No. 93 – *Interbank Offered Rates (except LIBOR removal and lease modifications)* – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) –most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with GASB Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of GASB Statement No. 93 is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is not applicable to the City.

DRAFT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. New Accounting Pronouncements, Continued

- GASB Statement No. 97 – *Certain Component Unit Criteria, And Accounting And Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment Of GASB Statements No. 14 And No. 84, And A Supersession Of GASB Statement No. 32* – The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has implemented this Statement in fiscal year 2021.

- GASB Statement No. 98 - The *Annual Comprehensive Financial Report*. Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Management has implemented this Statement on its financial statements. Management has implemented this Statement in fiscal year 2021.

DRAFT

2. CASH AND INVESTMENTS

Cash, cash equivalents, and investments are reported in the accompanying basic financial statements as follows:

	Government-Wide Statement of Net Position			
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash and investments	$ 27,343,316	$ 69,401,837	$ 605,889	$ 97,351,042
Restricted cash and investments	-	973,031	2,876	975,907
Total cash and investments	$ 27,343,316	$ 70,374,868	$ 608,765	$ 98,326,949

2. CASH AND INVESTMENTS, Continued

Summary of Cash and Investments

At June 30, 2021, the City's pooled cash and investments consist of the following

Cash on hand	$	450
Deposits with financial institutions		5,449,672
Total cash on hand and deposits		5,450,122
Local Agency Investment Funds (LAIF)		67,437,938
CSJVRMA Investment Pool		1,136,631
Government bonds		14,389,210
Corporate bonds		4,259,320
Asset-backed securities		1,669,745
Suprational obligation		1,226,071
CMO		740,160
Money Market Fund		315,502
Negotiable certificate of deposit		500,000
Total investments		91,674,577
Total City Treasury		97,124,699
Cash and investments held by fiscal agents		975,907
Restricted for PARS pension Trust		226,343
Total cash and investments	$	98,326,949

DRAFT

Deposits

The carrying amount of the City's cash deposit was $5,449,672 at June 30, 2021.

Bank balances before reconciling items were a positive amount of $6,370,976 at June 30, 2021. The City's cash deposit was fully insured up to $250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

2. CASH AND INVESTMENTS, Continued

Investments

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, 2021, the City's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % of Portfolio	Maximum Investment in One Issuer
Bankers' Accepances	180 days	A-1, P-1	40%	5%
Certificates of Deposits	2 years	N/A	20%	$500,000 per entity
Negotiable Certificates of Deposit	2 years	A	30%	$1m per entity
Commercial Paper	270 days	A-1	25%	10%
State of California Local Agency				10%
Investment Fund (State Pool)	N/A	N/A	N/A	N/A
Medium Term Notes	5 years	A	N/A	5%
Money Market Funds	N/A	Aaa	20%	20%
U.S. Treasury Securities	5 years	N/A	N/A	N/A
U.S. Treasury Obligations	None	N/A	N/A	N/A
U.S. Government Agency Issues	5 years	A	30%	5%
U.S. Government Agency Sponsored				
Enterprise Securities	5 years	N/A	N/A	N/A
Repurchase Agreements	1 year	N/A	10%	10%
Mortgage pass-through and				
asset backed securities	5 years	AA	20%	5%
Supranational Obligations	5 years	AA	30%	N/A

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.

DRAFT

2. CASH AND INVESTMENTS, Continued

Investments, Continued

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2021, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2021, the City had $67,437,938 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.37% in the previous year. The LAIF fair value factor of 1.00008297 was used to calculate the fair value of the investments in LAIF.

Risk Disclosures

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.

		Investment Maturities (in Months)		
Investment Type	Total	12 Months or less	13 to 36 Months	More than 36Months
Government bonds	$ 14,389,210	$ 937,190	$ 6,667,508	$ 6,784,512
Corporate bonds	4,259,320	-	2,412,390	1,846,930
Asset-backed securities	1,669,745	-	91,672	1,578,073
Suprational obligation	1,226,071	-	573,104	652,967
CMO	740,160	-	740,160	-
Negotiable certificate of deposit	500,000	500,000	-	-
Money Market Fund	315,502	315,502	-	-
Subtotal	23,100,008	1,752,692	10,484,834	10,862,482
Joint investment pools:				
Local Agency Investment Fund	67,437,938	67,437,938	-	-
CSJVRMA Investment Pool	1,136,631	1,136,631	-	-
Total	$ 91,674,577	$ 70,327,261	$ 10,484,834	$ 10,862,482

DRAFT

2. CASH AND INVESTMENTS, Continued

Risk Disclosures, Continued

Credit risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating at June 30, 2021 for each investment type:

Investment	Total	Rating as of June 30, 2021					
		A3	A2	A1	Aa3	Aa1	Aaa
Governent bonds	$ 14,389,210	$ -	$ -	$ -	$ -	$ -	$14,389,210
Corporate bonds	4,259,320	60,031	1,900,387	1,617,690	344,030	337,182	-
Asset-backed securities	1,274,467	-	-	-	-	-	1,274,467
Suprational obligation	1,226,071	-	-	-	-	-	1,226,071
CMO	740,160	-	-	-	-	-	740,160
Money Market Fund	315,502	-	-	-	-	-	315,502
Negotiable certificate of deposit	500,000	-	-	500,000	-	-	-
Subtotal	$ 22,704,730	$60,031	$1,900,387	$2,117,690	$ 344,030	$ 337,182	$17,945,410
Not Rated:							
Joint Investment Pool:							
Local Agency Investment Fund	67,437,938						
CSJVRMA Investment Pool	1,136,631						
Asset-backed securities	395,278						
Total Investments	91,674,577						

DRAFT

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.

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.

2. CASH AND INVESTMENTS, Continued

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2021:

		Fair Value Measurement Using		
Investment Type	Fair Value	Level 1	Level 2	Level 3
Government bonds	$ 14,389,210	$ -	$ 14,389,210	$ -
Corporate bonds	4,259,320	-	4,259,320	-
Asset-backed securities	1,669,745	-	1,669,745	-
Suprational obligation	1,226,071	-	1,226,071	-
CMO	740,160	-	740,160	-
Negotiable certificate of deposit	500,000	-	500,000	-
Total investments subject to fair value	22,784,506	$ -	$ 22,784,506	$ -
Investments not subject to levelling:				
Money Market Funds	315,502			
CSJVRMA Investment Pool	1,136,631			
California Local Agency Investment Fund	67,437,938			
Total Investments	$ 91,674,577			

DRAFT

3. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2021
Governmental activities					
Nondepreciable assets:					
Land	$ 299,384	$ -	$ -	$ -	$ 299,384
Construction in Progress	3,923,298	1,222,002	-	(306,801)	4,838,499
Total nondepreciable assets	4,222,682	1,222,002	-	(306,801)	5,137,883
Depreciable assets:					
Buildings and improvements	6,924,256	190,478	-	-	7,114,734
Infrastructure	1,164,766	-	-	-	1,164,766
Roads	51,985,107	99,766	-	18,630	52,103,503
Equipment	9,380,681	619,658	-	288,171	10,288,510
Total depreciable assets	69,454,810	909,902	-	306,801	70,671,513
Total	73,677,492	2,131,904	-	-	75,809,396
Accumulated depreciation:					
Buildings and improvements	(4,098,863)	(265,392)	-	-	(4,364,255)
Infrastructure	(407,551)	(73,920)	-	-	(481,471)
Roads	(43,779,555)	(678,681)	-	-	(44,458,236)
Equipment	(5,690,940)	(453,840)	-	-	(6,144,780)
Total accumulated depreciation	(53,976,909)	(1,471,833)	-	-	(55,448,742)
Net depreciable assets	15,477,901	(561,931)	-	-	15,222,771
Total net capital assets	$ 19,700,583	$ 660,071	$ -	$ -	$ 20,360,654

DRAFT

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

General government	$ 623,812
Public safety	281,740
Highways and streets	566,281
Total	1,471,833

3. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2021
Business-type activities					
Nondepreciable assets:					
Land	$ 764,902	$ -	$ -	$ -	$ 764,902
Construction in Progress	1,422,526	16,809,543	-		18,232,069
Total nondepreciable assets	2,187,428	16,809,543	-	-	18,996,971
Depreciable assets:					
Buildings and improvements	110,628,997	-	-	-	110,628,997
Equipment	10,479,136	292,262	-		10,771,398
Total depreciable assets	121,108,133	292,262	-	-	121,400,395
Total	123,295,561	292,262	-	-	140,397,366
Accumulated depreciation:					
Buildings and improvements	(37,206,184)	(3,381,601)	-	-	(40,587,785)
Equipment	(8,497,146)	(264,756)	-		(8,761,902)
Total accumulated depreciation	(45,703,330)	(3,646,357)	-	-	(49,349,687)
Net depreciable assets	75,404,803	(3,354,095)	-	-	72,050,708
Total net capital assets	$ 77,592,231	$ 13,455,448	$ -	$ -	$ 91,047,679

DRAFT

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

Water	$ 344,367
Sewer	3,104,472
Sanitation	18,132
	$ 3,466,971

4. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Adjustments	Balance June 30, 2021	Due Within One Year
Governmental Activities:						
Capital lease obligations	$ 1,051,523	$ 150,362	$ (270,324)	$ (6,046)	$ 925,515	$ 410,190
Total governmental activities	$ 1,051,523	$ 150,362	$ (270,324)	$ (6,046)	$ 925,515	$ 410,190

The following is a summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Adjustments	Balance June 30, 2021	Due Within One Year
Business-type Activities						
2017A Wastewater Revenue Refunding Bonds	$ 53,090,000	$ -	$ (925,000)	$ -	$ 52,165,000	$ 965,000
Unamortized bond premium	5,032,975	-	(201,320)	-	4,831,655	201,320
Unamortized underwriting discount	(454,946)	-	-	454,946	-	-
2018A Wastewater Revenue Refunding Bonds	15,120,000	-	(615,000)	-	14,505,000	635,000
Unamortized bond premium	66,398	-	(3,689)	-	62,709	3,689
Unamortized underwriting discount	(133,645)	-	-	133,645	-	-
Capital lease obligation	-	44,127	(7,948)	-	36,179	11,028
Total governmental activities	$ 72,720,782	$ 44,127	$ (1,752,957)	$ 588,591	$ 71,600,543	$ 1,816,037

DRAFT

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.

4. LONG-TERM LIABILITIES, Continued

Capital Lease Obligations, Continued

Year Ending June 30,	Principal	Interest
2022	$ 377,003	$ 20,768
2023	173,976	12,986
2024	173,792	9,824
2025	71,774	7,177
Total	$ 796,545	$ 50,755

In fiscal year 2021, the City of Atwater entered into a lease agreement as lessee for financing the acquisition of one police vehicle valued at $45,349. The vehicle has 4-year estimated useful life.

Year Ending June 30,	Principal	Interest
2022	$ 12,282	$ -
2023	11,337	-
2024	11,337	-
2025	10,393	-
Total	$ 45,349	$ -

In fiscal year 2021, the City of Atwater entered into a lease agreement as lessee for financing the acquisition of police bodycam equipment valued at $105,012. The bodycams have 5-year estimated useful life.

Year Ending June 30,	Principal	Interest
2022	$ 20,905	$ -
2023	20,905	-
2024	20,905	-
2025	20,906	-
Total	$ 83,621	$ -

DRAFT

4. 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.

The annual debt service requirements for the 2017A Bonds are as follow:

Year Ending June 30,	2017A Wastewater Revenue Refunding Bonds	
	Principal	Interest
2022	$ 965,000	$ 2,344,338
2023	1,020,000	2,296,088
2024	1,065,000	2,245,088
2025	1,115,000	2,191,838
2026	1,175,000	2,138,088
2027-2031	6,825,000	9,738,190
2032-2036	8,465,000	8,100,614
2037-2041	14,600,000	5,993,250
2042-2045	16,935,000	169,800
Total	$ 52,165,000	$ 35,217,294

DRAFT

4. LONG-TERM LIABILITIES, Continued

2018A Wastewater Revenue Refunding Bonds (Sewer)

In April 2019, the City issued the 2019A 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 June 30, 2021, Interest payments began on November 1, 2019. 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.

The annual debt service requirements for the 2018A Bonds are as follow:

Year Ending June 30,	2018A Wastewater Revenue Refunding Bonds	
	Principal	Interest
2022	$ 635,000	$ 505,769
2023	660,000	480,369
2024	690,000	453,969
2025	715,000	426,369
2026	740,000	397,769
2027-2031	4,105,000	1,608,437
2032-2036	4,795,000	906,468
2037-2041	2,165,000	120,006
Total	$ 14,505,000	$ 4,899,156

DRAFT

Capital Lease Obligation

The City of Atwater has entered into a lease agreement as lessee for financing the acquisition of a Police Vehicle valued at $44,127. The vehicle has 4-year estimated useful life.

Year Ending June 30,	Principal	Interest
2022	$ 11,032	$ -
2023	11,032	-
2024	11,032	-
2025	3,083	-
Total	$ 36,179	$ -

5. COMPENSATED ABSENCES

The City's compensated absences payable activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Retirements	Adjustments	Balance June 30, 2021	Due Within One Year
Governmental Activities:						
Compensated absences	$ 1,200,725	$ 7,070	$ -	$ (455,882)	$ 751,913	$ 57,317
Busines-Type Activities:						
Compensated absences	81,221	55,991	(13,705)	-	123,507	13,516
Total	$ 1,281,946	$ 63,061	$ (13,705)	$ (455,882)	$ 875,420	$ 70,833

6. NET POSITION/ FUND BALANCES

Net position

	Governmental Activities	Businesss-type Activities	Total
Net investment in capital assets	$ 19,435,140	$ 19,447,136	$ 38,882,276
Restricted	6,709,498	973,031	7,682,529
Unrestricted (deficit)	(25,777,532)	62,998,859	37,221,327
Total	$ 367,106	$ 83,419,026	$ 83,786,132

DRAFT

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, 2021:

Nonspendable:	
Prepaid items	$ 28,490
Investment in land held for resale	159,363
Total Nonspendable	187,853
Restricted:	
Governmental Funds:	
Gas Tax	195,410
Facility Impact Fee	5,687,297
HOME Investment Partnership Program	394,355
Neigbour Stabilization	220,421
Pension Rate Stabilization	226,343
Total Restricted	$ 6,723,826

6. NET POSITION/ FUND BALANCES, Continued

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.

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:

	As of June 30, 2021
Nonmajor Special Revenue Funds:	
Community Development Block Grants	$ 12,441
Maintenance District Funds:	
Northwood Village	456
Woodview Garland	50
Sierra Parks	143
Total Governmental Funds	$ 13,090
Fiduciary Funds:	
Successor Agency Private Purpose Trust	$ 1,329,514

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.

DRAFT

7. 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, 2021:

	Due from Other Funds		
Due to Other Funds	General Fund	Sewer Fund	Total
Nonmajor Governmental Funds	$ 358	$ 12,441	$ 12,799
Sanitation Fund	-	549,699	549,699
Total	$ 358	$ 562,140	$ 562,498

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, 2021:

	Transfers In			
Transfers Out	General Fund	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	Total
General Fund	$ -	$ 2,290,677	$ 100,000	$ 2,390,677
Nonmajor Governmental Funds	50,000	-	-	50,000
Water Fund	252,375	-	-	252,375
Sewer Fund	100,000	-	-	100,000
Nonmajor Proprietary Funds	-	200,000	-	200,000
Total	$ 402,375	$ 2,490,677	$ 100,000	$ 2,993,052

The transfer from Nonmajor Governmental Funds, Sewer Fund and $100,000 transfer from the Water Fund to the General Fund were for the contributions toward the General Plan Update. The remaining $152,375 Water Fund transfer from proprietary funds to governmental funds was to fund programs paid for by General Fund resources.

DRAFT

8. 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.

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, 2021, the most recent available:

Total assets	$ 150,621,596
Total liabilites	129,774,819
Total equities	20,846,777
Total revenues	55,391,674
Total expenses	54,084,619
Revenues over (under) expenses	1,082,435

DRAFT

9. 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, costsharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CaIPERS). 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.

DRAFT

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Benefits Provided

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous	Miscellaneous Second Tier	PEPRA Miscellaneous
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%	6.75%
Required employer contribution rates	16.500%	8.794%	7.732%

	Safety	PEPRA Safety
Hire date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 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%	13.00%
Required employer contribution rates	25.391%	13.663%

DRAFT

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 CaIPERS. 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, 2021, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	$ 1,550,080	$ 2,120,920

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

As of June 30, 2021, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 13,007,901
Safety	14,768,918
Total Net Pension Liability	$ 27,776,819

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, 2019 rolled forward to June 30, 2020 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:

	Miscellaneous	Safety
Proportion - June 30, 2019	0.31638	0.23173
Proportion - June 30, 2020	0.30838	0.22168
Change - Increase (Decrease)	-0.00800	-0.01005

DRAFT

For the year ended June 30, 2021, the City recognized pension expense of $3,902,805. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	$ -	$ 141,974
Differences between actual and expected experience	1,815,590	-
Differences between projected and actual investment	707,411	-
Differences between employers contributions and proportionate share of contributions	1,208,765	-
Change in employer's proportion	-	1,487,597
Pension contributions made subsequent to measurement date	3,689,231	-
Total	$ 7,420,997	$ 1,629,571

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

$3,689,231 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, 2022. 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,		
2022	$	199,331
2023		883,051
2024		673,643
2025		346,170

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	2.50%
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 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

DRAFT

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. More details of the table can be found in December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015).

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 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.

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

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.

DRAFT

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.26%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100%		

(a) Fixed income is included in Global Debt Securities
Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, 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, 2021			
Miscellaneous	$ 18,217,833	$ 13,007,901	$ 8,703,098
Safety	20,895,910	14,768,918	9,741,142
Total	$ 39,113,743	$ 27,776,819	$ 18,444,240

Payable to the Pension Plan

At June 30, 2021 the City reported a payable of $0 outstanding amount of contributions to the pension plan required for the year ended June 30, 2021.

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

10. 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.

DRAFT

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

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 2021, the City contributed $623,706 to 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, 2021, the following employees were covered by the benefit terms:

Active employees	79
Inactive employees or beneficiaries currently receiving benefits	63
Inactive employees entitled to, but not yet receiving benefits	24
Total number of participants	166

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, 2021, the City's cash contributions were $623,706 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, 2017 that was rolled forward to determine the June 30, 2019 total OPEB liability, based on the following actuarial methods and assumptions:

DRAFT

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

Net OPEB Liability, Continued

Actuarial Assumptions:	
Actuarial Valuation Date	June 30, 2019
Contribution Policy	City plans to contribute $50,000 into the trust every year after June 30, 2021, pay benefit payments outside of the trust, and not seek reimbursements
Discount Rate	2.21% at June 30, 2020 (Bond Buyer 20-bond Index)
General Inflation	2.75% per annum
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 experience study
Salary Increases	Aggregate - 3.00% annually Merit - Table from CalPERS 1997-2015 Experience Study
Medical Trend	7.00% - 4.00%
Participation at Retirement	Active & surviving spouse: Participating & Waived: - Percentage of premium - 100% - PEMHCA minimum - 60% Retirees & surviving spouse: Participating - 100% Waived < 65 - 20% at 65 Waived > 65 - 0 %

DRAFT

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

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21 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.

Changes in the OPEB Liability

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/2020 (6/30/19 measurement date)	$ 18,970,623	$ -	$ 18,970,623
Changes for the year			
Service Cost	737,612	-	737,612
Interest	678,894	-	678,894
Difference between actual and expected experience	-	-	-
Assumption changes	4,517,566	-	4,517,566
Contributions - employer	-	724,186	(724,186)
Contributions - employee	-	-	-
Net investment income	-	76	(76)
Benefit payments	(622,521)	(622,521)	-
Administrative expenses	-	(1,665)	1,665
Net Changes	5,311,551	100,076	5,211,475
Balance at 6/30/2021 (6/30/20 measurement date)	$ 24,282,174	$ 100,076	24,182,098

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

The discount rate used for the fiscal year end 2020 is 2.21%. 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, 2020:

	1% Decrease	Current Rate	1% Increase
Change in Discount Rate	1.21%	2.21%	3.21%
Net OPEB Liability	$ 28,826,364	$ 24,182,098	$ 20,562,949

DRAFT

10. OTHER POST EMPLOYMENT 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, 2020 (Healthcare Cost Trend Rate was assumed to start at 7% and grade down to 4% for years 2076 and thereafter):

Change in Healthcare Cost Trend Rate	1% Decrease 3%-6%	Current Rate 4%-7%	1% Increase 5%-8%
Net OPEB Liability	$ 20,011,749	$ 24,182,098	$ 29,644,321

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 investment	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (6.0 Years at June 30, 2019)

DRAFT

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of $512,153. As of fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 5,035,644
Changes in assumptions	4,610,336	1659876
Net difference between projected and actual earnings on plan investments	-	10
Employer contributions made subsequent to the measurement date	732,277	-
Total	$ 5,342,613	$ 6,695,530

10. OTHER POST EMPLOYMENT BENEFITS, Continued

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

The $732,277 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. 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/(Inflow) of Resources
2022	$ (905,955)
2023	(905,955)
2024	(575,955)
2025	(311,861)
2026	540,476
Thereafter	74,056

DRAFT

11. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELPMENT 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.

11. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELPMENT AGENCY, Continued

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

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

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.

DRAFT

Long-term Liabilities
The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
Trust Activities					
Refunding Bonds	$ 5,662,000	$ -	$ (883,000)	$ 4,779,000	$ 908,000
Total trust fund debt	$ 5,662,000	$ -	$ (883,000)	$ 4,779,000	$ 908,000

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 2098 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, 2021, is as follows:

Year Ending June 30,	Fiduciary Activities 2017 Series A & B Tax Allocation Refunding Bonds	
	Principal	Interest
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	$ 4,779,000	$ 376,138

12. 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.

Trichloro propane (TCP) Contamination, Settlement and Remediation Efforts

he City of Atwater was awarded a $63 million dollar jury award in 2019 after suing Shell Oil Company and DOW Chemical for marketing and selling a pesticide fumigant used in agricultural applications that contained TCP and over the years infiltrated the groundwater system, thereby contaminating the City's domestic water system wells.

The City's net settlement was $43 million after legal costs. The City Council of the City of Atwater adopted Resolution No. 3130-20 on January 13, 2020, committing the proceeds of the TCP settlement towards the remediation of TCP from the City's water system. Under the Resolution the funds will be utilized towards long-term well-head treatment, closure and/or abandonment of existing well sites, and the drilling of new wells.

The City completed the 1, 2, 3 -TCP Central Treatment Plant in 2021. The City oversees the operations and maintenance of the TCP Central Treatment plant and performs testing as required utilizing the TCP Settlement Funds.

Currently the annual cost of maintenance is approximately $100,000 based upon once a month testing requirements and filter replacements. The cost of testing can fluctuate depending upon levels of TCP present in the monthly samples. Should the levels of TCP increase, more frequent testing would be required, therefore resulting in higher costs.

DRAFT

13. PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2021, the City recorded prior period adjustments to record the elimination of unavailable revenue on government-wide statement, different account grouping in Internal Service Fund, fiscal year 2019 miscellaneous expenditures adjustments in General Capital Projects Fund, removing of the unamortized underwriter discount for Sewer Fund debts, regrouping the RDA capital assets, and the adjustment for accumulated depreciation in Success Agency Fund. The City also recorded the prior period adjustments for the implementation of the Accounting Standard GASB 84.

		Prior Period Adjustments							
	Net Position/ Fund Balance as Previously Reported	Unavailable Revenue	Compensated Absences	Retention Payable	Due to others	Miscellaneous expenditure	Unamortized Underwriter Discount	Capital Asset	Net Position/ Fund Balance Net Position as Restated
Government-wide									
Governmental activities	$ (9,243,253)	$ (3,427,098)	$ 455,882	$ -	$ -	$ (10,733)	$ -	$ (2,240,022)	$ (14,465,224)
Business-type activities	81,014,912	-	-	(46,686)	-	-	(588,591)	-	80,379,635
Fund Financials									
Governmental Funds									
General Capital Project Fund	(201,363)	-	-	-	-	(10,733)	-	-	(212,096)
Enterprise Funds									
Water Fund	57,238,397	-	-	(14,192)	-	-	-	-	57,224,205
Enterprise Funds									
Sewer Fund	21,581,946	-	-	(32,494)	-	-	(588,591)	-	20,960,861
Internal Service Funds									
Risk Management Fund	274,210	-	455,882	-	-	-	-	-	730,092
Fiduciary Funds									
Successor Agency									
Private Purpose Fund	(4,408,509)	-	-	-	-	-	-	2,240,022	(2,168,487)
CFD No.1 Fund	-	-	-	-	98,697	-	-	-	98,697

DRAFT

14. DEFERRED COMPENSATION PLAN

The City has two 457 Deferred Compensation Plans implemented. In October, 1999, the City established a 457(b) Deferred Compensation Plan with Mission Square Retirement (ICMA) to provide retirement income and other deferred benefits to the Employee of the Employer and the Employees' Beneficiaries in accordance with the provisions of Section 457 of the IRC, Sections 1.457-4 through 1.457-10. Approximately 81 employees were eligible to participate in this plan. In fiscal year 2021, the employees were able to contribute to the plan up to a maximum of $19,500. The City did not match or provide any employer paid contributions to the plan during fiscal year 2021.

Effective in January, 2015, the City established another 457(b) Deferred Compensation Plan with Orion Portfolio Solutions. Approximately 81 employees were eligible to participate in this plan. In fiscal year 2021, the employees were able to contribute to the plan up to a maximum of $19,500. The City did not match or provide any employer paid contributions to the plan during fiscal year 2021.

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.

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

City of Atwater
Required Supplementary Information
For the year ended June 30, 2021

*Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios - Last 10 Years**

Fiscal year	**2021**	**2020**	**2019**	**2018**
Measurement date	**6/30/2020**	**6/30/2019**	**6/30/2018**	**6/30/2017**
Proportion share of the net pension liability / (asset)	0.25529%	0.26482%	0.27549%	0.27768%
Proportionate share of the net pension liability / (asset)	$ 27,776,819	$ 27,135,766	$ 26,546,855	$ 27,538,451
Covered payroll	4,846,107	4,869,106	4,301,273	4,352,437
Proportionate share of the net pension liability / (asset) as a percentage of its covered-employee payroll	17.45%	17.94%	16.20%	15.80%
Proportionate share of the fiduciary net position as a percentage of the City's net pension liability	75.10%	75.26%	75.26%	73.31%

Notes to Schedule

*Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.
The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, and then decreased from 7.65% to 7.15% in fiscal year 2018.
The CalPERS mortality assumptions were adjusted in fiscal year 2019.

DRAFT

City of Atwater
Required Supplementary Information
For the year ended June 30, 2021

Fiscal year	2017	2016
Measurement date	6/30/2016	6/30/2015
Proportion share of the net pension liability / (asset)	0.29319%	0.32718%
Proportionate share of the net pension liability / (asset)	$ 25,370,399	$ 22,457,323
Covered-employee payroll	4,645,102	4,635,102
Proportionate share of the net pension liability / (asset) as a percentage of its covered-employee payroll	18.31%	20.64%
Proportionate share of the fiduciary net position as a percentage of the City's net pension liability	74.06%	78.40%

DRAFT

City of Atwater
Required Supplementary Information
For the year ended June 30, 2021

*Schedule of Pension Contributions - Last 10 Years**

Fiscal year	2021	2020	2019	2018
Actuarially determined contribution	$ 3,689,231	$ 3,671,000	$ 3,103,630	$ 2,892,846
Contributions in relation to actuarially deemed contributions	(3,689,231)	(3,671,000)	(3,103,630)	(2,892,846)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 4,846,107	$ 4,869,106	$ 4,301,273	$ 4,352,437
Contributions as a percentage of covered payroll	76.13%	75.39%	72.16%	66.46%

Notes to Schedule

*Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

Methods and assumptions used to determine contribution rates:

Valuation date (for contractually required contribution):	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Actuarial cost method:	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Assets valuation method:	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation:	2.50%	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases:	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return:	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age:	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Mortality:	(4)	(4)	(4)	(4)	(4)	(4)	(4)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) 50 for all plans, with the exception of 52 for Miscellaneous PEPRA 2%@62

(4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

DRAFT

City of Atwater
Required Supplementary Information
For the year ended June 30, 2021

Fiscal year	2017
Actuarially determined contribution	$ 2,734,672
Contributions in relation to actuarially deemed contributions	(2,734,672)
Contribution deficiency (excess)	$ -
Covered payroll	$ 4,645,102
Contributions as a percentage of covered payroll	58.87%

DRAFT

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES

OPEB Plan, an Agent Multiple-Employer Defined Benefit Plan

*Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years**

For the Measurement Period Ended:	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability				
Service cost	$ 737,612	$ 986,349	$ 1,028,487	$ 1,200,000
Interest	678,894	949,529	872,785	746,000
Assumption changes	4,517,566	1,230,191	(1,089,852)	(2,981,000)
Differences between expected and actual experience	-	(7,433,570)		
Benefit payments	(622,521)	(622,296)	(604,000)	(627,000)
Net change in the total OPEB liability	5,311,551	(4,889,797)	207,420	(1,662,000)
Total OPEB liability - beginning	18,970,623	23,860,420	23,653,000	25,315,000
Total OPEB liabilty - ending (a)	$ 24,282,174	$ 18,970,623	$ 23,860,420	$ 23,653,000
Plan Fiduciary Net Position				
Contributions - employer	$ 724,186	$ -	$ -	$ -
Contributions - employee	-	-	-	-
Net investment income	76	-	-	-
Administrative expense	(1,665)	-	-	-
Benefit payments	(622,521)	-	-	-
Net change in the total OPEB liability	100,076	-	-	-
Plan fidcuiary net position - beginning	-	-	-	-
Plan fidcuiary net position - ending (b)	$ 100,076	$ -	$ -	$ -
Net OPEB liability - ending (a) - (b)	$ 24,182,098	$ 18,970,623	$ 23,860,420	$ 23,653,000
Plan fiduciary net position as a percentage percentage of the total OPEB liability	0.41%	0.00%	0.00%	0.00%
Covered employee payroll	$ 5,993,342	N/A	N/A	$ 5,940,000
Net OPEB liability as a percentage of covered employee payroll	403.48%	N/A	N/A	398.20%

DRAFT

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES

*Schedule of OPEB Contributions - Last 10 Years**

Fiscal Year Ended:	6/30/2021
Actuarially determined contribution	$ 724,186
Contributions in relation to the actuarially determined contribution	(724,186)
Contribution deficiency (excess)	$ -
Covered - employee payroll	$ 5,993,342
Contribution as a percentage of covered-employee payroll	12%

Notes:

*fiscal year 2021 is the first year that the City has actuarially determined contribution

DRAFT

This page intentionally left blank

DRAFT

SUPPLEMENTARY INFORMATION

DRAFT

City of Atwater
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds	Capital Projects Fund: General	Capital Projects Fund: Performance Bond	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	$ 13,033,893	$ 980,714	$ 219,003	$ 14,233,610
Receivables:				
Taxes	18,601	-	-	18,601
Interest	6,729	10	121	6,860
Intergovernmental	486,162	-	-	486,162
Other receivable	12,296	486,342	-	498,638
Prepaid items	13,492	-	-	13,492
Advance to Successor Agency Private Purpose Trust	80,706	-	-	80,706
Investment in land held for resale	159,363	-	-	159,363
Total assets	13,811,242	1,467,066	219,124	15,497,432
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	51,601	189,688	-	241,289
Accrued liabilities	9,399	-	-	9,399
Due to other funds	12,799	-	-	12,799
Deposits payable	-	-	111,666	111,666
Other liabilities	3,430	43,620	-	47,050
Total liabilities	77,229	233,308	111,666	422,203
Deferred Inflows of Resources				
Unavailable revenues	11,468	3,891	-	15,359
Total deferred inflows of resources	11,468	3,891	-	15,359
Fund Balances:				
Nonspendable				
Investment in land held for resale	159,363	-	-	159,363
Restricted	6,723,826	-	-	6,723,826
Assigned	6,852,152	1,229,867	107,458	8,189,477
Unassigned	(13,090)	-	-	(13,090)
Total fund balances	13,722,545	1,229,867	107,458	15,059,870
Total liabilities, deferred inflows of resources and fund balances	$ 13,811,242	$ 1,467,066	$ 219,124	$ 15,497,432

DRAFT

City of Atwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2021

	Special Revenue Funds	Capital Projects Fund: General	Capital Projects Fund: Performance Bond	Total Nonmajor Governmental Funds
REVENUES:				
Taxes and assessments	$ 1,312,548	$ -	$ -	$ 1,312,548
Intergovernmental	2,799,636	695,897	-	3,495,533
Use of money and property	77,052	646	924	78,622
Other revenues	116,156	-	-	116,156
Total revenues	4,305,392	696,543	924	5,002,859
EXPENDITURES:				
Current:				
General government	128	-	-	128
Public safety	44,364	-	-	44,364
Highways and streets	531,802	-	-	531,802
Urban redevelopment and housing	875,920	-	-	875,920
Capital outlay	565,525	986,080	-	1,551,605
Total expenditures	2,017,739	986,080	-	3,003,819
REVENUES OVER (UNDER) EXPENDITURES	2,287,653	(289,537)	924	1,999,040
OTHER FINANCING SOURCES (USES):				
Proceeds from capital lease	105,013	-	-	105,013
Proceeds from sale of capital assets	(2,187,245)	-	-	(2,187,245)
Transfers in	759,177	1,731,500	-	2,490,677
Transfers out	(50,000)	-	-	(50,000)
Total other financing sources (uses)	(1,373,055)	1,731,500	-	358,445
Net change in fund balances	914,598	1,441,963	924	2,357,485
FUND BALANCES:				
Beginning of year, as restated	12,807,947	(212,096)	106,534	12,702,385
End of year	$ 13,722,545	$ 1,229,867	$ 107,458	$ 15,059,870

DRAFT

City of Atwater
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	Special Revenue Funds			
	Police Grants	Gas Tax	Local Transportation	Facility Impact Fee
ASSETS				
Cash and investments	$ 81,494	$ 231,148	$ 570,896	$ 5,582,530
Receivables:				
Taxes	-	-	-	-
Interest	40	122	313	2,882
Intergovernmental	-	-	-	106,003
Other receivable	-	12,296	-	-
Prepaid items	-	294	-	-
Advance to Successor Agency Private Purpose Trust	-	-	-	-
Investment in land held for resale	-	-	-	-
Total assets	81,534	243,860	571,209	5,691,415
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	32,366	-	4,118
Accrued liabilities	-	4,293	-	-
Due to other funds	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	-	36,659	-	4,118
Deferred Inflows of Resources				
Unavailable revenues	-	11,497	-	-
Total deferred inflows of resources	-	11,497	-	-
Fund Balances:				
Nonspendable				
Prepaid items	-	294	-	-
Investment in land held for resale	-	-	-	-
Restricted	-	195,410	-	5,687,297
Assigned	81,534	-	571,209	-
Unassigned	-	-	-	-
Total fund balances	81,534	195,704	571,209	5,687,297
Total liabilities, deferred inflows of resources and fund balances	$ 81,534	$ 243,860	$ 571,209	$ 5,691,415

DRAFT

Special Revenue Funds					
Community Development Block Grants	CDBG Program Income	HOME Investment Partnership Program	Housing Authority	Narcotics Program
$ -	$ 129,491	$ 394,137	$ 1,200,490	$ 2,068
-	-	-	-	-
-	71	218	551	2
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	80,706	-
-	-	-	159,363	-
-	129,562	394,355	1,441,110	2,070
-	-	-	945	-
-	-	-	-	-
12,441	-	-	-	-
-	-	-	-	-
12,441	-	-	945	-
-	(29)	-	-	-
-	(29)	-	-	-
-	-	-	-	-
-	-	-	159,363	-
-	-	394,355	-	-
-	129,591	-	1,280,802	2,070
(12,441)	-	-	-	-
(12,441)	129,591	394,355	1,440,165	2,070
$ -	$ 129,562	$ 394,355	$ 1,441,110	$ 2,070

DRAFT

City of Atwater
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2021

	Special Revenue Funds			
	Neighborhood Stabilization	Applegate Exchange	Regional Surface Transportation Program	Pension Rate Stablization 115 Trust
ASSETS				
Cash and investments	$ 220,299	$ 764,208	$ 1,940,324	$ 226,343
Receivables:				
Taxes	-	-	-	-
Interest	122	422	1,071	-
Intergovernmental	-	-	380,159	-
Other receivable	-	-	-	-
Prepaid items	-	-	-	-
Advance to Successor Agency Private Purpose Trust	-	-	-	-
Investment in land held for resale	-	-	-	-
Total assets	220,421	764,630	2,321,554	226,343
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Other liabilities	-	-	3,430	-
Total liabilities	-	-	3,430	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable				
Prepaid items	-	-	-	-
Investment in land held for resale	-	-	-	-
Restricted	220,421	-	-	226,343
Assigned	-	764,630	2,318,124	-
Unassigned	-	-	-	-
Total fund balances	220,421	764,630	2,318,124	226,343
Total liabilities, deferred inflows of resources and fund balances	$ 220,421	$ 764,630	$ 2,321,554	$ 226,343

DRAFT

Maintenance District Funds	Total Nonmajor Special Revenue Funds
$ 1,690,465	$ 13,033,893
18,601	18,601
915	6,729
-	486,162
-	12,296
13,198	13,492
-	80,706
-	159,363
1,723,179	13,811,242
14,172	51,601
5,106	9,399
358	12,799
-	3,430
19,636	77,229
-	11,468
-	11,468
-	294
-	159,363
-	6,723,826
1,704,192	6,852,152
(649)	(13,090)
1,703,543	13,722,545
$ 1,723,179	$ 13,811,242

DRAFT

City of Atwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2021

	Special Revenue Funds			
	Police Grants	Gas Tax	Local Transportation	Facility Impact Fee
REVENUES:				
Taxes and assessments	$ -	$ -	$ 16,389	$ 501,770
Intergovernmental	34,579	665,917	48,200	581,702
Use of money and property	381	535	2,418	21,148
Other revenues	12,723	2,561	-	5,642
Total revenues	47,683	669,013	67,007	1,110,262
EXPENDITURES:				
Current:				
General government	-	-	-	128
Public safety	14,669	-	-	-
Highways and streets	-	531,802	-	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	126,404	-	-	433,653
Total expenditures	141,073	531,802	-	433,781
REVENUES OVER (UNDER) EXPENDITURES	(93,390)	137,211	67,007	676,481
OTHER FINANCING SOURCES (USES):				
Proceeds from capital lease	105,013	-	-	-
Proceeds from sale of capital assets	-	-	-	470,000
Transfers in	-	-	417,410	-
Transfers out	-	-	-	-
Total other financing sources (uses)	105,013	-	417,410	470,000
Net change in fund balances	11,623	137,211	484,417	1,146,481
FUND BALANCES:				
Beginning of year	69,911	58,493	86,792	4,540,816
End of year	$ 81,534	$ 195,704	$ 571,209	$ 5,687,297

DRAFT

Special Revenue Funds				
Community Development Block Grants	CDBG Program Income	HOME Investment Partnership Program	Housing Authority	Narcotics Program
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
-	541	1,463	2,511	9
-	28,980	66,250	-	-
-	29,521	67,713	2,511	9
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	26,409	-
-	-	-	-	-
-	-	-	26,409	-
-	29,521	67,713	(23,898)	9
-	-	-	-	-
-	-	-	(2,657,245)	-
-	-	-	-	-
-	-	-	(50,000)	-
-	-	-	(2,707,245)	-
-	29,521	67,713	(2,731,143)	9
(12,441)	100,070	326,642	4,171,308	2,061
$ (12,441)	$ 129,591	$ 394,355	$ 1,440,165	$ 2,070

DRAFT

City of Atwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2021

	Special Revenue Funds			
	Neighborhood Stabilization	Applegate Exchange	Regional Surface Transportation Program	Pension Rate Stablization 115 Trust
REVENUES:				
Taxes and assessments	$ -	$ -	$ -	$ -
Intergovernmental	-	-	1,469,238	-
Use of money and property	930	3,227	11,508	26,343
Other revenues	-	-	-	-
Total revenues	930	3,227	1,480,746	26,343
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	-	-	5,468	-
Total expenditures	-	-	5,468	-
REVENUES OVER (UNDER) EXPENDITURES	930	3,227	1,475,278	26,343
OTHER FINANCING SOURCES (USES):				
Proceeds from capital lease	-	-	-	
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	200,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	200,000
Net change in fund balances	930	3,227	1,475,278	226,343
FUND BALANCES:				
Beginning of year	219,491	761,403	842,846	-
End of year	$ 220,421	$ 764,630	$ 2,318,124	$ 226,343

DRAFT

Maintenance District Funds	Total Nonmajor Special Revenue Funds
$ 794,389	$ 1,312,548
-	2,799,636
6,038	77,052
-	116,156
800,427	4,305,392
-	128
29,695	44,364
-	531,802
849,511	875,920
-	565,525
879,206	2,017,739
(78,779)	2,287,653
-	105,013
-	(2,187,245)
141,767	759,177
-	(50,000)
141,767	(1,373,055)
62,988	914,598
1,640,555	12,807,947
$ 1,703,543	$ 13,722,545

DRAFT

City of Atwater

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

Police Grants Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Charges for services	$ 12,233	$ 12,233	$ 34,579	$ 22,346
Fines, forfeitures and assessments	-	-	381	381
Miscellaneous	12,960	12,960	12,723	(237)
Total revenues	25,193	25,193	47,683	22,490
EXPENDITURES:				
Current:				
Public safety	11,950	11,950	14,669	(2,719)
Capital outlay:				
General capital outlay	25,193	25,193	126,404	(101,211)
Total expenditures	37,143	37,143	141,073	(103,930)
REVENUES OVER (UNDER) EXPENDITURES	(11,950)	(11,950)	(93,390)	(81,440)
OTHER FINANCING SOURCES (USES):				
Capital lease	-	-	105,013	105,013
Total other financing sources (uses)	-	-	105,013	105,013
Net change in fund balances	$ (11,950)	$ (11,950)	11,623	$ 23,573
FUND BALANCES:				
Beginning of year			69,911	
End of year			$ 81,534	

DRAFT

City of Atwater

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

Gas Tax Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Charges for services	$ 716,272	$ 716,272	$ 665,917	$ (50,355)
Fines, forfeitures and assessments	-	-	535	535
Miscellaneous	-	-	2,561	2,561
Total revenues	716,272	716,272	669,013	(47,259)
EXPENDITURES:				
Current:				
Public works	696,933	696,933	531,802	165,131
Total expenditures	696,933	696,933	531,802	165,131
REVENUES OVER (UNDER) EXPENDITURES	19,339	19,339	137,211	117,872
Net change in fund balances	$ 19,339	$ 19,339	137,211	$ 117,872
FUND BALANCES:				
Beginning of year			58,493	
End of year			$ 195,704	

DRAFT

City of Atwater

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

Local Transportation Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 16,389	$ 16,389
Charges for services	30,927	30,927	48,200	17,273
Fines, forfeitures and assessments	500	500	2,418	1,918
Total revenues	31,427	31,427	67,007	35,580
EXPENDITURES:				
Capital outlay:				
General capital outlay	400,019	400,019	-	400,019
Total expenditures	400,019	400,019	-	400,019
REVENUES OVER (UNDER) EXPENDITURES	(368,592)	(368,592)	67,007	435,599
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	417,410	417,410
Total other financing sources (uses)	-	-	417,410	417,410
Net change in fund balances	$ (368,592)	$ (368,592)	484,417	$ 853,009
FUND BALANCES:				
Beginning of year			86,792	
End of year			$ 571,209	

DRAFT

City of Atwater

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

Facility Impact Fee Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 501,770	$ 501,770
Charges for services	540,864	540,864	581,702	40,838
Fines, forfeitures and assessments	17,700	17,700	21,148	3,448
Miscellaneous	1,000	1,000	5,642	4,642
Total revenues	559,564	559,564	1,110,262	550,698
EXPENDITURES:				
Current:				
General government	-	-	128	(128)
Capital outlay:				
General capital outlay	2,038,027	2,038,027	433,653	1,604,374
Total expenditures	2,038,027	2,038,027	433,781	1,604,246
REVENUES OVER (UNDER) EXPENDITURES	(1,478,463)	(1,478,463)	676,481	2,154,944
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	259,000	259,000	470,000	211,000
Total other financing sources (uses)	259,000	259,000	470,000	211,000
Net change in fund balances	$ (1,219,463)	$ (1,219,463)	1,146,481	$ 2,365,944
FUND BALANCES:				
Beginning of year			4,540,816	
End of year			$ 5,687,297	

DRAFT

City of Atwater
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Development Block Grants Fund
For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines, forfeitures and assessments	-	-	-	-
Use of money and property	-	-	-	-
Loan payments	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	-	-	-	-
Non-departamental	-	-	-	-
Capital outlay:				
General capital outlay	-	-	-	-
Street improvements	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Sale of capital assets	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Special item	-	-	-	-
Net change in fund balances	$ -	$ -	-	$ -
FUND BALANCES:				
Beginning of year			(12,441)	
End of year			$ (12,441)	

DRAFT

City of Atwater

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

CDBG Program Income Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ 100	$ 100	$ 541	$ 441
Miscellaneous	-	-	28,980	28,980
Total revenues	100	100	29,521	29,421
REVENUES OVER (UNDER) EXPENDITURES	100	100	29,521	29,421
Net change in fund balances	$ 100	$ 100	29,521	$ 29,421
FUND BALANCES:				
Beginning of year			100,070	
End of year			$ 129,591	

DRAFT

City of Atwater

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

Home Investment Partnership Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ 1,100	$ 1,100	$ 1,463	$ 363
Miscellaneous	-	-	66,250	66,250
Total revenues	1,100	1,100	67,713	66,613
REVENUES OVER (UNDER) EXPENDITURES	1,100	1,100	67,713	66,613
Net change in fund balances	$ 1,100	$ 1,100	67,713	$ 66,613
FUND BALANCES:				
Beginning of year			326,642	
End of year			$ 394,355	

DRAFT

City of Atwater
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Housing Authority Fund
For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ 400	$ 400	$ 2,511	$ 2,111
Total revenues	400	400	2,511	2,111
EXPENDITURES:				
Current:				
Community development	50,000	50,000	26,409	23,591
Total expenditures	50,000	50,000	26,409	23,591
REVENUES OVER (UNDER) EXPENDITURES	(49,600)	(49,600)	(23,898)	25,702
OTHER FINANCING SOURCES (USES):				
Transfers in	58,158	58,158	-	(58,158)
Transfers out	(50,000)	(50,000)	(50,000)	-
Sale of capital assets	1,100,000	1,100,000	(2,657,245)	(3,757,245)
Total other financing sources (uses)	1,108,158	1,108,158	(2,707,245)	(3,815,403)
Net change in fund balances	$ 1,058,558	$ 1,058,558	(2,731,143)	$ (3,789,701)
FUND BALANCES:				
Beginning of year			4,171,308	
End of year			$ 1,440,165	

DRAFT

City of Atwater

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

Narcotics Program Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 9	$ 9
Total revenues	-	-	9	9
EXPENDITURES:				
Current:				
Public safety	2,000	2,000	-	2,000
Total expenditures	2,000	2,000	-	2,000
REVENUES OVER (UNDER) EXPENDITURES	(2,000)	(2,000)	9	2,009
Net change in fund balances	$ (2,000)	$ (2,000)	9	$ 2,009
FUND BALANCES:				
Beginning of year			2,061	
End of year			$ 2,070	

DRAFT

City of Atwater

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

Neighborhood Stablization Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 930	$ 930
Total revenues	-	-	930	930
Net change in fund balances	$ -	$ -	930	$ 930
FUND BALANCES:				
Beginning of year			219,491	
End of year			$ 220,421	

DRAFT

City of Atwater

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

Applegate Interchange Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ 5,000	$ 5,000	$ 3,227	$ (1,773)
Total revenues	5,000	5,000	3,227	(1,773)
REVENUES OVER (UNDER) EXPENDITURES	5,000	5,000	3,227	(1,773)
Net change in fund balances	$ 5,000	$ 5,000	3,227	$ (1,773)
FUND BALANCES:				
Beginning of year			761,403	
End of year			$ 764,630	

DRAFT

City of Atwater

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

Regional Surface Transportation Program

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Charges for services	$ 1,089,079	$ 1,089,079	$ 1,469,238	$ 380,159
Fines, forfeitures and assessments	500	500	11,508	11,008
Total revenues	1,089,579	1,089,579	1,480,746	391,167
EXPENDITURES:				
Capital outlay:				
General capital outlay	1,331,485	1,331,485	5,468	1,326,017
Total expenditures	1,331,485	1,331,485	5,468	1,326,017
REVENUES OVER (UNDER) EXPENDITURES	(241,906)	(241,906)	1,475,278	1,717,184
Net change in fund balances	$ (241,906)	$ (241,906)	1,475,278	$ 1,717,184
FUND BALANCES:				
Beginning of year			842,846	
End of year			$ 2,318,124	

DRAFT

City of Atwater

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

Pension Rate Stablization 115 Trust Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Use of money and property	$ -	$ -	$ 26,343	$ 26,343
Total revenues	-	-	26,343	26,343
Net change in fund balances	$ -	$ -	226,343	$ 226,343
FUND BALANCES:				
Beginning of year			-	
End of year			$ 226,343	

DRAFT

This page intentionally left blank

DRAFT

City of Atwater
Combining Balance Sheet
Maintenance District Special Revenue Funds
June 30, 2021

	Special Revenue Funds			
	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
ASSETS				
Cash and investments	$ -	$ 99,704	$ 246	$ -
Receivables:				
Taxes	98	4	102	15
Interest	-	55	-	-
Prepaid items	-	-	-	-
Total assets	98	99,763	348	15
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	252	106	40	9
Accrued liabilities	-	-	-	-
Due to other funds	302	-	-	56
Total liabilities	554	106	40	65
Fund Balances:				
Assigned	-	99,657	308	-
Unassigned	(456)	-	-	(50)
Total fund balances	(456)	99,657	308	(50)
Total liabilities, deferred inflows of resources and fund balances	$ 98	$ 99,763	$ 348	$ 15

DRAFT

Special Revenue Funds						
Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square
$ 24,669	$ 18,412	$ (63)	$ 102,484	$ 21,003	$ 15,896
111	-	1	162	823	69
13	10	-	56	11	9
-	-	-	-	-	-
24,793	18,422	(62)	102,702	21,837	15,974
33	10	81	133	4,513	394
-	-	-	-	-	-
-	-	-	-	-	-
33	10	81	133	4,513	394
24,760	18,412	-	102,569	17,324	15,580
-	-	(143)	-	-	-
24,760	18,412	(143)	102,569	17,324	15,580
$ 24,793	$ 18,422	$ (62)	$ 102,702	$ 21,837	$ 15,974

DRAFT

City of Atwater
Combining Balance Sheet
Maintenance District Special Revenue Funds
June 30, 2021

	Special Revenue Funds			
	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
ASSETS				
Cash and investments	$ 45,216	$ 66,837	$ 30,075	$ 6,810
Receivables:				
Taxes	1	88	-	2,207
Interest	25	37	17	3
Prepaid items	-	-	-	-
Total assets	45,242	66,962	30,092	9,020
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	332	439	121	56
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	332	439	121	56
Fund Balances:				
Assigned	44,910	66,523	29,971	8,964
Unassigned	-	-	-	-
Total fund balances	44,910	66,523	29,971	8,964
Total liabilities, deferred inflows of resources and fund balances	$ 45,242	$ 66,962	$ 30,092	$ 9,020

DRAFT

Special Revenue Funds						
Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Stone Creek
$ 85,428	$ 94,308	$ 23,428	$ 12,472	$ 44,350	$ 169,557
-	83	-	2	113	89
47	52	13	7	24	93
-	-	-	-	-	-
85,475	94,443	23,441	12,481	44,487	169,739
537	995	54	45	165	957
-	-	-	-	-	-
-	-	-	-	-	-
537	995	54	45	165	957
84,938	93,448	23,387	12,436	44,322	168,782
-	-	-	-	-	-
84,938	93,448	23,387	12,436	44,322	168,782
$ 85,475	$ 94,443	$ 23,441	$ 12,481	$ 44,487	$ 169,739

DRAFT

City of Atwater
Combining Balance Sheet
Maintenance District Special Revenue Funds
June 30, 2021

	Special Revenue Funds			
	America West	Bell Crossing	Atwater South	Beluga Court
ASSETS				
Cash and investments	$ 60,789	$ 24,523	$ 128,306	$ 6,669
Receivables:				
Taxes	-	175	18	-
Interest	33	10	70	4
Prepaid items	-	-	-	-
Total assets	60,822	24,708	128,394	6,673
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	167	1,067	970	-
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	167	1,067	970	-
Fund Balances:				
Assigned	60,655	23,641	127,424	6,673
Unassigned	-	-	-	-
Total fund balances	60,655	23,641	127,424	6,673
Total liabilities, deferred inflows of resources and fund balances	$ 60,822	$ 24,708	$ 128,394	$ 6,673

DRAFT

Special Revenue Funds						
Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	CFD District
$ 201,755	$ 112,805	$ 112,567	$ 33,472	$ 13,082	$ 110,923
191	-	9,917	6	-	4,325
110	63	62	17	7	54
-	-	-	-	-	13,198
202,056	112,868	122,546	33,495	13,089	128,500
979	1,012	347	347	-	1
-	-	-	-	-	5,106
-	-	-	-	-	-
979	1,012	347	347	-	5,107
201,077	111,856	122,199	33,148	13,089	123,393
-	-	-	-	-	-
201,077	111,856	122,199	33,148	13,089	123,393
$ 202,056	$ 112,868	$ 122,546	$ 33,495	$ 13,089	$ 128,500

DRAFT

City of Atwater
Combining Balance Sheet
Maintenance District Special Revenue Funds
June 30, 2021

	Special Revenue Funds			
	Simon Annexation Lighting District	Simon Annexation Landscape District	Juniper Meadows 2 Lighting District	Total Maintenance District Special Revenue Funds
ASSETS				
Cash and investments	$ 11,626	$ 6,326	$ 6,790	$ 1,690,465
Receivables:				
Taxes	-	-	1	18,601
Interest	6	3	4	915
Prepaid items	-	-	-	13,198
Total assets	11,632	6,329	6,795	1,723,179
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	(1)	10	1	14,172
Accrued liabilities	-	-	-	5,106
Due to other funds	-	-	-	358
Total liabilities	(1)	10	1	19,636
Fund Balances:				
Assigned	11,633	6,319	6,794	1,704,192
Unassigned	-	-	-	(649)
Total fund balances	11,633	6,319	6,794	1,703,543
Total liabilities, deferred inflows of resources and fund balances	$ 11,632	$ 6,329	$ 6,795	$ 1,723,179

DRAFT

This page intentionally left blank

DRAFT

City of Atwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Maintenance District Special Revenue Funds
For the year ended June 30, 2021

	Special Revenue Funds			
	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
REVENUES:				
Taxes and assessments	$ 4,536	$ 209	$ 3,426	$ 391
Use of money and property	-	417	-	-
Total revenues	4,536	626	3,426	391
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	5,670	2,613	970	436
Total expenditures	5,670	2,613	970	436
REVENUES OVER (UNDER) EXPENDITURES	(1,134)	(1,987)	2,456	(45)
OTHER FINANCING SOURCES (USES):				
Transfers in	17,270	703	355	3,298
Total other financing sources (uses)	17,270	703	355	3,298
Net change in fund balances	16,136	(1,284)	2,811	3,253
FUND BALANCES:				
Beginning of year	(16,592)	100,941	(2,503)	(3,303)
End of year	$ (456)	$ 99,657	$ 308	$ (50)

DRAFT

Special Revenue Funds						
Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square
$ 2,283	$ -	$ 2,341	$ 12,440	$ 53,587	$ 6,885
98	77	-	398	22	61
2,381	77	2,341	12,838	53,609	6,946
-	-	-	-	-	-
1,246	648	3,970	5,355	75,797	6,772
1,246	648	3,970	5,355	75,797	6,772
1,135	(571)	(1,629)	7,483	(22,188)	174
246	109	13,507	997	81,567	4,747
246	109	13,507	997	81,567	4,747
1,381	(462)	11,878	8,480	59,379	4,921
23,379	18,874	(12,021)	94,089	(42,055)	10,659
$ 24,760	$ 18,412	$ (143)	$ 102,569	$ 17,324	$ 15,580

DRAFT

City of Atwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Maintenance District Special Revenue Funds
For the year ended June 30, 2021

	Special Revenue Funds			
	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
REVENUES:				
Taxes and assessments	$ 3,441	$ 3,631	$ 403	$ 5,223
Use of money and property	191	283	127	21
Total revenues	3,632	3,914	530	5,244
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	4,125	6,044	2,200	931
Total expenditures	4,125	6,044	2,200	931
REVENUES OVER (UNDER) EXPENDITURES	(493)	(2,130)	(1,670)	4,313
OTHER FINANCING SOURCES (USES):				
Transfers in	993	3,290	1,996	560
Total other financing sources (uses)	993	3,290	1,996	560
Net change in fund balances	500	1,160	326	4,873
FUND BALANCES:				
Beginning of year	44,410	65,363	29,645	4,091
End of year	$ 44,910	$ 66,523	$ 29,971	$ 8,964

DRAFT

Special Revenue Funds					
Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Stone Creek
$ -	$ 7,968	$ -	$ 6,153	$ 6,932	$ 10,492
356	371	98	48	180	681
356	8,339	98	6,201	7,112	11,173
-	-	-	-	-	-
9,242	13,941	1,105	1,537	3,567	17,010
9,242	13,941	1,105	1,537	3,567	17,010
(8,886)	(5,602)	(1,007)	4,664	3,545	(5,837)
709	1,388	207	94	280	1,484
709	1,388	207	94	280	1,484
(8,177)	(4,214)	(800)	4,758	3,825	(4,353)
93,115	97,662	24,187	7,678	40,497	173,135
$ 84,938	$ 93,448	$ 23,387	$ 12,436	$ 44,322	$ 168,782

DRAFT

City of Atwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Maintenance District Special Revenue Funds
For the year ended June 30, 2021

	Special Revenue Funds			
	America West	Bell Crossing	Atwater South	Beluga Court
REVENUES:				
Taxes and assessments	$ -	$ 28,791	$ 4,860	$ 312
Use of money and property	256	45	515	28
Total revenues	256	28,836	5,375	340
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	1,931	13,046	18,715	55
Total expenditures	1,931	13,046	18,715	55
REVENUES OVER (UNDER) EXPENDITURES	(1,675)	15,790	(13,340)	285
OTHER FINANCING SOURCES (USES):				
Transfers in	576	500	2,516	46
Total other financing sources (uses)	576	500	2,516	46
Net change in fund balances	(1,099)	16,290	(10,824)	331
FUND BALANCES:				
Beginning of year	61,754	7,351	138,248	6,342
End of year	$ 60,655	$ 23,641	$ 127,424	$ 6,673

DRAFT

Special Revenue Funds					
Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	CFD District
$ 23,643	$ -	$ 16,335	$ 14,070	$ 94	$ 573,609
785	467	482	113	54	(235)
24,428	467	16,817	14,183	148	573,374
-	-	-	-	-	29,695
14,805	14,951	6,512	6,837	82	608,894
14,805	14,951	6,512	6,837	82	638,589
9,623	(14,484)	10,305	7,346	66	(65,215)
1,350	1,140	748	733	103	-
1,350	1,140	748	733	103	-
10,973	(13,344)	11,053	8,079	169	(65,215)
190,104	125,200	111,146	25,069	12,920	188,608
$ 201,077	$ 111,856	$ 122,199	$ 33,148	$ 13,089	$ 123,393

DRAFT

City of Atwater
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the year ended June 30, 2021

	Special Revenue Funds			
	Simon Annexation Lighting District	Simon Annexation Landscape District	Juniper Meadows 2 Lighting District	Total Maintenance District Special Revenue Funds
REVENUES:				
Taxes and assessments	$ -	$ -	$ 2,334	$ 794,389
Use of money and property	49	26	24	6,038
Total revenues	49	26	2,358	800,427
EXPENDITURES:				
Current:				
Public safety	-	-	-	29,695
Urban redevelopment and housing	19	377	108	849,511
Total expenditures	19	377	108	879,206
REVENUES OVER (UNDER) EXPENDITURES	30	(351)	2,250	(78,779)
OTHER FINANCING SOURCES (USES):				
Transfers in	167	4	84	141,767
Total other financing sources (uses)	167	4	84	141,767
Net change in fund balances	197	(347)	2,334	62,988
FUND BALANCES:				
Beginning of year	11,436	6,666	4,460	1,640,555
End of year	$ 11,633	$ 6,319	$ 6,794	$ 1,703,543

DRAFT

City of Atwater

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

Northwood Village - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 4,536	$ 4,536
Total revenues	-	-	4,536	4,536
EXPENDITURES:				
Current:				
Community development	-	-	5,670	(5,670)
Total expenditures	-	-	5,670	(5,670)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,134)	(1,134)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	17,270	17,270
Total other financing sources (uses)	-	-	17,270	17,270
Net change in fund balances	$ -	$ -	16,136	$ 16,136
FUND BALANCES:				
Beginning of year			(16,592)	
End of year			$ (456)	

DRAFT

City of Atwater

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

Orchard Pakrs Estates - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 209	$ 209
Fines, forfeitures and assessments	-	-	417	417
Total revenues	-	-	626	626
EXPENDITURES:				
Current:				
Community development	-	-	2,613	(2,613)
Total expenditures	-	-	2,613	(2,613)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,987)	(1,987)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	703	703
Total other financing sources (uses)	-	-	703	703
Net change in fund balances	$ -	$ -	(1,284)	$ (1,284)
FUND BALANCES:				
Beginning of year			100,941	
End of year			$ 99,657	

DRAFT

City of Atwater

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

Wildwood Estates - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 3,426	$ 3,426
Total revenues	-	-	3,426	3,426
EXPENDITURES:				
Current:				
Community development	-	-	970	(970)
Total expenditures	-	-	970	(970)
REVENUES OVER (UNDER) EXPENDITURES	-	-	2,456	2,456
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	355	355
Total other financing sources (uses)	-	-	355	355
Net change in fund balances	$ -	$ -	2,811	$ 2,811
FUND BALANCES:				
Beginning of year			(2,503)	
End of year			$ 308	

DRAFT

City of Atwater

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

Woodview Garland - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 391	$ 391
Total revenues	-	-	391	391
EXPENDITURES:				
Current:				
Community development	-	-	436	(436)
Total expenditures	-	-	436	(436)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(45)	(45)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,298	3,298
Total other financing sources (uses)	-	-	3,298	3,298
Net change in fund balances	$ -	$ -	3,253	$ 3,253
FUND BALANCES:				
Beginning of year			(3,303)	
End of year			$ (50)	

DRAFT

City of Atwater

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

Shaffer Lake West - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 2,283	$ 2,283
Fines, forfeitures and assessments	-	-	98	98
Total revenues	-	-	2,381	2,381
EXPENDITURES:				
Current:				
Community development	-	-	1,246	(1,246)
Total expenditures	-	-	1,246	(1,246)
REVENUES OVER (UNDER) EXPENDITURES	-	-	1,135	1,135
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	246	246
Total other financing sources (uses)	-	-	246	246
Net change in fund balances	$ -	$ -	1,381	$ 1,381
FUND BALANCES:				
Beginning of year			23,379	
End of year			$ 24,760	

DRAFT

City of Atwater

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

Woodhaven - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 77	$ 77
Total revenues	-	-	77	77
EXPENDITURES:				
Current:				
Community development	-	-	648	(648)
Total expenditures	-	-	648	(648)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(571)	725
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	109	109
Total other financing sources (uses)	-	-	109	109
Net change in fund balances	$ -	$ -	(462)	$ 834
FUND BALANCES:				
Beginning of year			18,874	
End of year			$ 18,412	

DRAFT

City of Atwater

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

Sierra Parks - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 2,341	$ 2,341
Total revenues	-	-	2,341	2,341
EXPENDITURES:				
Current:				
Community development	-	-	3,970	(3,970)
Total expenditures	-	-	3,970	(3,970)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,629)	(1,629)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	13,507	13,507
Total other financing sources (uses)	-	-	13,507	13,507
Net change in fund balances	$ -	$ -	11,878	$ 11,878
FUND BALANCES:				
Beginning of year			(12,021)	
End of year			$ (143)	

DRAFT

City of Atwater

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

Shaffer Lakes East - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 12,440	$ 12,440
Fines, forfeitures and assessments	-	-	398	398
Total revenues	-	-	12,838	12,838
EXPENDITURES:				
Community development	-	-	5,355	(5,355)
Total expenditures	-	-	5,355	(5,355)
REVENUES OVER (UNDER) EXPENDITURES	-	-	7,483	7,483
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	997	997
Total other financing sources (uses)	-	-	997	997
Net change in fund balances	$ -	$ -	8,480	$ 8,480
FUND BALANCES:				
Beginning of year			94,089	
End of year			$ 102,569	

DRAFT

City of Atwater

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

Price Annexation - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 53,587	$ 53,587
Fines, forfeitures and assessments	-	-	22	22
Total revenues	-	-	53,609	53,609
EXPENDITURES:				
Current:				
Community development	-	-	75,797	(75,797)
Total expenditures	-	-	75,797	(75,797)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(22,188)	(22,188)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	81,567	81,567
Total other financing sources (uses)	-	-	81,567	81,567
Net change in fund balances	$ -	$ -	59,379	$ 59,379
FUND BALANCES:				
Beginning of year			(42,055)	
End of year			$ 17,324	

DRAFT

City of Atwater

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

Sandalwood Square - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 6,885	$ 6,885
Fines, forfeitures and assessments	-	-	61	61
Total revenues	-	-	6,946	6,946
EXPENDITURES:				
Current:				
Community development	-	-	6,772	(6,772)
Total expenditures	-	-	6,772	(6,772)
REVENUES OVER (UNDER) EXPENDITURES	-	-	174	174
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,747	4,747
Total other financing sources (uses)	-	-	4,747	4,747
Net change in fund balances	$ -	$ -	4,921	$ 4,921
FUND BALANCES:				
Beginning of year			10,659	
End of year			$ 15,580	

DRAFT

City of Atwater

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

Pajaro Dunes - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 3,441	$ 3,441
Fines, forfeitures and assessments	-	-	191	191
Total revenues	-	-	3,632	3,632
EXPENDITURES:				
Current:				
Community development	-	-	4,125	(4,125)
Total expenditures	-	-	4,125	(4,125)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(493)	(493)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	993	993
Total other financing sources (uses)	-	-	993	993
Net change in fund balances	$ -	$ -	500	$ 500
FUND BALANCES:				
Beginning of year			44,410	
End of year			$ 44,910	

DRAFT

City of Atwater

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

Redwood Estates - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 3,631	$ 3,631
Fines, forfeitures and assessments	-	-	283	283
Total revenues	-	-	3,914	3,914
EXPENDITURES:				
Current:				
Community development	-	-	6,044	(6,044)
Total expenditures	-	-	6,044	(6,044)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(2,130)	(2,130)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,290	3,290
Total other financing sources (uses)	-	-	3,290	3,290
Net change in fund balances	$ -	$ -	1,160	$ 1,160
FUND BALANCES:				
Beginning of year			65,363	
End of year			$ 66,523	

DRAFT

City of Atwater

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

Cottage Gardens - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 403	$ 403
Fines, forfeitures and assessments	-	-	127	127
Total revenues	-	-	530	530
EXPENDITURES:				
Current:				
Community development	-	-	2,200	(2,200)
Total expenditures	-	-	2,200	(2,200)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,670)	(1,670)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,996	1,996
Total other financing sources (uses)	-	-	1,996	1,996
Net change in fund balances	$ -	$ -	326	$ 326
FUND BALANCES:				
Beginning of year			29,645	
End of year			$ 29,971	

DRAFT

City of Atwater

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

Airport Business Park - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 5,223	$ 5,223
Fines, forfeitures and assessments	-	-	21	21
Total revenues	-	-	5,244	5,244
EXPENDITURES:				
Current:				
Community development	-	-	931	(931)
Total expenditures	-	-	931	(931)
REVENUES OVER (UNDER) EXPENDITURES	-	-	4,313	4,313
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	560	560
Total other financing sources (uses)	-	-	560	560
Net change in fund balances	$ -	$ -	4,873	$ 4,873
FUND BALANCES:				
Beginning of year			4,091	
End of year			$ 8,964	

DRAFT

City of Atwater

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

Silva Ranch - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 356	$ 356
Total revenues	-	-	356	356
EXPENDITURES:				
Current:				
Community development	-	-	9,242	(9,242)
Total expenditures	-	-	9,242	(9,242)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(8,886)	(8,886)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	709	709
Total other financing sources (uses)	-	-	709	709
Net change in fund balances	$ -	$ -	(8,177)	$ (8,177)
FUND BALANCES:				
Beginning of year			93,115	
End of year			$ 84,938	

DRAFT

City of Atwater

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

Mello Ranch - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 7,968	$ 7,968
Fines, forfeitures and assessments	-	-	371	371
Total revenues	-	-	8,339	8,339
EXPENDITURES:				
Current:				
Community development	-	-	13,941	(13,941)
Total expenditures	-	-	13,941	(13,941)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(5,602)	(5,602)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,388	1,388
Total other financing sources (uses)	-	-	1,388	1,388
Net change in fund balances	$ -	$ -	(4,214)	$ (4,214)
FUND BALANCES:				
Beginning of year			97,662	
End of year			$ 93,448	

DRAFT

City of Atwater

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

Camelia Estates - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 98	$ 98
Total revenues	-	-	98	98
EXPENDITURES:				
Current:				
Community development	-	-	1,105	(1,105)
Total expenditures	-	-	1,105	(1,105)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,007)	(1,007)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	207	207
Total other financing sources (uses)	-	-	207	207
Net change in fund balances	$ -	$ -	(800)	$ (800)
FUND BALANCES:				
Beginning of year			24,187	
End of year			$ 23,387	

DRAFT

City of Atwater

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

Juniper Meadows - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 6,153	$ 6,153
Fines, forfeitures and assessments	-	-	48	48
Total revenues	-	-	6,201	6,201
EXPENDITURES:				
Current:				
Community development	-	-	1,537	(1,537)
Total expenditures	-	-	1,537	(1,537)
REVENUES OVER (UNDER) EXPENDITURES	-	-	4,664	4,664
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	94	94
Total other financing sources (uses)	-	-	94	94
Net change in fund balances	$ -	$ -	4,758	$ 4,758
FUND BALANCES:				
Beginning of year			7,678	
End of year			$ 12,436	

DRAFT

City of Atwater

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

Camelia Meadows - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 6,932	$ 6,932
Fines, forfeitures and assessments	-	-	180	180
Total revenues	-	-	7,112	7,112
EXPENDITURES:				
Current:				
Community development	-	-	3,567	(3,567)
Total expenditures	-	-	3,567	(3,567)
REVENUES OVER (UNDER) EXPENDITURES	-	-	3,545	3,545
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	280	280
Total other financing sources (uses)	-	-	280	280
Net change in fund balances	$ -	$ -	3,825	$ 3,825
FUND BALANCES:				
Beginning of year			40,497	
End of year			$ 44,322	

DRAFT

City of Atwater

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

Stone Creek - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 10,492	$ 10,492
Fines, forfeitures and assessments	-	-	681	681
Total revenues	-	-	11,173	11,173
EXPENDITURES:				
Current:				
Community development	-	-	17,010	(17,010)
Total expenditures	-	-	17,010	(17,010)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(5,837)	(5,837)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,484	1,484
Total other financing sources (uses)	-	-	1,484	1,484
Net change in fund balances	$ -	$ -	(4,353)	$ (4,353)
FUND BALANCES:				
Beginning of year			173,135	
End of year			$ 168,782	

DRAFT

City of Atwater

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

America West - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 256	$ 256
Total revenues	-	-	256	256
EXPENDITURES:				
Current:				
Community development	-	-	1,931	(1,931)
Total expenditures	-	-	1,931	(1,931)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,675)	(1,675)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	576	576
Total other financing sources (uses)	-	-	576	576
Net change in fund balances	$ -	$ -	(1,099)	$ (1,099)
FUND BALANCES:				
Beginning of year			61,754	
End of year			$ 60,655	

DRAFT

City of Atwater

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

Bell Crossing - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 28,791	$ 28,791
Fines, forfeitures and assessments	-	-	45	45
Total revenues	-	-	28,836	28,836
EXPENDITURES:				
Current:				
Community development	-	-	13,046	(13,046)
Total expenditures	-	-	13,046	(13,046)
REVENUES OVER (UNDER) EXPENDITURES	-	-	15,790	41,882
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	500	500
Total other financing sources (uses)	-	-	500	500
Net change in fund balances	$ -	$ -	16,290	$ 42,382
FUND BALANCES:				
Beginning of year			7,351	
End of year			$ 23,641	

DRAFT

City of Atwater

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

Atwater South - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 4,860	$ 4,860
Fines, forfeitures and assessments	-	-	515	515
Total revenues	-	-	5,375	5,375
EXPENDITURES:				
Current:				
Community development	-	-	18,715	(18,715)
Total expenditures	-	-	18,715	(18,715)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(13,340)	24,090
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,516	2,516
Total other financing sources (uses)	-	-	2,516	2,516
Net change in fund balances	$ -	$ -	(10,824)	$ 26,606
FUND BALANCES:				
Beginning of year			138,248	
End of year			$ 127,424	

DRAFT

City of Atwater

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

Beluga Court - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 312	$ 312
Fines, forfeitures and assessments	-	-	28	28
Total revenues	-	-	340	340
EXPENDITURES:				
Current:				
Community development	-	-	55	(55)
Total expenditures	-	-	55	(55)
REVENUES OVER (UNDER) EXPENDITURES	-	-	285	395
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	46	46
Total other financing sources (uses)	-	-	46	46
Net change in fund balances	$ -	$ -	331	$ 441
FUND BALANCES:				
Beginning of year			6,342	
End of year			$ 6,673	

DRAFT

City of Atwater

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

Mello Ranch 2 - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 23,643	$ 23,643
Fines, forfeitures and assessments	-	-	785	785
Total revenues	-	-	24,428	24,428
EXPENDITURES:				
Current:				
Community development	-	-	14,805	(14,805)
Total expenditures	-	-	14,805	(14,805)
REVENUES OVER (UNDER) EXPENDITURES	-	-	9,623	9,623
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,350	1,350
Total other financing sources (uses)	-	-	1,350	1,350
Net change in fund balances	$ -	$ -	10,973	$ 10,973
FUND BALANCES:				
Beginning of year			190,104	
End of year			$ 201,077	

DRAFT

City of Atwater

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

Meadow View - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 467	$ 467
Total revenues	-	-	467	467
EXPENDITURES:				
Current:				
Community development	-	-	14,951	(14,951)
Total expenditures	-	-	14,951	(14,951)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(14,484)	(14,484)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,140	1,140
Total other financing sources (uses)	-	-	1,140	1,140
Net change in fund balances	$ -	$ -	(13,344)	$ (13,344)
FUND BALANCES:				
Beginning of year			125,200	
End of year			$ 111,856	

DRAFT

City of Atwater

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

Aspenwood - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 16,335	$ 16,335
Fines, forfeitures and assessments	-	-	482	482
Total revenues	-	-	16,817	16,817
EXPENDITURES:				
Current:				
Community development	-	-	6,512	(6,512)
Total expenditures	-	-	6,512	(6,512)
REVENUES OVER (UNDER) EXPENDITURES	-	-	10,305	10,305
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	748	748
Total other financing sources (uses)	-	-	748	748
Net change in fund balances	$ -	$ -	11,053	$ 11,053
FUND BALANCES:				
Beginning of year			111,146	
End of year			$ 122,199	

DRAFT

City of Atwater

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

Applegate Ranch - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 14,070	$ 14,070
Fines, forfeitures and assessments	-	-	113	113
Total revenues	-	-	14,183	14,183
EXPENDITURES:				
Current:				
Community development	-	-	6,837	(6,837)
Total expenditures	-	-	6,837	(6,837)
REVENUES OVER (UNDER) EXPENDITURES	-	-	7,346	7,346
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	733	733
Total other financing sources (uses)	-	-	733	733
Net change in fund balances	$ -	$ -	8,079	$ 8,079
FUND BALANCES:				
Beginning of year			25,069	
End of year			$ 33,148	

DRAFT

City of Atwater

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

Reserve - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 94	$ 94
Fines, forfeitures and assessments	-	-	54	54
Total revenues	-	-	148	148
EXPENDITURES:				
Current:				
Community development	-	-	82	(82)
Total expenditures	-	-	82	(82)
REVENUES OVER (UNDER) EXPENDITURES	-	-	66	66
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	103	103
Total other financing sources (uses)	-	-	103	103
Net change in fund balances	$ -	$ -	169	$ 169
FUND BALANCES:				
Beginning of year			12,920	
End of year			$ 13,089	

DRAFT

City of Atwater

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

CFD Districts - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 573,609	$ 573,609
Fines, forfeitures and assessments	100	100	(235)	(335)
Total revenues	100	100	573,374	573,274
EXPENDITURES:				
Current:				
Public safety	31,571	31,571	29,695	1,876
Community development	597,334	597,334	608,894	(11,560)
Capital outlay:				
General capital outlay	46,917	46,917	-	46,917
Total expenditures	675,822	675,822	638,589	37,233
REVENUES OVER (UNDER) EXPENDITURES	(675,722)	(675,722)	(65,215)	610,507
Net change in fund balances	$ (675,722)	$ (675,722)	(65,215)	$ 610,507
FUND BALANCES:				
Beginning of year			188,608	
End of year			$ 123,393	

DRAFT

City of Atwater

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

Simon Annexation Lighting District - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 49	$ 49
Total revenues	-	-	49	49
EXPENDITURES:				
Current:				
Community development	-	-	19	(19)
Total expenditures	-	-	19	(19)
REVENUES OVER (UNDER) EXPENDITURES	-	-	30	30
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	167	167
Total other financing sources (uses)	-	-	167	167
Net change in fund balances	$ -	$ -	197	$ 197
FUND BALANCES:				
Beginning of year			11,436	
End of year			$ 11,633	

DRAFT

City of Atwater

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

Simon Annexation Landscaping District - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines, forfeitures and assessments	$ -	$ -	$ 26	$ 26
Total revenues	-	-	26	26
EXPENDITURES:				
Current:				
Community development	-	-	377	(377)
Total expenditures	-	-	377	(377)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(351)	(351)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4	4
Total other financing sources (uses)	-	-	4	4
Net change in fund balances	$ -	$ -	(347)	$ (347)
FUND BALANCES:				
Beginning of year			6,666	
End of year			$ 6,319	

DRAFT

City of Atwater

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

Juniper Meadows 2 Lighting District - Maintenance District Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ -	$ -	$ 2,334	$ 2,334
Fines, forfeitures and assessments	-	-	24	24
Total revenues	-	-	2,358	2,358
EXPENDITURES:				
Current:				
Community development	-	-	108	(108)
Total expenditures	-	-	108	(108)
REVENUES OVER (UNDER) EXPENDITURES	-	-	2,250	2,250
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	84	84
Total other financing sources (uses)	-	-	84	84
Net change in fund balances	$ -	$ -	2,334	$ 2,334
FUND BALANCES:				
Beginning of year			4,460	
End of year			$ 6,794	

DRAFT

City of Atwater
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
ASSETS					
Current Assets:					
Cash and investments	$ 530,041	$ 730,755	$ 768,583	$ 209,687	$ 2,239,066
Receivables:					
Interest	209	474	331	92	1,106
Other	26,516	1,430	21,589	767	50,302
Prepaid expenses	114	-	-	53,685	53,799
Total current assets	556,880	732,659	790,503	264,231	2,344,273
Noncurrent:					
Capital assets:					
Depreciable	1,864,900	-	103,094	601,348	2,569,342
Less accumulated depreciation	(1,138,765)	-	(35,519)	(455,955)	(1,630,239)
Net capital assets	726,135	-	67,575	145,393	939,103
Total noncurrent assets	726,135	-	67,575	145,393	939,103
Total assets	1,283,015	732,659	858,078	409,624	3,283,376
LIABILITIES					
Current liabilities:					
Accounts payable	63,722	3,596	7,569	18,785	93,672
Accrued payroll	4,558	-	-	2,420	6,978
Compensated absences - current	1,688	-	-	1,135	2,823
Total current liabilities	69,968	3,596	7,569	22,340	103,473
Noncurrent liabilities:					
Compensated absences	14,735	-	-	6,286	21,021
Total noncurrent liabilities	14,735	-	-	6,286	21,021
Total liabilities	84,703	3,596	7,569	28,626	124,494
NET POSITION					
Net investment in capital assets	726,135	-	67,575	145,393	939,103
Restricted for capital projects	-	-	-	-	-
Unrestricted	472,177	729,063	782,934	235,605	2,219,779
Total net position	$ 1,198,312	$ 729,063	$ 850,509	$ 380,998	$ 3,158,882

DRAFT

City of Atwater
Combining Statement of Revenues, Expenditures and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2021

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
OPERATING REVENUES:					
Interdepartmental charges	$ 1,368,177	$ 730,591	$ 1,035,487	$ 584,091	$ 3,718,346
Other operating revenue	3,567	54,532	52,441	-	110,540
Total operating revenues	1,371,744	785,123	1,087,928	584,091	3,828,886
OPERATING EXPENSES:					
Salaries and benefits	249,986	200,000	-	176,002	625,988
Contractual services	223,083	17,750	49,728	142,380	432,941
Materials and supplies	7,667	-	-	-	7,667
Repairs and maintenance	462,639	-	-	-	462,639
Utilities	74,013	-	-	-	74,013
Insurance	-	712,754	894,452	-	1,607,206
Other operating costs	-	-	22,519	204,838	227,357
Depreciation	55,547	-	3,269	62,335	121,151
Total operating expenses	1,072,935	930,504	969,968	585,555	3,558,962
Operating income (loss)	298,809	(145,381)	117,960	(1,464)	269,924
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental revenues (expenses)	20,000	-	-	20,000	40,000
Interest revenue	1,854	4,120	2,457	483	8,914
Total nonoperating revenues (expenses)	21,854	4,120	2,457	20,483	48,914
Income before contributions and transfers	320,663	(141,261)	120,417	19,019	318,838
CONTRIBUTIONS AND TRANSFERS:					
Transfers in	-	100,000	-	-	100,000
Transfers out	-	(200,000)	-	-	(200,000)
Total contributions and transfers	-	(100,000)	-	-	(100,000)
Change in net position	320,663	(241,261)	120,417	19,019	218,838
NET POSITION:					
Beginning of year, as restated	877,649	970,324	730,092	361,979	2,940,044
End of year	$ 1,198,312	$ 729,063	$ 850,509	$ 380,998	$ 3,158,882

DRAFT

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2021

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	$ 1,348,193	$ 798,639	$ 1,076,303	$ 530,819	$ 3,753,954
Cash paid to suppliers for goods and services	(810,706)	(744,644)	(993,559)	(387,903)	(2,936,812)
Cash paid to employees for services	(256,291)	(200,866)	-	(176,989)	(634,146)
Net cash provided by (used in) operating activities	281,196	(146,871)	82,744	(34,073)	182,996
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Cash transfers in		100,000	-	-	100,000
Subsidy from grants	20,000	-	-	20,000	40,000
Net cash provided by (used in) noncapital financing activities	20,000	(100,000)	-	20,000	(60,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(231,430)	-	-	(30,891)	(262,321)
Net cash provided by (used in) capital and related financing activities	(231,430)	-	-	(30,891)	(262,321)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	1,854	4,120	2,456	483	8,913
Net cash provided by (used in) investing activities	1,854	4,120	2,456	483	8,913
Net cash flows	71,620	(242,751)	85,200	(44,481)	(130,412)
CASH AND INVESTMENTS - Beginning of year	458,421	973,506	683,383	254,168	2,369,478
CASH AND INVESTMENTS - End of year	$ 530,041	$ 730,755	$ 768,583	$ 209,687	$ 2,239,066
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	$ 298,809	$ (145,381)	$ 117,960	$ (1,464)	$ 269,924
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	55,547	-	3,269	62,335	121,151
(Increase) decrease in accounts receivable	(23,437)	9,175	(11,625)	413	(25,474)
(Increase) decrease in prepaid expense	(114)	4,341	-	(53,685)	(49,458)
Increase (decrease) in accounts payable	(43,304)	(14,140)	(26,860)	(40,685)	(124,989)
Increase (decrease) in accrued payroll	(3,247)	(866)	-	(2,087)	(6,200)
Increase (decrease) in compensated absences	(3,058)	-	-	1,100	(1,958)
Net cash provided by (used in) operating activities	$ 281,196	$ (146,871)	$ 82,744	$ (34,073)	$ 182,996

DRAFT

City of Atwater
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

	Section 125 Medical	Section 125 Dependent Care	Community Facility District No.1	Total Custodial Funds
ASSETS				
Cash and investments held for others, restricted	$ 2,520	$ -	$ 130,625	$ 133,145
Interest receivables	-	-	72	72
Total assets	2,520	-	130,697	133,217
LIABILITIES				
Other Liabilities	2,520	-	-	2,520
Total liabilities	2,520	-	-	2,520
NET POSITION				
Restricted for				
Bondholders	-	-	130,697	130,697
Total net position	$ -	$ -	$ 130,697	$ 130,697

DRAFT

City of Atwater
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2021

	Section 125 Medical	Section 125 Dependent Care	Community Facility District No.1	Total Custodial Funds
ADDITIONS				
Property taxes revenue	$ -	$ -	$ 31,881	$ 31,881
Interest income	-	-	639	639
Total additions	-	-	32,520	32,520
DELETIONS				
Urban Development and Housing	-	-	520	520
Total deletions	-	-	520	520
Changes in net position	-	-	32,000	32,000
Beginning of the year, as restated	-	-	98,697	98,697
End of year	$ -	$ -	$ 130,697	$ 130,697

DRAFT

City of Atwater
Schedule of Debt Service Coverage
June 30, 2021 and 2020

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.

	2021	2020
Service charges	$ 11,051,639	$ 11,046,791
Connection fees	317,176	194,707
Total service charges	11,368,815	11,241,498
Investment income	88,905	222,948
Other income	7,193	6,292
Total miscellaneous revenue	96,098	229,240
Total Revenue	$ 11,464,913	$ 11,470,738
Personnel costs	1,433,572	1,091,528
Supplies (1)	108,396	156,691
Professional Services (2)	1,816,868	1,714,967
Wastewater Treatment Plant Mgmt. Service (3)	2,065,281	2,009,526
Other Charges (1), (4)	584,188	370,781
Total Operations and Maintenance	6,008,305	5,343,493
Net Revenue Available For Debt Service	$ 5,456,608	$ 6,127,245
Debt service:		
2008 Wastewater Bond	$ -	$ -
2010 Wastewater Bond	-	-
2011 Wastewater Bond	-	-
2017A Wastewater Revenue Refunding Bonds	3,293,535	3,372,519
2018A Wastewater Revenue Refunding Bonds	1,126,412	1,252,690
Total debt service	$ 4,419,947	$ 4,625,209
Net Revenue After Debt Service		
Calculated coverage	1.23	1.32
Meets covenant restrictions	**Yes**	**Yes**

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

DRAFT

This page intentionally left blank

DRAFT