

City of Atwater

Atwater, California

Annual Financial Report

For the year ended June 30, 2023

Prepared by:
Finance Department

City of Atwater
Annual Financial Report
For the year ended June 30, 2023
Table of Contents

	Page
<u>INTRODUCTORY SECTION</u>	
Table of Contents	i
Letter of Transmittal	iv
List of City Officials	viii
City of Atwater Organizational Chart	x
<u>FINANCIAL SECTION</u>	
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.....	25
Statement of Activities.....	26
Fund Financial Statements	
Governmental Funds:	
Balance Sheet	32
Reconciliation of Governmental Funds Balance Sheet	
to the Statement of Net Position	34
Statement of Revenues, Expenditures and Changes in Fund Balances.....	36
Reconciliation of Fund Basis Balance Sheet	
to Government-wide Statement of Activities	38
Statement of Revenues, Expenditures and Changes	
in Fund Balances - Budget and Actual - General Fund.....	39
Statement of Revenues, Expenditures and Changes	
in Fund Balances - Budget and Actual - Public Safety Transaction & Use Special Revenue Fund ..	40
Statement of Revenues, Expenditures and Changes	
in Fund Balances - Budget and Actual - ARPA Grant Fund	41
Proprietary Funds	
Statement of Net position - Proprietary Funds.....	43
Statement of Revenues, Expenses, and Changes in Fund Net position	44
Statement of Cash Flows.....	45
Fiduciary Funds:	
Statement of Fiduciary Net Position	47
Statement of Changes in Fiduciary Net Position.....	48
Notes to the Basic Financial Statements	51

City of Atwater
Annual Financial Report
For the year ended June 30, 2023
Table of Contents

Page

FINANCIAL SECTION, Continued

Required Supplementary Information

Schedule of the City's Proportionate Share of the

Net Pension Liability and Related Ratios - Last 10 years	94
Schedule of Pension Contributions - Last 10 Years	96
Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Years	98
Schedule of OPEB Contributions - Last 10 Years	99

Other Supplementary Information

Combining and Individual Fund Financial Statements and Schedules

Non-Major Governmental Funds:

Combining Balance Sheet.....	103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	104

Non-Major Special Revenue Funds:

Combining Balance Sheet.....	106
------------------------------	-----

Combining Statement of Revenues, Expenditures and Changes in Fund Balances	110
--	-----

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

Measure V Fund	114
----------------------	-----

Police Grants Fund.....	115
-------------------------	-----

Gas Tax Fund	116
--------------------	-----

Local Transportation Fund	117
---------------------------------	-----

Facility Impact Fee Fund.....	118
-------------------------------	-----

CDBG Program Income Fund	119
--------------------------------	-----

Home Investment Partnership Fund.....	120
---------------------------------------	-----

Housing Authority Fund	121
------------------------------	-----

Narcotics Program Fund.....	122
-----------------------------	-----

Neighborhood Stabilization Fund	123
---------------------------------------	-----

Applegate Interchange Fund.....	124
---------------------------------	-----

Regional Surface Transportation Program Fund.....	125
---	-----

Pension Rate Stabilization 115 Trust Fund	126
---	-----

General Plan Update Grant Fund	127
--------------------------------------	-----

Combining Balance Sheet - Maintenance District Special Revenue Funds	128
--	-----

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Maintenance District Special Revenue Funds	136
---	-----

Schedule of Revenues, Expenditures, and Changes in Fund Balances -	
--	--

Budget and Actual - Maintenance District Special Revenue Funds	143
--	-----

City of Atwater
Annual Financial Report
For the year ended June 30, 2023
Table of Contents

	Page
<u>FINANCIAL SECTION, Continued</u>	
Internal Service Funds:	
Combining Statement of Net Position.....	177
Combining Statement of Revenues, Expenses and Changes in Net Position.....	178
Combining Statement of Cash Flows	179
Custodial Funds:	
Combining Statement of Fiduciary Net Position	181
Combining Statement of Changes in Fiduciary Net Position	182
Schedule of Debt Service Coverage	183

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City of Atwater



FINANCE DEPARTMENT
750 BELLEVUE ROAD
ATWATER, CA 95301
(209) 357-6201

July 02, 2024

Honorable Mayor and Members of the Atwater City Council

We are pleased to submit the City of Atwater's Annual Financial Report for the fiscal year ended June 30, 2023. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with government 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 issues a complete set of financial statements to be submitted to them.

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

Management 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 formally 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, 2023, 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, 2023, 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 the Management's Discussion and Analysis

(MD&A). This letter of transmittal is designed to complement the 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 along CA-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 31,397 (State of California DOF Population Estimates, May 2024). The City of Atwater operates under a Council-Manager form of government and provides municipal services that include administration, 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 adopts annual budgets for the General Fund, Proprietary Funds, and all Special Revenue Funds. Budgetary control is legally maintained at the fund level. Department heads submit budget requests to the City Manager. The Finance Department prepares an estimate of revenues and expenses for the City Manager's review and recommendation to the City Council. The City Council adopts by resolution the new fiscal year budget which serves as a spending plan and a communication tool for the spending priorities of the new fiscal year.

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 members of advisory boards, commissions, and committees, except for the Public Safety Transaction & Use Tax (Measure B) Oversight Committee, whose appointments are made by the City Manager.

Local Economy

Like many organizations, the City of Atwater has been experiencing increases in inflationary costs relative to municipal operations. The City's primary General Fund revenue sources are property tax and sales tax. Property and sales tax revenues have remained strong; however, sales tax revenue is leveling off from the COVID-19 pandemic period in which sales tax revenue was higher than previous years. The City's housing market has continued to remain stable. The City will continue to look for ways to diversify revenue sources and enhance the economic development offerings for the community.

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 the Annual Financial Report was made possible by the hard work and dedicated service of the Finance Department. Each member of the Finance Department directly or indirectly impacts the success of the compilation and completion of the Annual Financial Report. We appreciate the service and professionalism provided by Badawi & Associates and their efforts that made the completion of this report possible.

In addition, appreciation is extended to all City departments for their cooperation and contributions made in the preparation of this report. We thank the Mayor and City Council as well for their continued support and encouragement toward achieving and maintaining the highest standards of management and fiscal stewardship for the City of Atwater. We look forward to our ongoing partnerships with the community as we continue to strive to provide efficient and optimal municipal governance for the City of Atwater.

Respectfully submitted,



Christopher Hoem,
City Manager



Anna Nicholas,
Finance Director

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City of Atwater
For the year ended June 30, 2023

List of City Officials

CITY COUNCIL

- Mike Nelson, Mayor
- Brian Raymond, Mayo Pro Term
- John Cale, Council Member
- Tyler Button, Council Member
- Danny Ambriz, Council Member

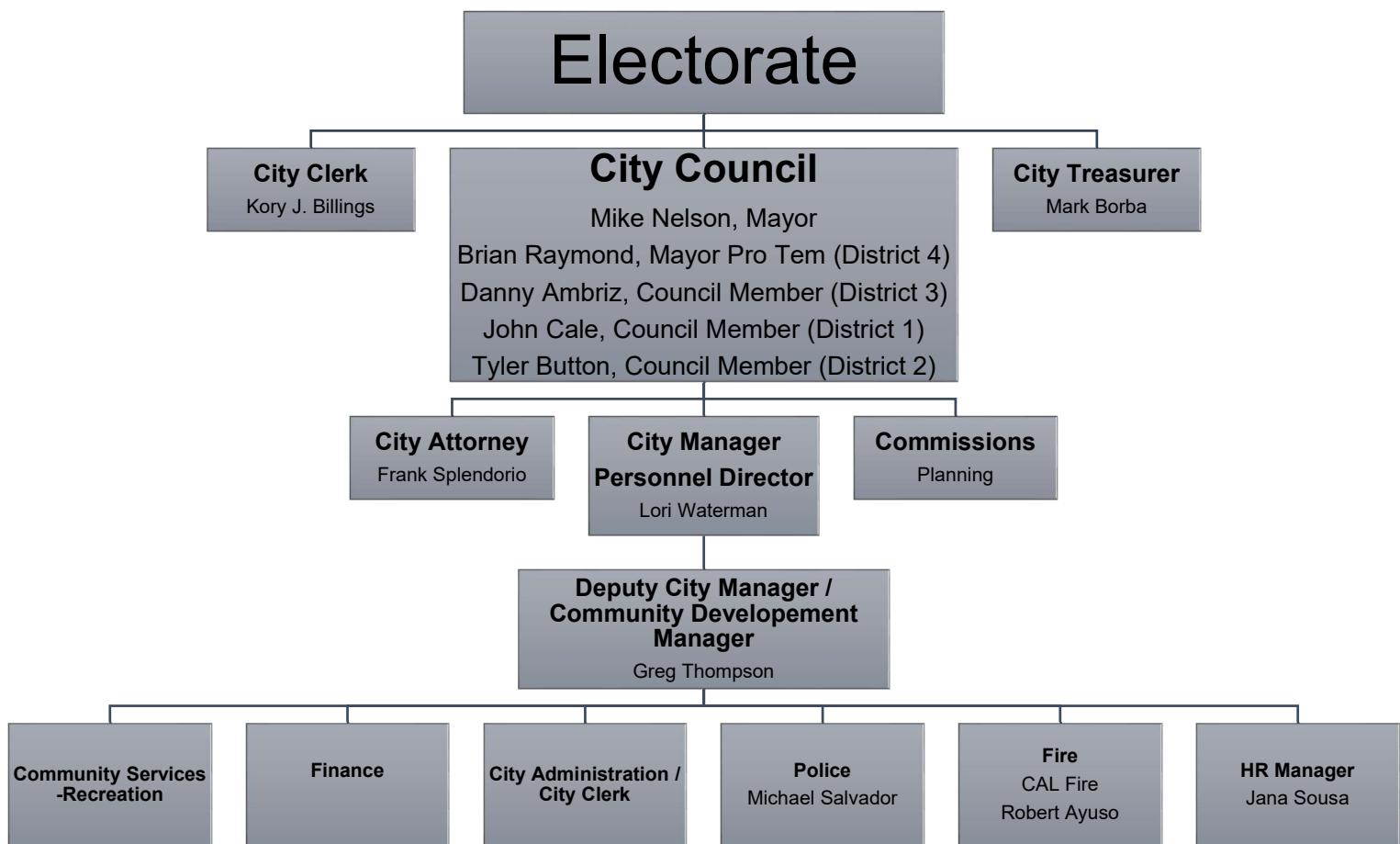
CITY OFFICIALS

- Lori Waterman, City Manager
- Greg Thompson, Deputy City Manager/Community Development Manager
- Kory J. Billings, City Clerk
- Mark Borba, City Treasurer
- Frank Splendorio, City Attorney
- Justin Vinson, Public Works Director
- Jana Sousa, HR Director
- Delilah Youmara, Finance Director
- Michael Salvador, Police Chief



CITY OF ATWATER ORGANIZATIONAL CHART

2023



Council Committees

Audit & Finance

Citizens Oversight for Public Safety Transaction and Use Tax Commission



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Atwater (City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, Public Safety Transactions and Use Tax Fund and ARPA Grant Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

To the Honorable Mayor and Members
of the City Council of the City of Atwater
Atwater, California
Page 2

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post-employment benefit (OPEB) information on pages 5-19 and 94-99 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

To the Honorable Mayor and Members
of the City Council of the City of Atwater
Atwater, California
Page 3

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.

Supplementary 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 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 were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

Other Information

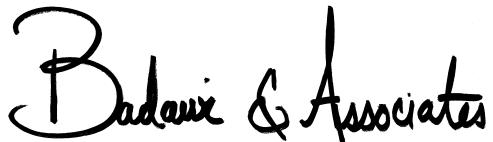
Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 2, 2024, 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

To the Honorable Mayor and Members
of the City Council of the City of Atwater
Atwater, California
Page 4

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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is fluid and cursive, with "Badawi" on the first line and "& Associates" on the second line.

Badawi & Associates, CPAs

Berkeley, California

July 2, 2024

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

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, 2023. 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, 2023, totaled \$109.6 million. Governmental activities the net position was \$21.8 million, while the business-type activities net position was \$87.8 million.
- ◆ Total City revenues, including program and general revenues, and business-type activities were \$54.9 million, while total expenses were \$35.7 million.
- ◆ Governmental program and general revenues were \$28.9 million compared to governmental program expenses of \$13.7 million.
- ◆ Program revenues from business-type activities were \$25.9 million, while expenses for business-type activities were \$21.9 million.
- ◆ The City's total net capital asset balance for governmental activities was \$24.4 million and \$33.6 million for business-type activities.

Fund Highlights

- ◆ Net General Fund revenues and other financing sources (uses) exceeded expenditures by \$3.2 million as compared to the prior year when revenues and other financing sources (uses) exceeded expenditures by \$5.6 million.
- ◆ At June 30, 2023, the General Fund has a positive fund balance of \$15.6 million.

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is in two major parts:

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

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

The Basic Financial Statements

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

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

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

For the fiscal year ended June 30, 2023, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ Public Safety Transactions and Use Tax Fund
- ◆ ARPA Grant Fund

PROPRIETARY FUNDS:

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

**City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023**

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

For the fiscal year ended June 30, 2023, 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.

Fiduciary funds. The City maintains a private-purpose trust fund and custodial funds that are classified as fiduciary funds. The private-purpose trust fund the City maintains is the Successor Agency to the Atwater Redevelopment Agency (RDA) and the City serves as the custodian to the assets of the dissolved RDA and administers the retirement of enforceable obligations. The custodial funds the City maintains are related to assets held in employee benefit trust.

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 51–89 of this report.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 103–182 of this report.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City's net position, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$109.6 million as of June 30, 2023. The Summary of net position as of June 30, 2022, and 2023 follows:

	Summary of Net Position					
	2022			2023		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Current and other assets	\$ 41,124,134	\$ 57,840,745	\$ 98,964,879	\$ 50,457,435	\$ 57,293,913	\$ 107,751,348
Noncurrent assets	22,527,907	100,367,772	122,895,679	25,145,812	101,513,524	126,659,336
Deferred outflows of resources	11,708,715	-	11,708,715	16,022,723	-	16,022,723
Total assets and deferred outflows of resources	75,360,756	158,208,517	233,569,273	91,625,970	158,807,437	250,433,407
Current and other liabilities	4,769,615	5,479,442	10,249,057	8,788,090	4,695,728	13,483,818
Long-term liabilities	43,652,165	68,162,310	111,814,475	49,549,663	66,235,849	115,785,512
Deferred inflows of resources	21,064,299	-	21,064,299	11,479,799	-	11,479,799
Total liabilities and deferred inflows of resources	69,486,079	73,641,752	143,127,831	69,817,552	70,931,577	140,749,129
Net position:						
Net investment in capital assets	21,497,053	30,608,418	52,105,471	24,470,439	33,639,179	58,109,618
Restricted	8,700,981	975,129	9,676,110	22,603,301	1,035,567	23,638,868
Unrestricted (deficit)	(24,323,357)	52,983,218	28,659,861	(25,265,322)	53,201,114	27,935,792
Total net position	\$ 5,874,677	\$ 84,566,765	\$ 90,441,442	\$ 21,808,418	\$ 87,875,860	\$ 109,684,278

Overall, the total net position increased by \$21.1 million. The total net position of governmental activities increased by \$17.8 million and total net position for business-type activities increased by \$3.3 million.

The total restricted net position increased by \$13.9 million, and the unrestricted net position experienced an increase in deficit of \$1.1 million over the previous year.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$54.9 million for the fiscal year ended June 30, 2023. Significant revenues for the City for fiscal year 2022-23 were derived from charges for services 53%, sales and use tax 17%, operating/capital grants and contributions 6%, property taxes and assessments 12%.

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 for governmental activities decreased by \$478K or 11% over last fiscal year. This is primarily due to decreases in revenue from Community Development Department activities. Charges for services related to business-type activities increased slightly by \$550K or 4% due to sanitation rate increases.
- 2. Sales and Use Tax.** Sales Tax revenue increased very slightly by \$16,526 or .18% (just less than 2/10's of a percent) over last fiscal year. The City is and will be experiencing a “flattening” of Sales and Use Tax revenue Post Covid and will experience a period of no growth in the next few fiscal years. This is primarily due to inflation and citizens are having to utilize more of their disposable income towards groceries, utilities, rents, and other non-taxable items.
- 3. Operating/Capital Grants and Contributions.** Capital contributions represent 8% of overall total revenues for the City.
- 4. Property Taxes and Assessments.** Property tax revenue increased by \$583,846 or 12% over last fiscal year. This is due primarily to higher property values.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2022, and 2023, follows:

	Changes in Net Position					
	2022			2023		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 4,649,769	\$ 23,760,407	\$ 28,410,176	\$ 4,171,579	\$ 24,788,960	\$ 28,960,539
Grants and contributions:						
Operating	3,439,563	374,740	3,814,303	2,549,146	553,293	3,102,439
Capital	1,047,239		1,047,239	1,307,173	-	1,307,173
General revenues:						
Property taxes and assessments	6,104,885	-	6,104,885	6,688,731	-	6,688,731
Transient occupancy taxes	76,224	-	76,224	43,921	-	43,921
Sales and use tax	9,187,635	-	9,187,635	9,204,161	-	9,204,161
Franchise taxes	961,869	-	961,869	1,023,347	-	1,023,347
Other taxes	2,360,721	-	2,360,721	1,935,430	-	1,935,430
Intergovernmental	519,401	-	519,401	1,214,785	-	1,214,785
Use of money and property	(72,670)	(1,399,056)	(1,471,726)	627,063	652,877	1,279,940
Other	154,791	-	154,791	201,822	-	201,822
Sale of real property	300,000	-	300,000	-	-	-
Total revenues	<u>28,729,427</u>	<u>22,736,091</u>	<u>51,465,518</u>	<u>28,967,158</u>	<u>25,995,130</u>	<u>54,962,288</u>
Expenses:						
Governmental activities:						
General government	6,976,469	-	6,976,469	3,088,191		3,088,191
Public safety	11,447,544	-	11,447,544	6,867,369		6,867,369
Highways and streets	3,493,312	-	3,493,312	2,122,879		2,122,879
Urban redevelopment and housing	1,146,702	-	1,146,702	647,257		647,257
Community services	770,751	-	770,751	940,277		940,277
Interest on long-term debt	19,430	-	19,430	119,819		119,819
Business-type activities:						
Water	-	4,529,648	4,529,648		5,095,232	5,095,232
Sewer	-	12,295,830	12,295,830		12,657,347	12,657,347
Sanitation	-	4,130,522	4,130,522		4,181,081	4,181,081
Total expenses	<u>23,854,208</u>	<u>20,956,000</u>	<u>44,810,208</u>	<u>13,785,792</u>	<u>21,933,660</u>	<u>35,719,452</u>
Change in net position before transfers	<u>4,875,219</u>	<u>1,780,091</u>	<u>6,655,310</u>	<u>15,181,366</u>	<u>4,061,470</u>	<u>19,242,836</u>
Transfers	<u>632,352</u>	<u>(632,352)</u>	<u>-</u>	<u>752,375</u>	<u>(752,375)</u>	<u>-</u>
Change in net position	<u>5,507,571</u>	<u>1,147,739</u>	<u>6,655,310</u>	<u>15,933,741</u>	<u>3,309,095</u>	<u>19,242,836</u>

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Governmental and business-type activity expenses of the City for the year totaled \$35.7 million. Governmental activity expenses totaled \$13.7 million or 39% of total expenses. Business-type activities incurred \$21.9 million or 61% of total expenses during the fiscal year. Public safety costs represented 49% 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, 2022, and 2023, are as follows:

	2022		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 6,976,469	\$ 3,299,159	\$ 3,088,191	\$ 116,207
Public safety	11,447,544	8,638,860	6,842,033	(4,898,922)
Highway and streets	3,493,312	987,451	2,122,879	547,917
Urban development and housing	1,146,702	1,005,143	647,257	(647,257)
Community services	770,751	767,594	940,277	(730,684)
Interest on long-term debt	19,430	19,430	145,155	(145,155)
 Total	 \$ 23,854,208	 \$ 14,717,637	 \$ 13,785,792	 \$ (5,757,894)

Net cost of the City's major programs can fluctuate greatly from one fiscal year to the next due to GASB's standards associated with the reporting of pension expense in the City's financial statements. The components of pension expense include many factors: service cost, interest on the total pension liability, changes in the net pension liability, employee contributions, and expected return on plan assets. When investment returns come in higher than expected, the City will experience a reduction in pension expense. Conversely, if returns on plan assets fall short of the expected return, the City will realize an increase in pension expense. The first situation occurred in FY 22/23, when CalPERS net return on plan assets came in higher than anticipated resulting in a reduction of pension expense for the City.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

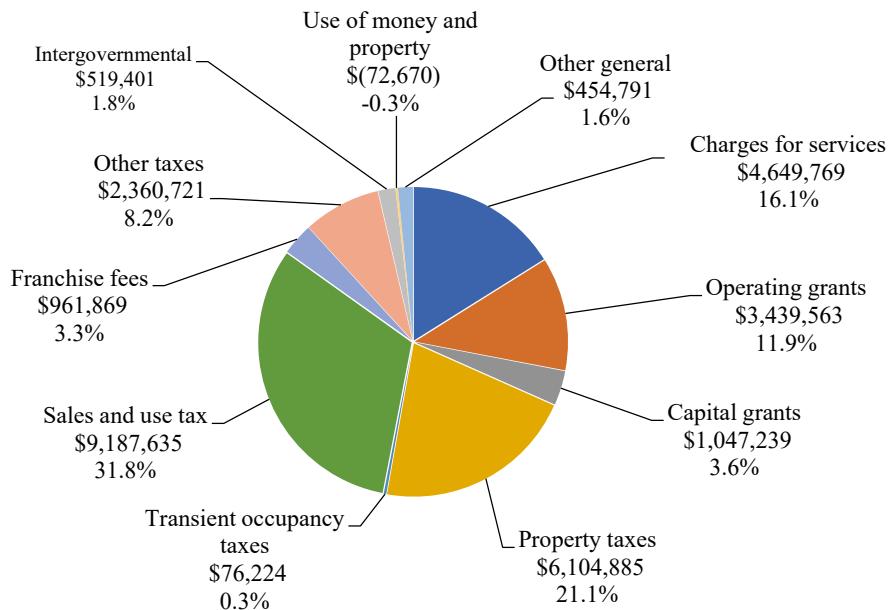
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

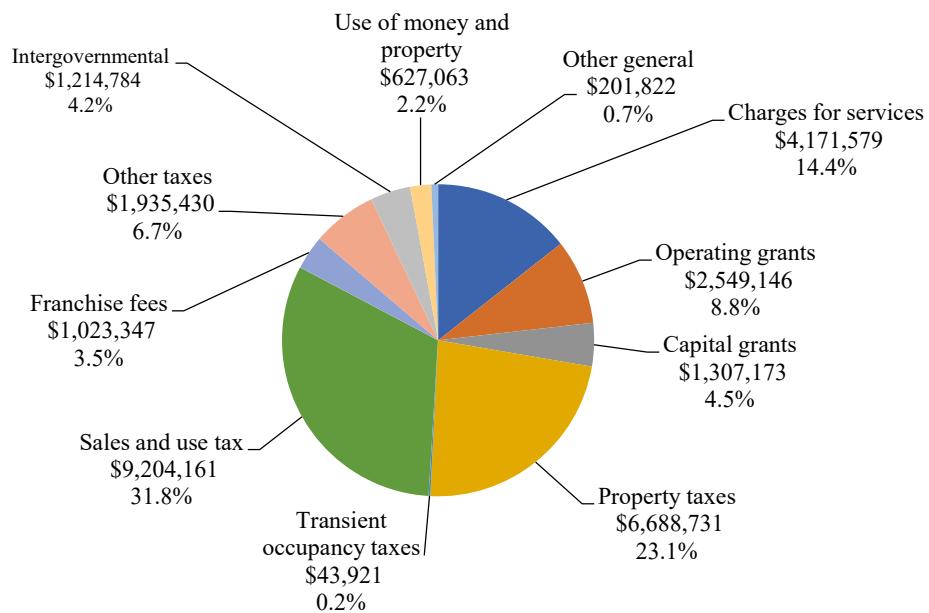
Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2022, and 2023, are as follows:

Revenues by Source - Governmental Activities 2022



Revenues by Source - Governmental Activities 2023



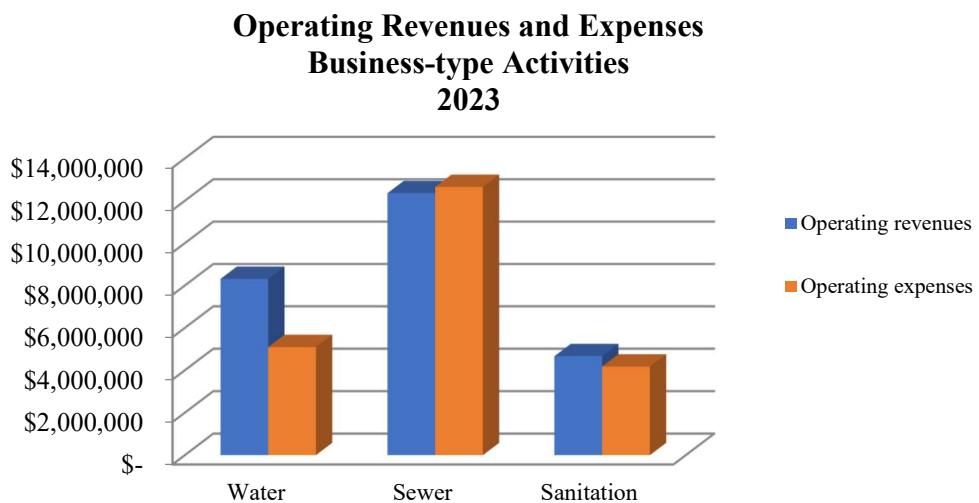
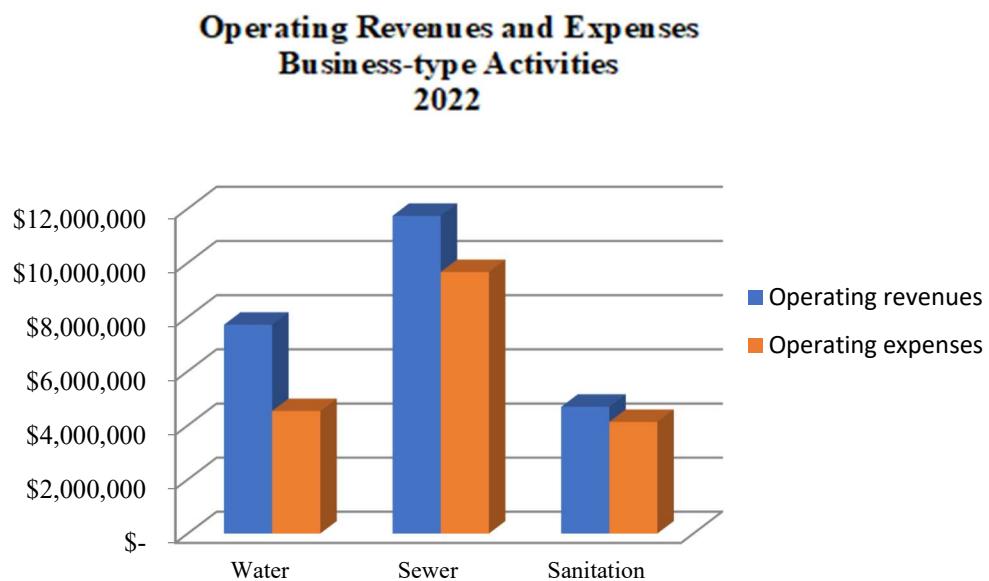
City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

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, 2022 and 2023 are as follows:



**City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023**

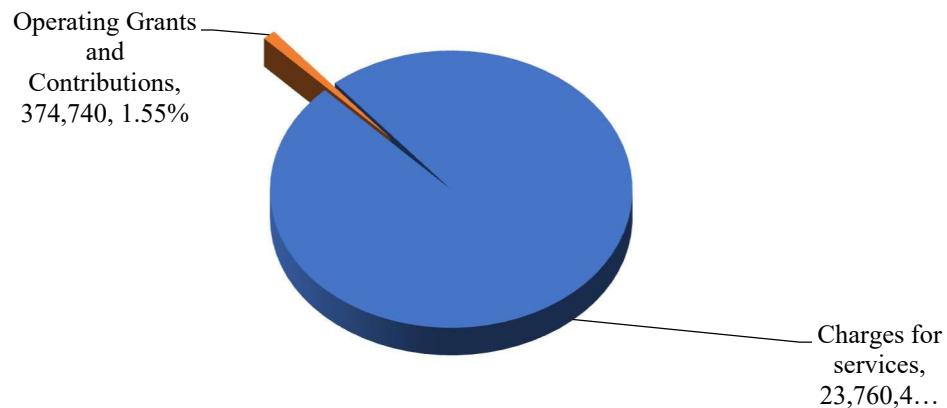
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

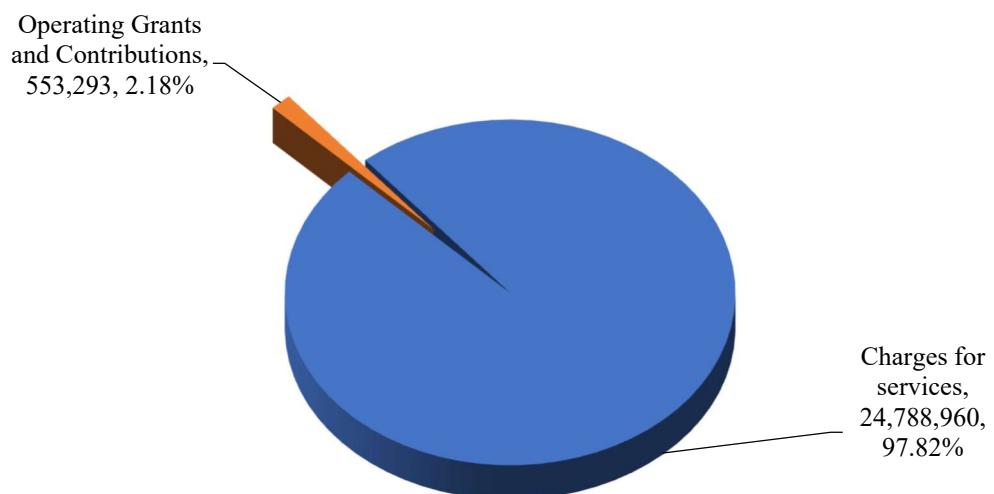
Business-type Activities, Continued

The revenues by source for the business-type activities for the fiscal years ended June 30, 2022, and 2023, are as follows:

Revenues by Source - Business-type Activities 2022



Revenues by Source - Business-type Activities 2023



City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

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, 2023, the City's governmental funds reported combined fund balances of \$38.1 million. The increase is due mainly to departments not expending the approved appropriations contained within the adopted/amended budget.

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2023, the General Fund had a fund balance of \$15.6 million. The General Fund balance improved by \$3.2 million from the prior fiscal year and is the fifth consecutive fiscal year with positive fund balance. The increase of \$3.2 million was due to \$1.6 million more revenue being received than estimated and \$1.6 million of approved appropriations weren't expended.

The Public Safety Transactions and Use Tax Fund is defined as a major fund of the City and had a fund balance of \$1.5 million as of June 30, 2023. The Public Safety Transactions and Use Tax Fund balance improved by \$400,000 from the prior year.

The ARPA Grant Fund is the final major fund of the City and had a fund balance of \$38,000 as of June 30, 2023. The ARPA Grant Fund balance improved by \$48,000 from the prior year as it closed June 30, 2022 with a negative fund balance of \$10,000.

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 maintenance, as well as employee benefits fund. The City's proprietary funds net position increased by \$3.3 million for enterprise funds and increased by \$104,333 for internal service funds in the fiscal year ended June 30, 2023. 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 an 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.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS, Continued

General Fund Budgetary Highlights

General Fund actual revenues totaled \$19.2 million which was 109.8 percent of the amended budget estimate. General Fund expenditures totaled \$14.9 million or 90 percent of the approved amended budget. The General Fund balance increased by \$3.2 million to a balance of \$15.6 million.

CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounted to \$58.1 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	
	2022	2023	2022	2023	2022	2023
Land	\$ 299,384	\$ 299,384	\$ 1,064,902	\$ 1,064,902	\$ 1,364,286	\$ 1,364,286
Construction in progress	6,326,345	9,112,226	30,022,443	32,177,643	36,348,788	41,289,869
Buildings and improvement	8,578,358	9,218,339	111,277,554	113,068,526	119,855,912	122,286,865
Infrastructure	1,164,766	1,214,625	-	-	1,164,766	1,214,625
Roads	52,244,146	52,378,765	-	-	52,244,146	52,378,765
Equipment	10,517,997	11,335,755	11,021,648	11,770,535	21,539,645	23,106,290
Total	<u>\$ 79,130,996</u>	<u>\$ 83,559,094</u>	<u>\$ 153,386,547</u>	<u>\$ 158,081,606</u>	<u>\$ 232,517,543</u>	<u>\$ 241,640,700</u>

The June 30, 2023, total balance reflects addition to construction in progress of \$7.1 million. Total depreciation for the year amounted to \$5.2 million.

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 49 for significant accounting policies and Note 3 on pages 66 and 67 for other capital asset information.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023

Management's Discussion and Analysis, Continued

LONG-TERM LIABILITIES

At June 30, 2023, the City had \$69.1 million in debt outstanding consisting of compensated absences, lease obligations and revenue bonds.

	2023		
	Governmental		Business-type
	Activities	Activities	Total
Compensated absences	\$ 667,401	\$ 134,781	\$ 802,182
Lease Obligations (includes lease purchases)	516,009	-	516,009
2017A Wastewater Revenue Refunding Bonds	-	50,180,000	50,180,000
2018A Wastewater Revenue Refunding Bonds	-	13,210,000	13,210,000
Unamortized bond premium	-	4,484,345	4,484,345
Unamortized underwriting discount	-	-	-
Total	\$ 1,183,410	\$ 68,009,126	\$ 69,192,536

During the current fiscal year, the City's net debt decreased by \$2.1 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 4 to the financial statements on page 67.

NEXT YEARS BUDGET AND THE ECONOMY

The budget for Fiscal Year 2023-24 was developed based on the City's multi-year fiscal solvency recovery program and the lingering fiscal impacts of the COVID-19 pandemic. The City's total Fiscal Year 2023-24 adopted budget approves appropriations at \$95.0 million. The budget provides funding for staffing of 111 positions and 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 fund balance for five 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 does not contain plans for new debt. In addition, the estimated budget allows for maintaining funds for General Fund reserves. As with many cities, the City of Atwater is experiencing the effects of increased inflation with impacts on operating expenses in the delivery of municipal services. In addition, primary sources of General Fund revenue, such as sales tax, have slowed in recent quarters.

The City of Atwater is located in Merced County, which lies in the great Central Valley of California. Prior to the COVID-19 pandemic, the City was experiencing increases in economic activity, property and sales tax revenue, and an increased interest in development activity. Property and sales tax revenue maintained favorable levels during the pandemic; however, sales tax in

**City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2023**

Management's Discussion and Analysis, Continued

particular has noted a recent decline and will likely impact the estimating of future budgets. The City continues to pursue viable economic development activities that will position the City advantageously for future revenue growth.

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.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Atwater

Statement of Net Position

June 30, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 45,835,201	\$ 52,435,012	\$ 98,270,213
Restricted cash and investments	-	1,035,567	1,035,567
Receivables:			
Accounts	4,510,886	3,820,446	8,331,332
Prepaid items	111,348	2,888	114,236
Total current assets	<u>50,457,435</u>	<u>57,293,913</u>	<u>107,751,348</u>
Noncurrent assets:			
Investment in land held for resale	159,364	-	159,364
Capital assets:			
Nondepreciable	9,411,610	33,242,545	42,654,155
Depreciable	74,147,484	124,839,061	198,986,545
Lease assets	249,376	-	249,376
Less accumulated amortization	(143,430)	-	(143,430)
Less accumulated depreciation	(58,678,592)	(56,568,082)	(115,246,674)
Total capital assets	<u>24,986,448</u>	<u>101,513,524</u>	<u>126,499,972</u>
Total noncurrent assets	<u>25,145,812</u>	<u>101,513,524</u>	<u>126,659,336</u>
Total assets	<u>75,603,247</u>	<u>158,807,437</u>	<u>234,410,684</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	12,490,161	-	12,490,161
Deferred outflows - OPEB	<u>3,532,562</u>	<u>-</u>	<u>3,532,562</u>
Total deferred outflows of resources	<u>16,022,723</u>	<u>-</u>	<u>16,022,723</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,541,366	1,753,734	5,295,100
Interest payable	-	449,842	449,842
Deposits payable	309,300	525,002	834,302
Other liabilities	37,291	136,935	174,226
Unearned revenue	4,547,097	56,938	4,604,035
Compensated absences - current portion	69,793	18,277	88,070
Lease liabilities - current portion	70,622	-	70,622
Long-term debt - current portion	212,621	1,755,000	1,967,621
Total current liabilities	<u>8,788,090</u>	<u>4,695,728</u>	<u>13,483,818</u>
Noncurrent liabilities:			
Compensated absences	597,608	116,504	714,112
Net pension liability	28,802,661	-	28,802,661
Net OPEB liability	19,916,628	-	19,916,628
Lease liabilities	48,363	-	48,363
Long-term debt	184,403	66,119,345	66,303,748
Total noncurrent liabilities	<u>49,549,663</u>	<u>66,235,849</u>	<u>115,785,512</u>
Total liabilities	<u>58,337,753</u>	<u>70,931,577</u>	<u>129,269,330</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	3,787,630	-	3,787,630
Deferred inflows of resources - OPEB	<u>7,692,169</u>	<u>-</u>	<u>7,692,169</u>
Total deferred inflows of resources	<u>11,479,799</u>	<u>-</u>	<u>11,479,799</u>
NET POSITION			
Net investment in capital assets	24,470,439	33,639,179	58,109,618
Restricted	22,603,301	1,035,567	23,638,868
Unrestricted	(25,265,322)	53,201,114	27,935,792
Total net position	<u>\$ 21,808,418</u>	<u>\$ 87,875,860</u>	<u>\$ 109,684,278</u>

See accompanying Notes to Basic Financial Statements

City of Atwater
Statement of Activities
For the year ended June 30, 2023

Functions/Programs	Program Revenues					Total
	Expenses	Charges for Services	Operating	Capital		
			Grants and Contributions	Grants and Contributions		
Governmental activities:						
General government	\$ 3,088,191	\$ 3,199,394	\$ 5,004	\$ -	\$ 3,204,398	
Public safety	6,842,033	165,222	1,763,536	14,353	1,943,111	
Highways and streets	2,122,879	646,594	780,606	1,243,596	2,670,796	
Urban redevelopment and housing	647,257	-	-	-	-	
Community services	940,277	160,369	-	49,224	209,593	
Interest on long-term debt	145,155	-	-	-	-	
Total governmental activities	13,785,792	4,171,579	2,549,146	1,307,173	8,027,898	

Business-type Activities:

Water	5,095,232	8,212,323	103,531	-	8,315,854
Sewer	12,657,347	11,911,022	449,762	-	12,360,784
Sanitation	4,181,081	4,665,615	-	-	4,665,615
Total Business-Type activities	21,933,660	24,788,960	553,293	-	25,342,253
Total primary government	\$ 35,719,452	\$ 28,960,539	\$ 3,102,439	\$ 1,307,173	\$ 33,370,151

General Revenues:

Taxes:

Property taxes, levied for general purposes
 Transient occupancy tax
 Sales taxes
 Franchise fees
 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

Net position - end of year

Net (Expense) Revenue
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ 116,207	\$ -	\$ 116,207
(4,898,922)	-	(4,898,922)
547,917	-	547,917
(647,257)	-	(647,257)
(730,684)	-	(730,684)
(145,155)	-	(145,155)
<hr/>	<hr/>	<hr/>
(5,757,894)	-	(5,757,894)
- 3,220,622	3,220,622	
- (296,563)	(296,563)	
- 484,534	484,534	
<hr/>	<hr/>	<hr/>
- 3,408,593	3,408,593	
<hr/>	<hr/>	<hr/>
(5,757,894)	3,408,593	(2,349,301)
6,688,731	-	6,688,731
43,921	-	43,921
9,204,161	-	9,204,161
1,023,347	-	1,023,347
1,935,430	-	1,935,430
<hr/>	<hr/>	<hr/>
18,895,590	-	18,895,590
1,214,785	-	1,214,785
627,063	652,877	1,279,940
201,822	-	201,822
<hr/>	<hr/>	<hr/>
2,043,670	652,877	2,696,547
752,375	(752,375)	-
<hr/>	<hr/>	<hr/>
2,796,045	(99,498)	2,696,547
<hr/>	<hr/>	<hr/>
15,933,741	3,309,095	19,242,836
5,874,677	84,566,765	90,441,442
<hr/>	<hr/>	<hr/>
\$ 21,808,418	\$ 87,875,860	\$ 109,684,278

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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City of Atwater

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	Use Special Tax Revenue Fund	Major Funds
			Public Safety
			Transaction &
			ARPA
ASSETS			
Cash and investments	\$ 16,621,262	\$ 537,352	\$ 4,815,565
Receivables:			
Taxes	673,871	-	-
Interest	73,706	2,321	21,665
Intergovernmental	6,672	-	-
Other receivable	1,173,644	1,041,271	-
Prepaid items	28,677	-	-
Investment in land held for resale	-	-	-
Total assets	\$ 18,577,832	\$ 1,580,944	\$ 4,837,230
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 2,088,940	\$ 3,825	\$ 243,564
Accrued liabilities	268,235	70,383	-
Deposits payable	197,634	-	-
Other liabilities	-	-	8,999
Unearned revenue	-	-	4,547,097
Total liabilities	2,554,809	74,208	4,799,660
Deferred Inflows of Resources			
Unavailable revenues	330,919	-	-
Total deferred inflows of resources	330,919	-	-
Fund Balances:			
Nonspendable			
Prepaid items	28,677	-	-
Investment in land held for resale	-	-	-
Restricted	-	1,506,736	37,570
Assigned	-	-	-
Unassigned	15,663,427	-	-
Total fund balances	15,692,104	1,506,736	37,570
Total liabilities, deferred inflows of resources and fund balances	\$ 18,577,832	\$ 1,580,944	\$ 4,837,230

Nonmajor	Total
Governmental	Governmental
Funds	Funds

\$ 20,569,413	\$ 42,543,592
8,361	682,232
91,105	188,797
838,317	844,989
417,770	2,632,685
312	28,989
159,364	159,364
<hr/>	<hr/>
<u>\$ 22,215,948</u>	<u>\$ 47,211,954</u>

\$ 405,760	\$ 2,742,089
20,841	359,459
111,666	309,300
28,292	37,291
-	4,547,097
<hr/>	<hr/>
<u>566,559</u>	<u>7,995,236</u>
<hr/>	<hr/>
<u>715,258</u>	<u>1,046,177</u>
<hr/>	<hr/>
<u>715,258</u>	<u>1,046,177</u>

294	28,971
159,364	159,364
21,058,995	22,603,301
108,704	108,704
(393,226)	15,270,201
<hr/>	<hr/>
<u>20,934,131</u>	<u>38,170,541</u>
<hr/>	<hr/>
<u>\$ 22,215,948</u>	<u>\$ 47,211,954</u>

City of Atwater

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

June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 38,170,541

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:

Nondepreciable
Depreciable, net
Total capital assets

	Government-Wide Statement of Net Position	Internal Service Funds	Total
\$ 9,411,610	\$ -	\$ 9,411,610	
15,574,838	(818,636)	14,756,202	
\$ 24,986,448	\$ (818,636)	24,167,812	

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.

3,762,033

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.

1,046,177

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	12,490,161
Deferred outflows of resources related to OPEB	3,532,562
Deferred inflows of resources related to pension	(3,787,630)
Deferred inflows of resources related to OPEB	(7,692,169)

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	\$ (69,793)	\$ 2,778	\$ (67,015)
Compensated absences - due in more than one year	(597,608)	18,852	(578,756)
Net pension liability	(28,802,661)	-	(28,802,661)
Net OPEB liability	(19,916,628)	-	(19,916,628)
Lease liability	(48,363)	-	(48,363)
Long-term lease liability - due in more than one year	(70,622)	-	(70,622)
Long-term debt - due in more than one year	(184,403)	-	(184,403)
Total long-term liabilities	\$ (49,902,699)	\$ 21,630	(49,881,069)
Net Position of Governmental Activities			\$ 21,808,418

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City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2023

	General Fund	Use Special Tax Revenue	Major Funds Public Safety	ARPA Grant Fund
REVENUES:				
Taxes and assessments	\$ 9,911,473	\$ 3,462,052	\$ -	-
Licenses and permits	372,475	-	-	-
Fines and forfeitures	86,880	-	-	-
Intergovernmental	4,916,665	-	1,129,165	-
Use of money and property	306,235	9,073	39,967	-
Charges for services	3,555,535	-	-	-
Other revenues	101,866	-	-	-
Total revenues	19,251,129	3,471,125	1,169,132	
EXPENDITURES:				
Current:				
General government	4,672,966	210	166,044	-
Public safety	7,574,516	2,451,380	-	-
Highways and streets	1,764,958	-	-	-
Urban redevelopment and housing	-	-	-	-
Community services	902,941	247,738	12,869	-
Capital outlay	-	290,096	941,851	-
Debt service				
Principal	64,383	219,997	-	-
Interest and fiscal charges	-	14,486	-	-
Total expenditures	14,979,764	3,223,907	1,120,764	
REVENUES OVER (UNDER) EXPENDITURES	4,271,365	247,218	48,368	
OTHER FINANCING SOURCES (USES):				
Transfers in	202,375	-	-	-
Transfers out	(1,212,761)	-	-	-
Proceeds from capital lease	-	124,998	-	-
Total other financing sources (uses)	(1,010,386)	124,998	-	
Net change in fund balances	3,260,979	372,216	48,368	
FUND BALANCES:				
Beginning of year	12,431,125	1,134,520	(10,798)	-
End of year	\$ 15,692,104	\$ 1,506,736	\$ 37,570	

See accompanying Notes to Basic Financial Statements

Nonmajor Governmental Funds	Total Governmental Funds
\$ 1,862,879	\$ 15,236,404
-	372,475
-	86,880
2,530,153	8,575,983
241,773	597,048
133,827	3,689,362
69,377	171,243
<hr/>	<hr/>
4,838,009	28,729,395
<hr/>	<hr/>
86,520	4,925,740
32	10,025,928
1,177,449	2,942,407
944,857	944,857
27	1,163,575
2,801,603	4,033,550
<hr/>	<hr/>
-	284,380
-	14,486
<hr/>	<hr/>
5,010,488	24,334,923
<hr/>	<hr/>
(172,479)	4,394,472
<hr/>	<hr/>
1,612,761	1,815,136
(50,000)	(1,262,761)
<hr/>	<hr/>
-	124,998
<hr/>	<hr/>
1,562,761	677,373
<hr/>	<hr/>
1,390,282	5,071,845
<hr/>	<hr/>
19,543,849	33,098,696
<hr/>	<hr/>
\$ 20,934,131	\$ 38,170,541
<hr/>	<hr/>

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, 2023

Net Change in Fund Balances - Total Governmental Funds	\$ 5,071,845
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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.

4,365,829

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.

(1,579,954)

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.

117,759

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.

284,380

(124,998)

(5,671)

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.

6,189,928

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.

1,250,882

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.

259,408

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.

104,333

Change in Net Position of Governmental Activities

\$ 15,933,741

City of Atwater

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

For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)

REVENUES:

Taxes and assessments	\$ 8,501,647	\$ 8,501,647	\$ 9,911,473	\$ 1,409,826
Licenses and permits	337,780	337,780	372,475	34,695
Fines and forfeitures	120,300	120,300	86,880	(33,420)
Intergovernmental	4,155,571	4,155,571	4,916,665	761,094
Use of money and property	166,135	166,135	306,235	140,100
Charges for services	4,083,494	4,083,494	3,555,535	(527,959)
Other revenues	163,320	163,320	101,866	(61,454)
Total revenues	17,528,247	17,528,247	19,251,129	1,722,882

EXPENDITURES:

Current:

General government	5,074,598	5,074,598	4,672,966	401,632
Public safety	8,225,181	8,225,181	7,574,516	650,665
Public works	2,230,066	2,230,066	1,764,958	465,108
redevelopment and housing	-	-	-	-
Community services	1,112,006	1,112,006	902,941	209,065
Debt Service				
Principal	-	-	64,383	(64,383)
Total expenditures	16,641,851	16,641,851	14,979,764	1,726,470

REVENUES OVER (UNDER) EXPENDITURES

886,396	886,396	4,271,365	3,449,352
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OTHER FINANCING SOURCES (USES):

Transfers in	202,375	202,375	202,375	-
Transfers out	(736,775)	(736,775)	(1,212,761)	(475,986)
Total other financing sources (uses)	(534,400)	(534,400)	(1,010,386)	(475,986)
Net change in fund balances	\$ 351,996	\$ 351,996	3,260,979	\$ 2,973,366

FUND BALANCES:

Beginning of year		12,431,125
End of year		\$ 15,692,104

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Public Safety Transaction & Use Special Revenue Fund For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 2,110,725	\$ 2,110,725	\$ 3,462,052	\$ 1,351,327
Use of money and property	1,000	1,000	9,073	8,073
Total revenues	2,111,725	2,111,725	3,471,125	1,359,400
EXPENDITURES:				
Current:				
General government	-	-	210	(210)
Public safety	2,604,336	2,604,336	2,451,380	152,956
Non-departmental	-	-	247,738	(247,738)
Capital outlay:				
General capital outlay	307,000	307,000	290,096	16,904
Debt service				
Principal	217,916	217,916	219,997	(2,081)
Total expenditures	3,129,252	3,129,252	3,223,907	(78,088)
REVENUES OVER (UNDER) EXPENDITURES	(1,017,527)	(1,017,527)	247,218	1,281,312
OTHER FINANCING SOURCES (USES):				
Proceeds from leases	-	-	124,998	124,998
Total other financing sources (uses)	-	-	124,998	124,998
Net change in fund balances	\$ (1,017,527)	\$ (1,017,527)	372,216	\$ 1,406,310
FUND BALANCES:				
Beginning of year			1,134,520	
End of year			\$ 1,506,736	

See accompanying Notes to Basic Financial Statements.

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual ARPA Grant For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 1,129,165	\$ 1,129,165
Fines, forfeitures and assessments	4,000	4,000	-	(4,000)
Use of money and property	-	-	39,967	39,967
Total revenues	4,000	4,000	1,169,132	1,165,132
EXPENDITURES:				
Current:				
General government	278,784	278,784	166,044	112,740
Community development	-	-	12,869	(12,869)
Non-departmental	10,000	10,000	-	10,000
Capital outlay:				
General capital outlay	2,076,577	2,076,577	941,851	1,134,726
Total expenditures	2,365,361	2,365,361	1,120,764	1,244,597
REVENUES OVER (UNDER) EXPENDITURES	(2,361,361)	(2,361,361)	48,368	2,409,729
Net change in fund balances	\$ (2,361,361)	\$ (2,361,361)	48,368	\$ 2,409,729
FUND BALANCES:				
Beginning of year				<u>(10,798)</u>
End of year				<u>\$ 37,570</u>

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City of Atwater

Statement of Net Position

Proprietary Funds

June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal
	Water	Sewer	Sanitation	Totals	Service Funds
	ASSETS				
Current Assets:					
Cash and investments	\$ 31,002,476	\$ 18,445,663	\$ 2,986,873	\$ 52,435,012	\$ 3,291,609
Restricted cash and investments	-	1,035,567	-	1,035,567	-
Receivables:					
Accounts	1,241,772	1,525,383	818,541	3,585,696	19,413
Interest	139,159	82,325	13,266	234,750	11,464
Prepaid expenses	2,888	-	-	2,888	82,359
Total current assets	32,386,295	21,088,938	3,818,680	57,293,913	3,404,845
Noncurrent:					
Capital assets:					
Nondepreciable	29,628,718	3,528,483	85,344	33,242,545	-
Depreciable	21,826,563	102,445,827	566,671	124,839,061	2,747,299
Less accumulated depreciation	(17,297,049)	(38,797,650)	(473,383)	(56,568,082)	(1,928,663)
Net capital assets	34,158,232	67,176,660	178,632	101,513,524	818,636
Total noncurrent assets	34,158,232	67,176,660	178,632	101,513,524	818,636
Total assets	66,544,527	88,265,598	3,997,312	158,807,437	4,223,481
LIABILITIES					
Current liabilities:					
Accounts payable	1,084,533	604,356	18,424	1,707,313	430,328
Accrued payroll	15,963	30,458	-	46,421	9,490
Interest payable	-	449,842	-	449,842	-
Deposits payable	525,002	-	-	525,002	-
Other liabilities	89,303	47,632	-	136,935	-
Unearned revenue	-	56,938	-	56,938	-
Compensated absences - current	7,012	11,265	-	18,277	2,778
Long-term debt - current	-	1,755,000	-	1,755,000	-
Total current liabilities	1,721,813	2,955,491	18,424	4,695,728	442,596
Noncurrent liabilities:					
Compensated absences	34,814	81,690	-	116,504	18,852
Long-term debt	-	66,119,345	-	66,119,345	-
Total noncurrent liabilities	34,814	66,201,035	-	66,235,849	18,852
Total liabilities	1,756,627	69,156,526	18,424	70,931,577	461,448
NET POSITION					
Net investment in capital assets	34,158,232	(697,685)	178,632	33,639,179	818,636
Restricted for capital projects	-	1,035,567	-	1,035,567	-
Unrestricted	30,629,668	18,771,190	3,800,256	53,201,114	2,943,397
Total net position	\$ 64,787,900	\$ 19,109,072	\$ 3,978,888	\$ 87,875,860	\$ 3,762,033

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, 2023

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal
	Water	Sewer	Sanitation	Totals	Service Funds
OPERATING REVENUES:					
Charges for services	\$ 8,212,323	\$ 11,911,022	\$ 4,665,615	\$ 24,788,960	\$ 4,435,844
Other operating revenue	103,531	449,762	-	553,293	83,472
Total operating revenues	8,315,854	12,360,784	4,665,615	25,342,253	4,519,316
OPERATING EXPENSES:					
Salaries and benefits	761,400	1,441,015	(897)	2,201,518	513,208
Contractual services	561,401	2,373,761	3,282,116	6,217,278	503,339
Materials and supplies	365,879	183,161	32,400	581,440	5,557
Repairs and maintenance	-	13,528	-	13,528	655,273
Utilities	1,305,734	1,013,245	-	2,318,979	149,405
Insurance	-	-	-	-	2,385,166
Other operating costs	1,904,512	1,814,244	849,376	4,568,132	278,645
Depreciation	196,306	3,334,913	18,086	3,549,305	152,745
Total operating expenses	5,095,232	10,173,867	4,181,081	19,450,180	4,643,338
Operating income (loss)	3,220,622	2,186,917	484,534	5,892,073	(124,022)
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental revenues (expenses)	-	-	-	-	(1,660)
Interest revenue	332,931	288,667	31,279	652,877	30,015
Interest expense	-	(2,483,480)	-	(2,483,480)	-
Total nonoperating revenues (expenses)	332,931	(2,194,813)	31,279	(1,830,603)	28,355
Income before contributions and transfers	3,553,553	(7,896)	515,813	4,061,470	(95,667)
CONTRIBUTIONS AND TRANSFERS:					
Transfers in	-	-	-	-	300,000
Transfers out	(452,375)	(300,000)	-	(752,375)	(100,000)
Total contributions and transfers	(452,375)	(300,000)	-	(752,375)	200,000
Change in net position	3,101,178	(307,896)	515,813	3,309,095	104,333
NET POSITION:					
Beginning of year	61,686,722	19,416,968	3,463,075	84,566,765	3,657,700
End of year	\$64,787,900	\$ 19,109,072	\$ 3,978,888	\$ 87,875,860	\$ 3,762,033

See accompanying Notes to Basic Financial Statements.

City of Atwater
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

	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	\$ 7,993,863	\$ 12,268,708	\$ 4,464,332	\$ 24,726,903	\$ 4,492,336	
Cash paid to suppliers for goods and services	(4,566,815)	(5,772,921)	(4,147,615)	(14,487,351)	(3,700,133)	
Cash paid to employees for services	(750,740)	(1,397,960)	(2,023)	(2,150,723)	(488,381)	
Net cash provided by (used in) operating activities	2,676,308	5,097,827	314,694	8,088,829	303,822	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Cash transfers in	-	-	-	-	300,000	
Cash transfers out	(452,375)	(300,000)	-	(752,375)	(100,000)	
Subsidy from grants	-	-	-	-	(1,660)	
Net cash provided by (used in) noncapital financing activities	(452,375)	(300,000)	-	(752,375)	198,340	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Note principal payments	-	(1,680,000)	-	(1,680,000)	-	
Interest paid on capital debt	-	(2,776,456)	-	(2,776,456)	-	
Purchase of capital assets	(2,465,565)	(2,229,492)	-	(4,695,057)	(62,265)	
Net cash provided by (used in) capital and related financing activities	(2,465,565)	(6,685,948)	-	(9,151,513)	(62,265)	
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	229,136	229,176	21,092	479,404	30,015	
Net cash provided by (used in) investing activities	229,136	229,176	21,092	479,404	30,015	
Net cash flows	(12,496)	(1,658,945)	335,786	(1,335,655)	469,912	
CASH AND INVESTMENTS - Beginning of year	31,014,972	21,140,175	2,651,087	54,806,234	2,821,697	
CASH AND INVESTMENTS - End of year	\$ 31,002,476	\$ 19,481,230	\$ 2,986,873	\$ 53,470,579	\$ 3,291,609	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 3,220,622	\$ 2,186,917	\$ 484,534	\$ 5,892,073		(124,022)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	196,306	3,334,913	18,086	3,549,305		152,745
(Increase) decrease in accounts receivable	(320,106)	(93,079)	(202,286)	(615,471)		(20,968)
(Increase) decrease in prepaid expense	(1,885)	1,003	1,003	121		(6,012)
Increase (decrease) in accounts payable	196,709	(372,722)	16,277	(159,736)		293,250
Increase (decrease) in accrued payroll	1,539	9,526	(2,023)	9,042		-
Increase (decrease) in accrued liabilities	(652,352)	(2,260)	-	(654,612)		3,199
Increase (decrease) in deposits payable	26,354	-	-	26,354		-
Increase (decrease) in compensated absences	9,121	33,529	(897)	41,753		5,630
Net cash provided by (used in) operating activities	\$ 2,676,308	\$ 5,097,827	\$ 314,694	\$ 8,088,829	\$ 303,822	

See accompanying Notes to Basic Financial Statements.

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City of Atwater

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2023

	RDA	Successor Agency	Private Purpose	Trust Fund	Custodial Funds
ASSETS					
Current assets:					
Cash and investments	\$ 542,662	\$ 132,763			
Interest receivable	5,191	580			
Loans/notes receivable	111,437	-			
Total current assets	659,290	133,343			
Land	706,256				
Property, plant and equipment	8,670,932	-			
Less accumulated depreciation	(6,754,734)	-			
Property, plant and equipment	2,622,454	-			
Total assets	3,281,744	133,343			
LIABILITIES					
Current liabilities:					
Accounts payable	3,365	-			
Due to others	-	1,943			
Due within one year	956,000	-			
Total current liabilities	959,365	1,943			
Long-term liabilities:					
Due after one year	1,984,000	-			
Total long-term liabilities	1,984,000	-			
Total liabilities	2,943,365	1,943			
NET POSITION					
Held in trust for dissolution of RDA	338,379	-			
Held for the CFD Bond holders	-	131,400			
Total Net Position	\$ 338,379	\$ 131,400			

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, 2023

	RDA	
	Successor Agency	
	Private Purpose	
	Trust Fund	Custodial Funds
ADDITIONS:		
Property taxes	\$ 1,008,710	\$ -
Investment income	12,245	1,460
Other additions	1,132,998	-
Total additions	2,153,953	1,460
DEDUCTIONS:		
Depreciation expense	322,689	-
Urban redevelopment and housing	1,183,074	40
Interest expense	100,740	-
Transfers Out	-	-
Total deductions	1,606,503	40
Change in net position	547,450	1,420
NET POSITION:		
Beginning of year	(209,071)	129,980
End of year	\$ 338,379	\$ 131,400

NOTES TO BASIC FINANCIAL STATEMENTS

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City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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.

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

City of Atwater

Notes to Basic Financial Statements

For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of presentation, Continued

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.

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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of presentation, Continued

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.
- *Public Safety Transaction & Use Tax Special Revenue Fund* – accounts for Measure H and Measure B, a voter approved sales tax measure, to provide enhanced public safety costs.
- *ARPA Grant Fund* – accounts for ARPA money received from Federal government.

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.

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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of presentation, Continued

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

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.

City of Atwater

Notes to Basic Financial Statements For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. *Receivables, Continued*

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.

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 acquisitions value 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

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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.

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 assets 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 assets 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, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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 XIIIIA 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.

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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Revenues, Expenditures, and Expenses, Continued

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

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, 2023. 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.

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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. New Accounting Pronouncements

- In 2023, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:
 - GASB Statement No. 91, *Conduit Debt Obligations* - The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement did not apply to the City for the current fiscal year.
 - GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* - The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The requirements of this statement did not apply to the City for the current fiscal year.
 - GASB Statement No. 96, *Subscription-based Information Technology Arrangements* - This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this statement did not apply to the City for the current fiscal year.

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	\$ 45,835,201	\$ 52,435,012	\$ 675,425	\$ 98,945,638
Restricted cash and investments	-	1,035,567	-	1,035,567
Total cash and investments	\$ 45,835,201	\$ 53,470,579	\$ 675,425	\$ 99,981,205

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

2. CASH AND INVESTMENTS, Continued

Summary of Cash and Investments

At June 30, 2023, the City's pooled cash and investments consist of the following:

Cash on hand	\$ 300
Deposits with financial institutions	13,350,501
Total cash on hand and deposits	13,350,801
Local Agency Investment Funds (LAIF)	62,106,591
CSJVRMA Investment Pool	1,135,695
Government bonds	6,358,643
Corporate bonds	5,662,509
Asset-backed securities	2,055,156
Suprational obligation	591,906
CMO	1,664,127
Money Market Fund	43,161
Agency Obligation	5,609,965
Total investments	85,227,753
Total City Treasury	98,578,554
Cash and investments held by fiscal agents	1,035,567
Restricted for PARS pension Trust	367,084
Total cash and investments	\$ 99,981,205

Deposits

The carrying amount of the City's cash deposit was \$13,350,501 at June 30, 2023.

Bank balances before reconciling items were a positive amount of \$13,838,619 at June 30, 2023. 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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023, 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' Acceptances	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 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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023, 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, 2023, the City had \$62,106,591 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of 0.984828499 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 Type	Total	Investment Maturities (in Months)		
		12 Months or less	13 to 36 Months	More than 36 Months
Government bonds	\$ 6,358,643	\$ -	\$ 1,832,403	\$ 4,526,240
Corporate bonds	5,662,509	658,045	3,391,937	1,612,527
Asset-backed securities	2,055,156	-	1,054,349	1,000,807
Suprational obligation	591,906	-	591,906	-
CMO	1,664,127	-	1,002,489	661,638
Money Market Fund	43,161	43,161	-	-
Agency Obligation	5,609,965	-	5,056,795	553,170
Subtotal	21,985,467	701,206	12,929,879	8,354,382
Joint investment pools:				
Local Agency Investment Fund	62,106,591	62,106,591	-	-
CSJVRMA Investment Pool	1,135,695	1,135,695	-	-
Total	\$ 85,227,753	\$ 63,943,492	\$ 12,929,879	\$ 8,354,382

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023 for each investment type:

Investment	Total	Rating as of June 30, 2022					
		A3	A2	A1	Aa2	Aa1	Aaa
Government bonds	\$ 6,358,643	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,358,643
Corporate bonds	5,662,509	514,063	1,783,748	2,818,024	546,674	-	-
Suprational obligation	591,906	-	-	-	-	-	591,906
CMO	891,264	-	-	-	-	-	891,264
Money Market Fund	43,161	-	-	-	-	-	43,161
Asset Backed Securities	1,166,774						1,166,774
Agency Obligation	5,609,965	-	-	-	-	-	5,609,965
Subtotal	\$ 20,324,222	\$ 514,063	\$ 1,783,748	\$ 2,818,024	\$ 546,674	\$ -	\$ 14,661,713

Not Rated:

Joint Investment Pool:

Local Agency Investment Fund	\$ 62,106,591
CSJVRMA Investment Pool	1,135,695
Asset-backed securities	888,382
CMO	772,863
Total Investments	\$ 85,227,753
Total Cash and Investments	\$ 85,227,753

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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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, 2023:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Government bonds	\$ 6,358,643	\$ -	\$ 6,358,643	\$ -
Corporate bonds	5,662,509	-	5,662,509	-
Asset-backed securities	2,055,156	-	2,055,156	-
Suprational obligation	591,906	-	591,906	-
CMO	1,664,127	-	1,664,127	-
Agency Obligation	5,609,965	-	5,609,965	-
Total investments subject to fair value	21,942,306	\$ -	\$ 21,942,306	\$ -
Investments not subject to levelling:				
Money Market Funds	43,161			
CSJVRMA Investment Pool	1,135,695			
California Local Agency Investment Fund	62,106,591			
Total Investments	\$ 85,227,753			

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2023
Governmental activities					
Nondepreciable assets:					
Land	\$ 299,384	\$ -	\$ -	\$ -	\$ 299,384
Construction in Progress	6,326,345	3,444,114	-	(658,233)	9,112,226
Total nondepreciable assets	6,625,729	3,444,114	-	(658,233)	9,411,610
Depreciable assets:					
Buildings and improvements	8,578,358	99,659	-	540,322	9,218,339
Infrastructure	1,164,766	49,859	-	-	1,214,625
Roads	52,244,146	54,370	-	80,249	52,378,765
Equipment	10,517,997	780,096	-	37,662	11,335,755
Total depreciable assets	72,505,267	983,984	-	658,233	74,147,484
Total	79,130,996	4,428,098	-	-	83,559,094
Accumulated depreciation:					
Buildings and improvements	(4,618,944)	(387,692)	-	-	(5,006,636)
Infrastructure	(555,381)	(73,725)	-	-	(629,106)
Roads	(45,151,309)	(580,619)	-	-	(45,731,928)
Equipment	(6,691,974)	(618,949)	-	-	(7,310,923)
Total accumulated depreciation	(57,017,607)	(1,660,985)	-	-	(58,678,592)
Net depreciable assets	15,487,660	(677,001)	-	658,233	15,468,892
Amortizable assets:					
Right of use - lease asset	249,376	-	-	-	249,376
Accumulated amortization	(71,713)	(71,717)	-	-	(143,430)
Net amortizable assets	177,663	(71,717)	-	-	105,946
Total net capital assets	\$ 22,291,052	\$ 2,695,396	\$ -	\$ -	\$ 24,986,448

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

General government	\$ 692,673
Public safety	387,693
Highways and streets	580,619
Total	1,660,985

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

3. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2023
Business-type activities					
Nondepreciable assets:					
Land	\$ 1,064,902	\$ -	\$ -	\$ -	1,064,902
Construction in Progress	30,022,443	3,693,425	-	(1,538,225)	32,177,643
Total nondepreciable assets	31,087,345	3,693,425	-	(1,538,225)	33,242,545
Depreciable assets:					
Buildings and improvements	111,277,555	252,746	-	1,538,225	113,068,526
Equipment	11,021,649	748,886	-	-	11,770,535
Total depreciable assets	122,299,202	1,001,632	-	1,538,225	124,839,061
Total	153,386,547	4,695,057	-	-	158,081,606
Accumulated depreciation:					
Buildings and improvements	(43,991,028)	(3,260,655)	-	-	(47,251,683)
Equipment	(9,027,749)	(288,650)	-	-	(9,316,399)
Total accumulated depreciation	(53,018,775)	(3,549,305)	-	-	(56,568,082)
Net depreciable assets	69,280,427	(2,547,673)	-	1,538,225	68,270,979
Total net capital assets	\$ 100,367,772	\$ 1,145,752	\$ -	\$ -	\$ 101,513,524

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

Water	\$ 196,306
Sewer	3,334,913
Sanitation	18,086
\$ 3,549,305	

4. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Adjustments	Balance June 30, 2023	Due Within One Year
Governmental Activities:						
Lease liability						
Lease liability	\$ 191,862	\$ -	\$ (72,877)	\$ -	\$ 118,985	\$ 70,622
Lease-purchase financing	477,858	124,998	(211,503)	5,671	397,024	212,621
Total governmental activities	\$ 669,720	\$ 124,998	\$ (284,380)	\$ 5,671	\$ 516,009	\$ 283,243

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. LONG-TERM LIABILITIES, Continued

The following is a summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Adjustments	Balance June 30, 2023	Due Within One Year
<u>Business-type Activities</u>						
2017A Wastewater Revenue						
Refunding Bonds	\$ 51,200,000	\$ -	\$ (1,020,000)	\$ -	\$ 50,180,000	\$ 1,065,000
Unamortized bond premium	4,630,335	-	(201,320)	-	4,429,015	-
2018A Wastewater Revenue						
Refunding Bonds	13,870,000	-	(660,000)	-	13,210,000	690,000
Unamortized bond premium	59,019	-	(3,689)	-	55,330	-
Capital lease obligation	-	-	-	-	-	-
Total governmental activities	<u>\$ 69,759,354</u>	<u>\$ -</u>	<u>\$ (1,885,009)</u>	<u>\$ -</u>	<u>\$ 67,874,345</u>	<u>\$ 1,755,000</u>

Governmental Activities:

Lease-Purchase financing:

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. In 2019, City of Atwater entered into agreement with Sun Ridge systems for lease RMIS system and US Bank equipment finance for purchase of radios. The table below shows the lease-Purchase liability related to radios, fire truck and RMIS system.

Year Ending June 30,	Principal	Interest
2024	\$ 175,078	\$ 9,824
2025	71,774	7,177
2026	-	-
Total	<u>\$ 246,852</u>	<u>\$ 17,001</u>

In fiscal year 2021, the City of Atwater entered into a lease agreement as lessee for financing the acquisition of police bodycam equipment. The remaining liability as of June 30,2023 amounted to \$150,172. The bodycams have 5-year estimated useful life. s

Year Ending June 30,	Principal	Interest
2024	\$ 37,543	\$ -
2025	37,543	-
2026	37,543	-
2027	37,543	-
Total	<u>\$ 150,172</u>	<u>\$ -</u>

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. LONG-TERM LIABILITIES, Continued

Lease liabilities

Pursuant to the GASB 87, the City has following lease liabilities:

In fiscal year 2021, the City of Atwater entered into a lease agreement as lessee with Enterprise for one police vehicle (Vehicle #2053-23C8PN) valued at \$45,349. As of June 30, 2023, the value of the lease liability is \$20,855. The vehicle has 4-year estimated useful life. The City is required to make monthly payment of \$944. The net value of the right to use the asset as of June 30, 2023 of \$18,487 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2024	\$ 10,004	\$ 1,333
2025	10,851	485
Total	<u>\$ 20,855</u>	<u>\$ 1,818</u>

In fiscal year 2020, the City of Atwater entered into a lease agreement as lessee with Enterprise for one police vehicle (Vehicle #2045-239MBF) valued at \$46,033. As of June 30, 2023, the value of the lease liability is \$9,236. The vehicle has 4-year estimated useful life. The City is required to make monthly payment of \$1,198. The net value of the right to use the asset as of June 30, 2023 of \$7,338 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2024	\$ 9,236	\$ 348
2025	-	-
Total	<u>\$ 9,236</u>	<u>\$ 348</u>

In fiscal year 2020, the City of Atwater entered into a lease agreement as lessee with Enterprise for one police vehicle (Vehicle #2047-23C8Q4) valued at \$25,785. As of June 30, 2023, the value of the lease liability is \$5,776. The vehicle has 4-year estimated useful life. The City is required to make monthly payment of \$667. The net value of the right to use the asset as of June 30, 2023 of \$4,689 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2024	\$ 5,776	\$ 227
2025	-	-
Total	<u>\$ 5,776</u>	<u>\$ 227</u>

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. LONG-TERM LIABILITIES, Continued

Lease liabilities, Continued

In fiscal year 2020, the City of Atwater entered into a lease agreement as lessee with Enterprise for one police vehicle (Vehicle #2048-23C8Q3) valued at \$25,785. As of June 30, 2023, the value of the lease liability is \$5,800. The vehicle has 4-year estimated useful life. The City is required to make monthly payment of \$669. The net value of the right to use the asset as of June 30, 2023 of \$4,709 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2024	\$ 5,800	\$ 228
2025	-	-
Total	<u>\$ 5,800</u>	<u>\$ 228</u>

In fiscal year 2021, the City of Atwater entered into a lease agreement as lessee with Enterprise for one police vehicle (Vehicle #2056-239MBD) valued at \$36,406. As of June 30, 2023, the value of the lease liability is \$13,097. The vehicle has 4-year estimated useful life. The City is required to make monthly payment of \$919. The net value of the right to use the asset as of June 30, 2023 of \$8,460 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2024	\$ 10,375	\$ 655
2025	<u>2,722</u>	<u>35</u>
Total	<u>\$ 13,097</u>	<u>\$ 690</u>

In fiscal year 2022, the City of Atwater entered into a lease agreement as lessee with Enterprise for one police vehicle (Vehicle #2051-23XZTS) valued at \$36,778. As of June 30, 2023, the value of the lease liability is \$21,290. The vehicle has 4-year estimated useful life. The City is required to make monthly payment of \$931. The net value of the right to use the asset as of June 30, 2023 of \$18,776 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2024	\$ 9,756	\$ 655
2025	10,608	35
2026	926	6
Total	<u>\$ 21,290</u>	<u>\$ 696</u>

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. LONG-TERM LIABILITIES, Continued

Lease liabilities, Continued

In fiscal year 2022, the City of Atwater entered into a lease agreement as lessee with Enterprise for one police vehicle (Vehicle #2052-23XZTV) valued at \$36,778. As of June 30, 2023, the value of the lease liability is \$21,419. The vehicle has 4-year estimated useful life. The City is required to make monthly payment of \$936. The net value of the right to use the asset as of June 30, 2023 of \$18,759 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2024	\$ 9,816	\$ 1,427
2025	10,673	570
2026	930	7
Total	<u>\$ 21,419</u>	<u>\$ 2,004</u>

In fiscal year 2022, the City of Atwater entered into a lease agreement as lessee with Enterprise for one police vehicle (Vehicle #2050-252ZQB) valued at \$36,778. As of June 30, 2023, the value of the lease liability is \$21,512. The vehicle has 4-year estimated useful life. The City is required to make monthly payment of \$940. The net value of the right to use the asset as of June 30, 2023 of \$18,747 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2024	\$ 9,856	\$ 1,432
2025	10,716	572
2026	940	7
Total	<u>\$ 21,512</u>	<u>\$ 2,011</u>

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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

4. LONG-TERM LIABILITIES, Continued

2017A Wastewater Revenue Refunding Bonds (Sewer), Continued

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

Year Ending June 30,	2017A Wastewater Revenue Refunding Bonds	
	Principal	Interest
2024	\$ 1,065,000	\$ 2,245,088
2025	1,115,000	2,191,838
2026	1,175,000	2,136,086
2027	1,230,000	2,077,336
2028	1,295,000	2,015,838
2029-2033	7,470,000	9,099,938
2034-2038	9,155,000	7,405,438
2039-2043	18,825,000	4,464,250
2044-2049	8,850,000	467,250
Total	<u>\$ 50,180,000</u>	<u>\$ 32,103,062</u>

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, 2023, 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
2024	690,000	453,969
2025	715,000	426,369
2026	740,000	397,769
2027	775,000	368,168
2028	795,000	346,856
2029-2033	4,360,000	1,351,613
2034-2038	5,135,000	568,275
2039-2043	-	
	<u>\$ 13,210,000</u>	<u>\$ 3,913,019</u>

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

5. COMPENSATED ABSENCES

The City's compensated absences payable activity for the year ended June 30, 2023 was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 558,164	\$ 109,237	\$ -	\$ 667,401	\$ 69,793
Business-Type Activities:					
Compensated absences payable	41,047	93,734	-	134,781	18,277
	<u>\$ 599,211</u>	<u>\$ 202,971</u>	<u>\$ -</u>	<u>\$ 802,182</u>	<u>\$ 88,070</u>

6. NET POSITION/ FUND BALANCES

Net position

	Governmental Activities	Businesss-type Activities	Total
Net investment in capital assets	\$ 24,470,439	\$ 33,639,179	\$ 58,109,618
Restricted	22,603,301	1,035,567	23,638,868
Unrestricted (deficit)	(25,265,322)	53,201,114	27,935,792
Total	<u>\$ 21,808,418</u>	<u>\$ 87,875,860</u>	<u>\$ 109,684,278</u>

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

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Nonspendable and Restricted fund balance consisted of the following at June 30, 2023:

Nonspendable:		
Prepaid items	\$	28,971
Investment in land held for resale		<u>159,364</u>
Total Nonspendable	\$	<u>188,335</u>
Restricted:		
Governmental Funds:		
Public Safety Transaction & Use Special Revenue	\$	1,506,736
General Plan Update		2,070,192
Gas Tax		50,005
Facility Impact Fee		6,086,391
HOME Investment Partnership Program		517,109
Neighbour Stabilization		221,676
Pension Rate Stabilization		367,084
Measure V		4,913,579
Police Grant		103,317
Local Transportation		429,360
CDBG Program Income		259,444
Housing Authority		1,178,613
Narcotics Program		2,081
Applegate Exchange		774,063
ARPA Fund		37,570
Reginal Surface Transportation Program		2,581,291
Maintenance Districts		<u>1,504,790</u>
Total Restricted	\$	<u>22,603,301</u>
Assigned:		
Performance Bond	\$	108,704
Total Assigned	\$	<u>108,704</u>

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

Nonspendable

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

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

6. NET POSITION/ FUND BALANCES, Continued

Fund Balance, Continued

Restricted

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

Deficit fund balances consisted of the following:

	<u>As of</u> <u>June 30, 2023</u>
Nonmajor Special Revenue Funds:	
General Capital Projects	\$ (393,226)
Maintenance District Funds:	
Northwood Village	(238)
Sierra Parks	<u>(2,884)</u>
Total Governmental Funds	<u>\$ (396,348)</u>

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.

7. INTERFUND TRANSACTIONS

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, 2023:

Transfers Out	Transfers In				Total
	General Fund	Nonmajor Governmental Funds	Internal Service Funds		
General Fund	\$ -	\$ 912,761	\$ 300,000	\$ 1,212,761	
Nonmajor Governmental Funds	50,000		-	50,000	
Water Fund	152,375	300,000	-	452,375	
Sewer Fund	-	300,000	-	300,000	
Internal Service Fund	-	100,000	-	100,000	
Total	\$ 202,375	\$ 1,612,761	\$ 300,000	\$ 2,115,136	

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

7. INTERFUND TRANSACTIONS, Continued

The transfer from Nonmajor Governmental Funds, Sewer Fund and \$300,000 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 hydrant maintenance paid from General Fund. The transfers from General Fund to Nonmajor Governmental funds are for the contributions to the Gas tax fund for road maintenance, and to General Capital Improvement Funds for capital improvement projects. The transfers from General fund to Nonmajor Proprietary Funds are for the contributions to internal service fund for equipment replacement and unfunded OPEB liabilities.

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, 2023, the most recent available:

Total assets	\$ 153,984,502
Total liabilities	120,022,096
Total equities	33,962,406
Total revenues	73,024,624
Total expenses	71,300,255
Revenues over (under) expenses	1,724,369

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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 (CalPERS). Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

Benefits Provided

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous PEPRA Prior to January 1, 2013	Miscellaneous Classic Prior to January 1, 2013	Miscellaneous - Tier 2 Prior to January 1, 2013
Hire date			
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	62	55-60	60
Monthly benefits, as a % of eligible compensation	2.00%	2.00%-3.00%	2.00%
Required employee contribution rates	6.75%	8.00%	7%
Required employer contribution rates	7.47%	16.30%	8.63%
	Safety - Classic Prior to January 1, 2013	Safety - PEPRA Prior to January 1, 2013	
Hire date			
Benefit vesting schedule	5 years of service	5 years of service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50	57	
Monthly benefits, as a % of eligible compensation	3.00%	2.70%	
Required employee contribution rates	9.00%	13.75%	
Required employer contribution rates	25.48%	12.78%	

Contributions -Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2023, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	\$ 1,895,599	\$ 1,378,005

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

As of June 30, 2023, 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	\$ 13,839,660
Safety	14,963,001
Total Net Pension Liability	\$ 28,802,661

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2021 and 2022 was as follows:

Proportion - June 30, 2021	0.34025%
Proportion - June 30, 2022	0.24936%
Change - Increase (Decrease)	0.08495%

For the year ended June 30, 2023, the City recognized pension expense of \$(2,916,322). At June 30, 2023, 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	\$ 2,926,885	
Differences between actual and expected experience	897,192	348,630
Differences between projected and actual investment	4,897,925	
Differences between employers contributions and proportionate share of contributions	494,555	-
Change in employer's proportion		3,439,000
Pension contributions made subsequent to measurement date	3,273,604	-
Total	\$ 12,490,161	\$ 3,787,630

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

\$3,273,604 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, 2024. 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	
<u>June 30,</u>	
2024	\$ 1,182,210
2025	834,810
2026	420,000
2027	2,991,907

Actuarial Assumptions -The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Assumptions	
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds
	Contract COLA up to 2.3% until purchasing power protection
Post-retirement benefit increase	Protection Allowance Floor on Purchasing Power applies

The mortality table was developed based on CalPERS-specific data. The rate incorporates Generational mortality improvements to capture ongoing mortality improvement using 80% of Scale MP 2020 published by society of Actuaries. For more details, please refer to the 2021experience study report that can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability as of the measurement date of June 30, 2022 for the Plan was 6.90%, which differs from the discount rate used as of the measurement date of June 30, 2021, of 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. A detailed report testing these projections can be obtained from the CalPERS website.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

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

Asset Class (1)	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.45
Global equity non-cap-weighted	12.00	3.84
Private equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real assets	15.00	3.21
Liquidity	(5.00)	(0.59)
Total	<u>100%</u>	

(1) Figures are based on the 2021 Asset Liability Management study.

(2) An expected inflation of 2.30% used for this period.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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 (5.90%)	Current Discount Rate (6.90%)	1 % Increase (7.90%)
Net Pension Liability as of June 30, 2023			
Net Pension Liability (Asset)	41,103,552	28,802,661	18,718,156
Total	\$ 41,103,552	\$ 28,802,661	\$ 18,718,156

Payable to the Pension Plan

At June 30, 2023 the City reported a payable of \$0 outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

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.

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 2023, the City contributed \$777,122 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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

At June 30, 2023, the following employees were covered by the benefit terms:

Active employees	90
Inactive employees or beneficiaries currently receiving benefits	67
Inactive employees entitled to, but not yet receiving benefits	25
Total number of participants	182

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, 2023, the City's cash contributions were \$597,155 cash benefit payments.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 that was rolled forward to determine the June 30, 2022 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:	
Actuarial Valuation Date	June 30, 2021
Contribution Policy	City plans to contribute \$50,000 or more into the trust every year, pay benefit payments outside of the trust, and not seek reimbursements
Discount Rate	3.54% at June 30, 2022 2.16% at June 30, 2021
	Current trust assets plus expected City contributions and expected trust earnings projected to be less than future hires' Service Costs
General Inflation	2.50% per annum
Mortality, Retirement,	CalPERS 2000-2019 experience study
Disability, Termination	
Salary Increases	Aggregate - 2.75% annually
Medical Trend	Merit - Table from CalPERS 2000-2019 Experience Study
Participation at Retirement	6.50% - 3.75%
	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 %

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

Net OPEB Liability, Continued

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

Asset Class	Target Allocation PARS- Balanced	Expected Real Rate of Return
Global Equity	60%	4.56%
Fixed Income	35%	0.78%
Cash	5%	-0.05%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.54 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

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 6/30/2022 (6/30/21 measurement date)	\$ 24,086,476	\$ 226,343	\$ 23,860,133
Changes for the year			
Service Cost	830,650	-	830,650
Interest	531,096	-	531,096
Difference between actual and expected experience		-	-
Assumption changes	(4,628,232)	-	(4,628,232)
Contributions - employer	-	710,265	(724,186)
Contributions - employee	-	-	-
Net investment income	-	(31,120)	(76)
Benefit payments	(658,695)	(658,695)	-
Administrative expenses	-	(2,126)	1,665
Net Changes	<u>(3,925,181)</u>	<u>18,324</u>	<u>(3,943,505)</u>
Balance at 6/30/2023 (6/30/22 measurement date)	<u>\$ 20,161,295</u>	<u>\$ 244,667</u>	<u>\$ 19,916,628</u>

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

The discount rate used for the fiscal year end 2023 is 3.54%. 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, 2022:

	1% Decrease	Current Rate	1% Increase
Change in Discount Rate	2.54%	3.54%	4.54%
Net OPEB Liability	\$ 23,120,958	\$ 19,916,628	\$ 17,342,156

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, 2022 (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	Current Trend	1% Increase
Net OPEB Liability	\$ 16,942,711	\$ 19,916,628	\$ 23,682,724

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

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) (6.3 Years at June 30, 2021)

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$502,367. As of fiscal year ended June 30, 2023, 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	\$ -	\$ 3,094,822
Changes in assumptions	2,732,330	4,597,347
Net difference between projected and actual earnings on plan investments	23,110	-
Employer contributions made subsequent to the measurement date	777,122	-
Total	\$ 3,532,562	\$ 7,692,169

The \$777,122 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024. 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
2024	\$ (1,494,633)
2025	(1,230,539)
2026	(378,200)
2027	(840,562)
2028	(772,403)
Thereafter	(220,392)

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

11. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

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

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

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

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

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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

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

Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023	Due Within One Year
Trust Activities					
Refunding Bonds	\$ 3,871,000	\$ -	\$ (931,000)	\$ 2,940,000	\$ 956,000
Total trust fund debt	\$ 3,871,000	\$ -	\$ (931,000)	\$ 2,940,000	\$ 956,000

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, 2023, is as follows:

Year Ending June 30,	Fiduciary Activities		
	2017 Series A & B		
	Tax Allocation Refunding Bonds		
	Principal	Interest	
2024	\$ 956,000	\$ 75,852	
2025	979,000	51,188	
2026	1,005,000	25,928	
Total	\$ 2,940,000	\$ 152,968	

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.

City of Atwater
Notes to Basic Financial Statements
For the Year Ended June 30, 2023

12. COMMITMENTS AND CONTINGENCIES, Continued

Trichloro propane (TCP) Contamination, Settlement and Remediation Efforts

The 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 \$1000,000 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.

13. 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 101 employees were eligible to participate in this plan. In calendar year 2023, the employees were able to contribute to the plan up to a maximum of \$22,500. The City did not match or provide any employer paid contributions to the plan during fiscal year 2023.

Effective January 2015, the City established another 457(b) Deferred Compensation Plan with Orion Portfolio Solutions. Approximately 101 employees were eligible to participate in this plan. In calendar year 2023, the employees were able to contribute to the plan up to a maximum \$22,500. The City did not match or provide any employer paid contributions to the plan during fiscal year 2023.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Atwater
Required Supplementary Information
For the year ended June 30, 2023

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

Fiscal year	2023	2022	2021	2020
Measurement date	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Proportion share of the net pension liability / (asset)	0.24936%	0.34025%	0.25529%	0.26482%
Proportionate share of the net pension liability / (asset)	\$ 28,802,661	\$ 18,401,458	\$ 27,776,819	\$ 27,135,766
Covered payroll	5,228,523	4,635,875	4,869,106	4,301,273
Proportionate share of the net pension liability / (asset) as a percentage of its covered-employee payroll	18.15%	25.19%	17.53%	15.85%
Proportionate share of the fiduciary net position as a percentage of the City's net pension liability	76.68%	88.29%	75.10%	75.26%

Notes to Schedule

*Fiscal year 2016 was the 1st year of implementation, therefore only eight years are shown.

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, decreased from 7.65% to 7.15% in fiscal year 2018, and then decreased from 7.15% to 6.9% in fiscal year 2023.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

City of Atwater

Required Supplementary Information For the year ended June 30, 2023

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

Fiscal year	2019	2018	2017	2016
Measurement date	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Proportion share of the net pension liability / (asset)	0.27549%	0.27768%	0.29319%	0.32718%
Proportionate share of the net pension liability / (asset)	\$ 26,546,855	\$ 27,538,451	\$ 25,370,399	\$ 22,457,323
Covered payroll	4,352,437	4,645,102	4,635,102	4,635,102
Proportionate share of the net pension liability / (asset) as a percentage of its covered-employee payroll	16.40%	16.87%	18.27%	20.64%
Proportionate share of the fiduciary net position as a percentage of the City's net pension liability	75.26%	73.31%	74.06%	78.40%

City of Atwater

Required Supplementary Information For the year ended June 30, 2023

*Schedule of Pension Contributions - Last 10 Years**

Fiscal year	2023	2022	2021	2020
Actuarially determined contribution	\$ 3,273,604	\$ 3,715,339	\$ 3,689,231	\$ 3,671,000
Contributions in relation to actuarially deemed contributions	<u>(3,273,604)</u>	<u>(3,715,339)</u>	<u>(3,689,231)</u>	<u>(3,671,000)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,904,114	\$ 5,228,523	\$ 4,635,875	\$ 4,869,106
Contributions as a percentage of covered payroll	55.45%	71.06%	79.58%	75.39%

Notes to Schedule

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

Methods and assumptions used to determine contribution rates:

Valuation date (for contractually required contribution):	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Actuarial cost method:	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)	(1)
Assets valuation method:	Market Value	Market Value	Market Value	Market Value
Inflation:	2.50%	2.50%	2.50%	2.63%
Salary increases:	(2)	(2)	(2)	(2)
Investment rate of return:	7.000%	7.000%	7.000%	7.250%
Retirement age:	(3)	(3)	(3)	(3)
Mortality:	(4)	(4)	(4)	(4)

(1) Level percentage of payroll, closed

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

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

(4) Mortality assumptions are based on mortality rates resulting from the CalPERS's most recent experience study adopted by the CalPERS's Board.

City of Atwater

Required Supplementary Information For the year ended June 30, 2023

*Schedule of Pension Contributions - Last 10 Years**

Fiscal year	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,103,630	\$ 2,892,846	\$ 2,734,672	\$ 1,645,317
Contributions in relation to actuarially deemed contributions	<u>(3,103,630)</u>	<u>(2,892,846)</u>	<u>(2,734,672)</u>	<u>(1,645,317)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,301,273	\$ 4,352,437	\$ 4,645,102	\$ 4,635,102
Contributions as a percentage of covered payroll	72.16%	66.46%	58.87%	35.50%

Valuation date (for contractually required contribution):	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Actuarial cost method:	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)	(1)
Assets valuation method:	Market Value	Market Value	Market Value	Market Value
Inflation:	2.75%	2.75%	2.75%	2.75%
Salary increases:	(2)	(2)	(2)	(2)
Investment rate of return:	7.375%	7.500%	7.500%	7.500%
Retirement age:	(3)	(3)	(3)	(3)
Salary increases:	(4)	(4)	(4)	(4)

City of Atwater
Required Supplementary Information
For the year ended June 30, 2023

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:	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability						
Service cost	\$ 830,650	1,052,679	\$ 737,612	\$ 986,349	\$ 1,028,487	\$ 1,200,000
Interest	531,096	552,930	678,894	949,529	872,785	746,000
Assumption changes	(4,628,232)	(495,797)	4,517,566	1,230,191	(1,089,852)	(2,981,000)
Differences between expected and actual experience	-	(674,772)	-	(7,433,570)	-	-
Benefit payments	(658,695)	(630,738)	(622,521)	(622,296)	(604,000)	(627,000)
Net change in the total OPEB liability	(3,925,181)	(195,698)	5,311,551	(4,889,797)	207,420	(1,662,000)
Total OPEB liability - beginning	24,086,476	24,282,174	18,970,623	23,860,420	23,653,000	25,315,000
Total OPEB liability - ending (a)	\$ 20,161,295	24,086,476	\$ 24,282,174	\$ 18,970,623	\$ 23,860,420	\$ 23,653,000
Plan Fiduciary Net Position						
Contributions - employer	\$ 710,265	\$ 732,277	\$ 724,186	\$ -	\$ -	\$ -
Net investment income	(31,120)	26,549	76	-	-	-
Administrative expense	(2,126)	(1,821)	(1,665)	-	-	-
Benefit payments	(658,695)	(630,738)	(622,521)	-	-	-
Net change in the total OPEB liability	18,324	126,267	100,076	-	-	-
Plan fiduciary net position - beginning	226,343	100,076	-	-	-	-
Plan fiduciary net position - ending (b)	\$ 244,667	\$ 226,343	\$ 100,076	\$ -	\$ -	\$ -
Net OPEB liability - ending (a) - (b)	\$ 19,916,628	\$ 23,860,133	\$ 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	1.21%	0.94%	0.41%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 7,055,218	\$ 5,925,878	\$ 4,869,106	N/A	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	282.3%	402.64%	496.64%	N/A	N/A	N/A

City of Atwater

Required Supplementary Information For the year ended June 30, 2023

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES

*Schedule of OPEB Contributions - Last 10 Years**

Fiscal Year Ended:	6/30/2023	6/30/2022	6/30/2021
Actuarially determined contribution	\$ 777,122	\$ 710,265	\$ 732,277
Contributions in relation to the actuarially determined contribution	<u>(777,122)</u>	<u>(710,265)</u>	<u>(732,277)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 7,061,135	\$ 7,055,218	\$ 5,925,878
Contribution as a percentage of covered-employee payroll	11%	10%	12%

Notes:

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

Actuarial Assumptions:

Actuarial Valuation Date	June 30, 2021
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	3.54% at June 30, 2022
Long-term Expected Rate of Return on Assets	5.75% for 2021/22
General Inflation	2.5% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Salary Increases	Aggregate - 2.75% annually
Medical Trend	Merit - Table from CalPERS 2000-2019 Experience Study
Participation at Retirement	6.50% - 4.60% 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%

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SUPPLEMENTARY INFORMATION

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City of Atwater
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

Capital Projects Funds

	Special Revenue Funds	General	Performance Bond	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 20,735,617	\$ (385,601)	\$ 219,397	\$ 20,569,413
Receivables:				
Accounts	131,306	-	-	131,306
Taxes	8,361	-	-	8,361
Interest	90,132	-	973	91,105
Intergovernmental	838,317	-	-	838,317
Other receivable	160,448	257,322	-	417,770
Prepaid items	312	-	-	312
Investment in land held for resale	159,364	-	-	159,364
Total assets	22,123,857	(128,279)	220,370	22,215,948
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	164,792	240,968	-	405,760
Accrued liabilities	20,841	-	-	20,841
Deposits payable	-	-	111,666	111,666
Other liabilities	4,313	23,979	-	28,292
Unearned revenue	-	-	-	-
Total liabilities	189,946	264,947	111,666	566,559
Deferred Inflows of Resources				
Unavailable revenues	715,258	-	-	715,258
Total deferred inflows of resources	715,258	-	-	715,258
Fund Balances:				
Nonspendable				
Prepaid items	294	-	-	294
Investment in land held for resale	159,364	-	-	159,364
Restricted	21,058,995	-	-	21,058,995
Assigned	-	-	108,704	108,704
Unassigned	-	(393,226)	-	(393,226)
Total fund balances	21,218,653	(393,226)	108,704	20,934,131
Total liabilities, deferred inflows of resources and fund balances	\$ 22,123,857	\$ (128,279)	\$ 220,370	\$ 22,215,948

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2023

	Capital Projects Funds			
	Special Revenue Funds	General	Performance Bond	Total Nonmajor Governmental Funds
REVENUES:				
Taxes and assessments	\$ 1,862,879	\$ -	\$ -	\$ 1,862,879
Intergovernmental	1,972,675	557,478	-	2,530,153
Use of money and property	239,536	(210)	2,447	241,773
Charges for services	133,827	-	-	133,827
Other revenues	69,377	-	-	69,377
Total revenues	4,278,294	557,268	2,447	4,838,009
EXPENDITURES:				
Current:				
General government	86,520	-	-	86,520
Public safety	32	-	-	32
Highways and streets	1,177,449	-	-	1,177,449
Urban redevelopment and housing	944,857	-	-	944,857
Community services	27	-	-	27
Capital outlay	1,710,708	1,090,895	-	2,801,603
Total expenditures	3,919,593	1,090,895	-	5,010,488
REVENUES OVER (UNDER) EXPENDITURES	358,701	(533,627)	2,447	(172,479)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,316,761	296,000	-	1,612,761
Transfers out	(50,000)	-	-	(50,000)
Total other financing sources (uses)	1,266,761	296,000	-	1,562,761
Net change in fund balances	1,625,462	(237,627)	2,447	1,390,282
FUND BALANCES:				
Beginning of year	19,593,191	(155,599)	106,257	19,543,849
End of year	\$ 21,218,653	\$ (393,226)	\$ 108,704	\$ 20,934,131

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City of Atwater
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

Special Revenue Funds

	Measure V Special Revenue Fund	Police Grants	Gas Tax	Local Transportation
ASSETS				
Cash and investments	\$ 4,738,274	\$ 106,143	\$ 35,379	\$ 437,717
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	20,971	-	-	2,217
Intergovernmental	274,136	-	-	-
Other receivable	-	-	109,948	-
Prepaid items	-	-	312	-
Investment in land held for resale	-	-	-	-
Total assets	5,033,381	106,143	145,639	439,934
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	15,415	2,826	41,637	10,574
Accrued liabilities	-	-	11,836	-
Other liabilities	-	-	-	-
Total liabilities	15,415	2,826	53,473	10,574
Deferred Inflows of Resources				
Unavailable revenues	104,387	-	41,867	-
Total deferred inflows of resources	104,387	-	41,867	-
Fund Balances:				
Nonspendable				
Prepaid items	-	-	294	-
Investment in land held for resale	-	-	-	-
Restricted	4,913,579	103,317	50,005	429,360
Total fund balances	4,913,579	103,317	50,299	429,360
and fund balances	\$ 5,033,381	\$ 106,143	\$ 145,639	\$ 439,934

Special Revenue Funds

Facility Impact Fee	CDBG Program Income	Investment Partnership Program	HOME Housing Authority	Narcotics Program
\$ 5,991,508	\$ 257,776	\$ 514,825	\$ 1,174,374	\$ 2,072
131,306	-	-	-	-
-	-	-	-	-
26,821	1,139	2,284	5,112	9
126,454	-	-	-	-
-	500	-	-	-
-	-	-	-	-
-	-	-	159,364	-
<u>6,276,089</u>	<u>259,415</u>	<u>517,109</u>	<u>1,338,850</u>	<u>2,081</u>
54,079	-	-	873	-
-	-	-	-	-
4,313	-	-	-	-
<u>58,392</u>	<u>-</u>	<u>-</u>	<u>873</u>	<u>-</u>
131,306	(29)	-	-	-
<u>131,306</u>	<u>(29)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
-	-	-	159,364	-
<u>6,086,391</u>	<u>259,444</u>	<u>517,109</u>	<u>1,178,613</u>	<u>2,081</u>
6,086,391	259,444	517,109	1,337,977	2,081
\$ 6,276,089	\$ 259,415	\$ 517,109	\$ 1,338,850	\$ 2,081

City of Atwater
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2023

	Special Revenue Funds			
	Neighborhood Stabilization	Applegate Exchange	Regional Surface Transportation Program	Pension Rate Stabilization 115 Trust
ASSETS				
Cash and investments	\$ 220,696	\$ 770,645	\$ 2,572,136	\$ 367,084
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Interest	980	3,418	11,410	-
Intergovernmental	-	-	437,727	-
Other receivable	-	-	-	-
Prepaid items	-	-	-	-
Investment in land held for resale	-	-	-	-
Total assets	221,676	774,063	3,021,273	367,084
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	2,255	-
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Total liabilities	-	-	2,255	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	437,727	-
Total deferred inflows of resources	-	-	437,727	-
Fund Balances:				
Nonspendable				
Prepaid items	-	-	-	-
Investment in land held for resale	-	-	-	-
Restricted	221,676	774,063	2,581,291	367,084
Total fund balances	221,676	774,063	2,581,291	367,084
and fund balances	\$ 221,676	\$ 774,063	\$ 3,021,273	\$ 367,084

Special Revenue Funds

General Plan Update Fund	Maintenance District Funds	Special Revenue Funds	Total Nonmajor
\$ 2,023,607	\$ 1,523,381	\$ 20,735,617	
-	-	131,306	
-	8,361	8,361	
9,310	6,461	90,132	
-	-	838,317	
50,000	-	160,448	
-	-	312	
-	-	159,364	
<u>2,082,917</u>	<u>1,538,203</u>	<u>22,123,857</u>	
12,725	24,408	164,792	
-	9,005	20,841	
-	-	4,313	
<u>12,725</u>	<u>33,413</u>	<u>189,946</u>	
-	-	715,258	
-	-	715,258	
-	-	294	
-	-	159,364	
<u>2,070,192</u>	<u>1,504,790</u>	<u>21,058,995</u>	
<u>2,070,192</u>	<u>1,504,790</u>	<u>21,218,653</u>	
<u>\$ 2,082,917</u>	<u>\$ 1,538,203</u>	<u>\$ 22,123,857</u>	

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	Measure V Special Revenue	Police Grants	Gas Tax	Local Transportatio n
REVENUES:				
Taxes and assessments	\$ 1,028,822	\$ -	\$ -	\$ 1,703
Intergovernmental	-	34,353	778,590	27,323
Use of money and property	43,946	(404)	1,520	7,367
Charges for services	60,838	-	72,989	-
Other revenues	-	-	79	-
Total revenues	1,133,606	33,949	853,178	36,393
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	1,177,449	-
Urban redevelopment and housing	-	-	-	-
Community services	-	-	27	-
Capital outlay	176,625	14,353	-	203,977
Total expenditures	176,625	14,353	1,177,476	203,977
REVENUES OVER (UNDER) EXPENDITURES	956,981	19,596	(324,298)	(167,584)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	200,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	200,000	-
Net change in fund balances	956,981	19,596	(124,298)	(167,584)
FUND BALANCES:				
Beginning of year	3,956,598	83,721	174,597	596,944
End of year	\$ 4,913,579	\$ 103,317	\$ 50,299	\$ 429,360

Special Revenue Funds

Facility Impact Fee	CDBG Program Income	Investment Partnership Program	HOME Housing Authority	Narcotics Program
\$ 64,875	\$ -	\$ -	\$ -	\$ -
757,827	-	-	-	-
73,633	2,773	5,745	12,609	23
-	-	-	-	-
1,280	17,450	-	568	-
897,615	20,223	5,745	13,177	23
<hr/>				
(811)	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	6,679	-
-	-	-	-	-
1,189,751	-	-	-	-
1,188,940	-	-	6,679	-
(291,325)	20,223	5,745	6,498	23
<hr/>				
-	-	-	-	-
-	-	-	(50,000)	-
-	-	-	(50,000)	-
(291,325)	20,223	5,745	(43,502)	23
6,377,716	239,221	511,364	1,381,479	2,058
\$ 6,086,391	\$ 259,444	\$ 517,109	\$ 1,337,977	\$ 2,081

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	Neighborhood Stabilization	Applegate Exchange	Regional Surface Transportation Program	Pension Rate Stabilization 115 Trust
REVENUES:				
Taxes and assessments	\$ -	\$ 1,263	\$ -	\$ -
Intergovernmental	-	-	374,582	-
Use of money and property	2,463	8,591	27,102	22,417
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total revenues	2,463	9,854	401,684	22,417
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban redevelopment and housing	-	-	-	-
Community services	-	-	-	-
Capital outlay	-	-	126,002	-
Total expenditures	-	-	126,002	-
REVENUES OVER (UNDER) EXPENDITURES	2,463	9,854	275,682	22,417
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	100,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	100,000
Net change in fund balances	2,463	9,854	275,682	122,417
FUND BALANCES:				
Beginning of year	219,213	764,209	2,305,609	244,667
End of year	<u>\$ 221,676</u>	<u>\$ 774,063</u>	<u>\$ 2,581,291</u>	<u>\$ 367,084</u>

Special Revenue Funds

General Plan Update Fund	Maintenance District Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ 766,216	\$ 1,862,879
-	-	1,972,675
15,481	16,270	239,536
-	-	133,827
50,000	-	69,377
<u>65,481</u>	<u>782,486</u>	<u>4,278,294</u>
87,331	-	86,520
-	32	32
-	-	1,177,449
-	938,178	944,857
-	-	27
-	-	1,710,708
<u>87,331</u>	<u>938,210</u>	<u>3,919,593</u>
(21,850)	(155,724)	358,701
900,000	116,761	1,316,761
-	-	(50,000)
900,000	116,761	1,266,761
878,150	(38,963)	1,625,462
<u>1,192,042</u>	<u>1,543,753</u>	<u>19,593,191</u>
<u>\$ 2,070,192</u>	<u>\$ 1,504,790</u>	<u>\$ 21,218,653</u>

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure V Fund For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 577,500	\$ 577,500	\$ 1,028,822	\$ 451,322
Use of money and property	2,200	2,200	43,946	41,746
Charges for services	200,000	200,000	60,838	(139,162)
Total revenues	779,700	779,700	1,133,606	353,906
EXPENDITURES:				
Current:				
Capital outlay:				
General capital outlay	3,413,315	3,413,315	176,625	3,236,690
Total expenditures	3,413,315	3,413,315	176,625	3,236,690
REVENUES OVER (UNDER) EXPENDITURES	(2,633,615)	(2,633,615)	956,981	3,590,596
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	\$ (2,633,615)	\$ (2,633,615)	\$ 956,981	\$ 3,590,596
FUND BALANCES:				
Beginning of year				3,956,598
End of year				\$ 4,913,579

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Police Grants Fund For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Charges for services	\$ 54,233	\$ 54,233	\$ 34,353	\$ (19,880)
Fines, forfeitures and assessments	300	300	(404)	(704)
Total revenues	54,533	54,533	33,949	(20,584)
EXPENDITURES:				
Capital outlay:				
General capital outlay	54,233	54,233	14,353	39,880
Total expenditures	54,233	54,233	14,353	39,880
Net change in fund balances	\$ 300	\$ 300	\$ 19,596	\$ 19,296
FUND BALANCES:				
Beginning of year			83,721	
End of year			\$ 103,317	

City of Atwater

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

For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Charges for services	\$ 897,656	\$ 897,656	\$ 778,590	\$ (119,066)
Fines, forfeitures and assessments	500	500	1,520	1,020
Use of money and property	72,448	72,448	72,989	541
Miscellaneous	2,000	2,000	79	(1,921)
Total revenues	972,604	972,604	853,178	(119,426)
EXPENDITURES:				
Current:				
Public works	1,239,633	1,239,633	1,177,449	62,184
Community development	-	-	27	(27)
Total expenditures	1,239,633	1,239,633	1,177,476	62,157
REVENUES OVER (UNDER) EXPENDITURES	(267,029)	(267,029)	(324,298)	(57,269)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	200,000	200,000
Total other financing sources (uses)	-	-	200,000	200,000
Net change in fund balances	\$ (267,029)	\$ (267,029)	\$ (124,298)	\$ 142,731
FUND BALANCES:				
Beginning of year			174,597	
End of year			\$ 50,299	

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Local Transportation Fund For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 1,703	\$ 1,703
Charges for services	40,000	40,000	27,323	(12,677)
Fines, forfeitures and assessments	500	500	7,367	6,867
Total revenues	40,500	40,500	36,393	(4,107)
EXPENDITURES:				
Current:				
Capital outlay:				
General capital outlay	540,595	540,595	203,977	336,618
Total expenditures	540,595	540,595	203,977	336,618
Net change in fund balances	\$ (500,095)	\$ (500,095)	(167,584)	\$ 332,511
FUND BALANCES:				
Beginning of year			<u>596,944</u>	
End of year			<u>\$ 429,360</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 64,875	\$ 64,875
Charges for services	903,050	903,050	757,827	(145,223)
Fines, forfeitures and assessments	17,700	17,700	73,633	55,933
Miscellaneous	1,000	1,000	1,280	280
Total revenues	921,750	921,750	897,615	(24,135)
EXPENDITURES:				
Current:				
General government	-	-	(811)	811
Capital outlay:				
General capital outlay	2,923,488	2,923,488	1,189,751	1,733,737
Total expenditures	2,923,488	2,923,488	1,188,940	1,734,548
Net change in fund balances	\$ (2,001,738)	\$ (2,001,738)	\$ (291,325)	\$ 1,710,413
FUND BALANCES:				
Beginning of year			<u>6,377,716</u>	
End of year			<u>\$ 6,086,391</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ 100	\$ 100	\$ 2,773	\$ 2,673
Miscellaneous	-	-	17,450	17,450
Total revenues	100	100	20,223	20,123
Net change in fund balances	\$ 100	\$ 100	\$ 20,223	\$ 20,123
FUND BALANCES:				
Beginning of year				239,221
End of year			\$ 259,444	

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, 2023**

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ 1,100	\$ 1,100	\$ 5,745	\$ 4,645
Total revenues	1,100	1,100	5,745	4,645
Net change in fund balances	\$ 1,100	\$ 1,100	5,745	\$ 4,645
FUND BALANCES:				
Beginning of year			511,364	
End of year			\$ 517,109	

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Housing Authority Fund For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ 1,000	\$ 1,000	\$ 12,609	\$ 11,609
Miscellaneous	-	-	568	568
Total revenues	1,000	1,000	13,177	12,177
EXPENDITURES:				
Current:				
Community development	20,000	20,000	6,679	13,321
Total expenditures	20,000	20,000	6,679	13,321
REVENUES OVER (UNDER) EXPENDITURES	(19,000)	(19,000)	6,498	25,498
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(50,000)	(50,000)
Total other financing sources (uses)	-	-	(50,000)	(50,000)
Net change in fund balances	\$ (19,000)	\$ (19,000)	\$ (43,502)	\$ (24,502)
FUND BALANCES:				
Beginning of year			1,381,479	
End of year			\$ 1,337,977	

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Narcotics Program Fund For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 23	\$ 23
Total revenues				
Net change in fund balances				
FUND BALANCES:				
Beginning of year				2,058
End of year				\$ 2,081

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Neighborhood Stabilization Fund For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ 1,000	\$ 1,000	\$ 2,463	\$ 1,463
Total revenues	1,000	1,000	2,463	1,463
Net change in fund balances	\$ 1,000	\$ 1,000	2,463	\$ 1,463
FUND BALANCES:				
Beginning of year			219,213	
End of year			\$ 221,676	

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual **Applegate Interchange Fund** **For the year ended June 30, 2023**

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 1,263	\$ 1,263
Fines, forfeitures and assessments	\$ 5,000	\$ 5,000	\$ 8,591	\$ 3,591
Total revenues	\$ 5,000	\$ 5,000	\$ 9,854	\$ 4,854
Net change in fund balances	\$ 5,000	\$ 5,000	\$ 9,854	\$ 4,854
FUND BALANCES:				
Beginning of year				<u>764,209</u>
End of year				<u>\$ 774,063</u>

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Charges for services	\$ 374,582	\$ 374,582	\$ 374,582	\$ -
Fines, forfeitures and assessments	5,000	5,000	27,102	22,102
Total revenues	379,582	379,582	401,684	22,102
EXPENDITURES:				
Capital outlay:				
General capital outlay	2,086,226	2,086,226	126,002	1,960,224
Total expenditures	2,086,226	2,086,226	126,002	1,960,224
Net change in fund balances	\$ (1,706,644)	\$ (1,706,644)	275,682	\$ 1,982,326
FUND BALANCES:				
Beginning of year				2,305,609
End of year				\$ 2,581,291

City of Atwater

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

Pension Rate Stabilization 115 Trust Fund

For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 22,417	\$ 22,417
Total revenues		-	22,417	22,417
OTHER FINANCING SOURCES (USES):				
Transfers in	(100,000)	(100,000)	100,000	200,000
Total other financing sources (uses)	(100,000)	(100,000)	100,000	200,000
Net change in fund balances	\$ (100,000)	\$ (100,000)	122,417	\$ 222,417
FUND BALANCES:				
Beginning of year			244,667	
End of year			\$ 367,084	

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Plan Update Grant Fund For the year ended June 30, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Charges for services	\$ 160,000	\$ 160,000	\$ -	\$ (160,000)
Fines, forfeitures and assessments	-	-	-	-
Use of money and property	-	-	15,481	15,481
Loan payments	-	-	50,000	50,000
Miscellaneous	(100,000)	(100,000)	-	100,000
Total revenues	60,000	60,000	65,481	5,481
EXPENDITURES:				
Current:				
General government	1,300,000	1,300,000	87,331	1,212,669
Capital outlay:				
General capital outlay	-	-	-	-
Total expenditures	1,300,000	1,300,000	87,331	1,212,669
REVENUES OVER (UNDER) EXPENDITURES	(1,240,000)	(1,240,000)	(21,850)	1,218,150
OTHER FINANCING SOURCES (USES):				
Transfers in	(900,000)	(900,000)	900,000	1,800,000
Total other financing sources (uses)	(900,000)	(900,000)	900,000	1,800,000
Net change in fund balances	\$ (2,140,000)	\$ (2,140,000)	878,150	\$ 3,018,150
FUND BALANCES:				
Beginning of year			1,192,042	
End of year			\$ 2,070,192	

City of Atwater

Combining Balance Sheet

Maintenance District Special Revenue Funds

June 30, 2023

Special Revenue Funds

	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
ASSETS				
Cash and investments	\$ -	\$ 91,638	\$ 15,367	\$ -
Receivables:				
Taxes	143	7	4	15
Interest	-	408	50	-
Total assets	143	92,053	15,421	15
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	381	129	34	13
Accrued liabilities	-	-	-	-
Total liabilities	381	129	34	13
Fund Balances:				
Nonspendable				
Restricted	(238)	91,924	15,387	2
Total fund balances	(238)	91,924	15,387	2
Total liabilities, deferred inflows of resources and fund balances	\$ 143	\$ 92,053	\$ 15,421	\$ 15

Special Revenue Funds

Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square
\$ 25,679	\$ 16,500	\$ -	\$ 112,381	\$ 16,755	\$ 18,014
81	-	23	234	937	75
113	73	-	491	73	77
25,873	16,573	23	113,106	17,765	18,166
44	14	2,907	177	5,952	386
-	-	-	-	-	-
44	14	2,907	177	5,952	386
25,829	16,559	(2,884)	112,929	11,813	17,780
25,829	16,559	(2,884)	112,929	11,813	17,780
\$ 25,873	\$ 16,573	\$ 23	\$ 113,106	\$ 17,765	\$ 18,166

City of Atwater

Combining Balance Sheet

Maintenance District Special Revenue Funds

June 30, 2023

Special Revenue Funds				
	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
ASSETS				
Cash and investments	\$ 42,275	\$ 62,993	\$ 25,636	\$ 13,403
Receivables:				
Taxes	95	74	1	590
Interest	188	279	115	48
Total assets	42,558	63,346	25,752	14,041
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	297	224	272	54
Accrued liabilities	-	-	-	-
Total liabilities	297	224	272	54
Fund Balances:				
Nonspendable				
Restricted	42,261	63,122	25,480	13,987
Total fund balances	42,261	63,122	25,480	13,987
Total liabilities, deferred inflows of resources and fund balances	\$ 42,558	\$ 63,346	\$ 25,752	\$ 14,041

Special Revenue Funds

Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Stone Creek
\$ 60,079	\$ 77,488	\$ 20,771	\$ 15,448	\$ 38,503	\$ 149,674
- 271	64 343	- 92	- 61	- 171	127 663
<u>60,350</u>	<u>77,895</u>	<u>20,863</u>	<u>15,509</u>	<u>38,674</u>	<u>150,464</u>
492	1,541	150	209	482	1,567
-	-	-	-	-	-
<u>492</u>	<u>1,541</u>	<u>150</u>	<u>209</u>	<u>482</u>	<u>1,567</u>
59,858	76,354	20,713	15,300	38,192	148,897
<u>59,858</u>	<u>76,354</u>	<u>20,713</u>	<u>15,300</u>	<u>38,192</u>	<u>148,897</u>
<u>\$ 60,350</u>	<u>\$ 77,895</u>	<u>\$ 20,863</u>	<u>\$ 15,509</u>	<u>\$ 38,674</u>	<u>\$ 150,464</u>

City of Atwater

Combining Balance Sheet

Maintenance District Special Revenue Funds

June 30, 2023

Special Revenue Funds

	America West	Bell Crossing	Atwater South	Beluga Court
ASSETS				
Cash and investments	\$ 57,064	\$ 3,539	\$ 86,763	\$ 6,491
Receivables:				
Taxes	-	28	8	-
Interest	253	19	389	29
Total assets	57,317	3,586	87,160	6,520
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	334	1,112	2,119	-
Accrued liabilities	-	-	-	-
Total liabilities	334	1,112	2,119	-
Fund Balances:				
Nonspendable				
Restricted	56,983	2,474	85,041	6,520
Total fund balances	56,983	2,474	85,041	6,520
Total liabilities, deferred inflows of resources and fund balances	\$ 57,317	\$ 3,586	\$ 87,160	\$ 6,520

Special Revenue Funds

Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	CFD District
\$ 189,003	\$ 85,507	\$ 104,450	\$ 25,404	\$ 13,046	\$ 113,083
161	-	-	7	-	5,685
838	381	466	111	57	252
190,002	85,888	104,916	25,522	13,103	119,020
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
2,052	1,321	911	1,234	-	-
-	-	-	-	-	9,005
2,052	1,321	911	1,234	-	9,005
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
187,950	84,567	104,005	24,288	13,103	110,015
187,950	84,567	104,005	24,288	13,103	110,015
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ 190,002	\$ 85,888	\$ 104,916	\$ 25,522	\$ 13,103	\$ 119,020

City of Atwater

Combining Balance Sheet

Maintenance District Special Revenue Funds

June 30, 2023

	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	\$ 13,670	\$ 6,247	\$ 16,510	\$ 1,523,381
Receivables:				
Taxes	-	-	2	8,361
Interest	58	28	64	6,461
Total assets	13,728	6,275	16,576	1,538,203
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	24,408
Accrued liabilities	-	-	-	9,005
Total liabilities	-	-	-	33,413
Fund Balances:				
Nonspendable				
Restricted	13,728	6,275	16,576	1,504,790
Total fund balances	13,728	6,275	16,576	1,504,790
Total liabilities, deferred inflows of resources and fund balances	\$ 13,728	\$ 6,275	\$ 16,576	\$ 1,538,203

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City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Maintenance District Special Revenue Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
REVENUES:				
Taxes and assessments	\$ 4,545	\$ 211	\$ 3,500	\$ 392
Use of money and property	-	1,059	59	-
Total revenues	4,545	1,270	3,559	392
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	12,481	4,715	1,427	822
Total expenditures	12,481	4,715	1,427	822
REVENUES OVER (UNDER) EXPENDITURES	(7,936)	(3,445)	2,132	(430)
OTHER FINANCING SOURCES (USES):				
Transfers in	7,945	350	5,688	440
Total other financing sources (uses)	7,945	350	5,688	440
Net change in fund balances	9	(3,095)	7,820	10
FUND BALANCES:				
Beginning of year	(247)	95,019	7,567	(8)
End of year	\$ (238)	\$ 91,924	\$ 15,387	\$ 2

Special Revenue Funds

Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square
\$ 2,288	\$ -	\$ 2,025	\$ 12,453	\$ 55,716	\$ 7,089
274	191	-	1,167	150	179
2,562	191	2,025	13,620	55,866	7,268
 - 1,984	 - 1,167	 - 18,954	 - 8,409	 - 106,119	 - 9,024
1,984	1,167	18,954	8,409	106,119	9,024
 578	 (976)	 (16,929)	 5,211	 (50,253)	 (1,756)
 280	 279	 16,270	 1,460	 46,983	 3,197
 280	 279	 16,270	 1,460	 46,983	 3,197
 858	 (697)	 (659)	 6,671	 (3,270)	 1,441
 24,971	 17,256	 (2,225)	 106,258	 15,083	 16,339
\$ 25,829	\$ 16,559	\$ (2,884)	\$ 112,929	\$ 11,813	\$ 17,780

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Maintenance District Special Revenue Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
REVENUES:				
Taxes and assessments	\$ 3,449	\$ 3,637	\$ 404	\$ 5,390
Use of money and property	483	715	295	117
Total revenues	3,932	4,352	699	5,507
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	5,483	7,245	3,166	7,385
Total expenditures	5,483	7,245	3,166	7,385
REVENUES OVER (UNDER) EXPENDITURES	(1,551)	(2,893)	(2,467)	(1,878)
OTHER FINANCING SOURCES (USES):				
Transfers in	709	1,923	241	3,369
Total other financing sources (uses)	709	1,923	241	3,369
Net change in fund balances	(842)	(970)	(2,226)	1,491
FUND BALANCES:				
Beginning of year	43,103	64,092	27,706	12,496
End of year	\$ 42,261	\$ 63,122	\$ 25,480	\$ 13,987

Special Revenue Funds

Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Stone Creek
\$ -	\$ 7,983	\$ -	\$ -	\$ -	\$ 10,510
781	919	240	137	440	1,724
781	8,902	240	137	440	12,234
-	-	-	-	-	-
13,099	18,345	1,571	2,386	5,469	21,480
13,099	18,345	1,571	2,386	5,469	21,480
(12,318)	(9,443)	(1,331)	(2,249)	(5,029)	(9,246)
374	1,208	312	4,395	3,915	975
374	1,208	312	4,395	3,915	975
(11,944)	(8,235)	(1,019)	2,146	(1,114)	(8,271)
71,802	84,589	21,732	13,154	39,306	157,168
\$ 59,858	\$ 76,354	\$ 20,713	\$ 15,300	\$ 38,192	\$ 148,897

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Maintenance District Special Revenue Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	America West	Bell Crossing	Atwater South	Beluga Court
REVENUES:				
Taxes and assessments	\$ -	\$ 2,960	\$ 651	\$ -
Use of money and property	650	111	1,158	73
Total revenues	650	3,071	1,809	73
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	2,438	15,497	24,944	101
Total expenditures	2,438	15,497	24,944	101
REVENUES OVER (UNDER) EXPENDITURES	(1,788)	(12,426)	(23,135)	(28)
OTHER FINANCING SOURCES (USES):				
Transfers in	425	3,946	1,710	16
Total other financing sources (uses)	425	3,946	1,710	16
Net change in fund balances	(1,363)	(8,480)	(21,425)	(12)
FUND BALANCES:				
Beginning of year	58,346	10,954	106,466	6,532
End of year	\$ 56,983	\$ 2,474	\$ 85,041	\$ 6,520

Special Revenue Funds

Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	CFD District
\$ 9,579	\$ -	\$ -	\$ 3,944	\$ -	\$ 627,152
2,169	1,042	1,251	312	145	104
11,748	1,042	1,251	4,256	145	627,256
-	-	-	-	-	32
20,682	15,197	10,049	9,858	155	588,272
20,682	15,197	10,049	9,858	155	588,304
(8,934)	(14,155)	(8,798)	(5,602)	(10)	38,952
1,001	4,501	387	537	127	-
1,001	4,501	387	537	127	-
(7,933)	(9,654)	(8,411)	(5,065)	117	38,952
195,883	94,221	112,416	29,353	12,986	71,063
\$ 187,950	\$ 84,567	\$ 104,005	\$ 24,288	\$ 13,103	\$ 110,015

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2023

Special Revenue Funds				Total Maintenance District Special Revenue Funds
Simon Annexation Lighting District	Simon Annexation Landscape District	Juniper Meadows 2 Lighting District		

REVENUES:

Taxes and assessments	\$ -	\$ -	\$ 2,338	\$ 766,216
Use of money and property	137	70	118	16,270
Total revenues	137	70	2,456	782,486

EXPENDITURES:

Current:

Public safety	-	-	-	32
Urban redevelopment and housing	28	28	198	938,178
Total expenditures	28	28	198	938,210

REVENUES OVER (UNDER)

EXPENDITURES	109	42	2,258	(155,724)
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OTHER FINANCING SOURCES (USES):

Transfers in	1,045	4	2,749	116,761
Total other financing sources (uses)	1,045	4	2,749	116,761
Net change in fund balances	1,154	46	5,007	(38,963)

FUND BALANCES:

Beginning of year	12,574	6,229	11,569	1,543,753
End of year	\$ 13,728	\$ 6,275	\$ 16,576	\$ 1,504,790

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 4,545	\$ 4,545
Total revenues	-	-	4,545	4,545
EXPENDITURES:				
Current:				
Community development		-	12,481	(12,481)
Total expenditures	-	-	12,481	(12,481)
REVENUES OVER (UNDER)				
EXPENDITURES		-	(7,936)	(7,936)
OTHER FINANCING SOURCES (USES):				
Transfers in		-	7,945	7,945
Total other financing sources (uses)	-	-	7,945	7,945
Net change in fund balances	\$ -	\$ -	9	\$ 9
FUND BALANCES:				
Beginning of year				(247)
End of year			\$ (238)	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 211	\$ 211
Fines, forfeitures and assessments	-	-	1,059	1,059
Total revenues	-	-	1,270	1,270
EXPENDITURES:				
Current:				
Community development	-	-	4,715	(4,715)
Total expenditures	-	-	4,715	(4,715)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(3,445)	(3,445)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	350	350
Total other financing sources (uses)	-	-	350	350
Net change in fund balances	\$ -	\$ -	(3,095)	\$ (3,095)
FUND BALANCES:				
Beginning of year			95,019	
End of year			\$ 91,924	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 3,500	\$ 3,500
Fines, forfeitures and assessments	-	-	59	59
Total revenues	-	-	3,559	3,559
EXPENDITURES:				
Current:				
Community development	-	-	1,427	(1,427)
Total expenditures	-	-	1,427	(1,427)
REVENUES OVER (UNDER) EXPENDITURES	-	-	2,132	2,132
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	5,688	5,688
Total other financing sources (uses)	-	-	5,688	5,688
Net change in fund balances	\$ -	\$ -	7,820	\$ 7,820
FUND BALANCES:				
Beginning of year			7,567	
End of year			\$ 15,387	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 392	\$ 392
Total revenues	-	-	392	392
EXPENDITURES:				
Current:				
Community development		-	822	(822)
Total expenditures	-	-	822	(822)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(430)	(430)
OTHER FINANCING SOURCES (USES):				
Transfers in		-	440	440
Total other financing sources (uses)	-	-	440	440
Net change in fund balances	\$ -	\$ -	10	\$ 10
FUND BALANCES:				
Beginning of year				(8)
End of year			\$ 2	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 2,288	\$ 2,288
Fines, forfeitures and assessments	-	-	274	274
Total revenues	-	-	2,562	2,562
EXPENDITURES:				
Current:				
Community development	-	-	1,984	(1,984)
Total expenditures	-	-	1,984	(1,984)
REVENUES OVER (UNDER) EXPENDITURES	-	-	578	578
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	280	280
Total other financing sources (uses)	-	-	280	280
Net change in fund balances	\$ -	\$ -	858	\$ 858
FUND BALANCES:				
Beginning of year			<u>24,971</u>	
End of year			<u>\$ 25,829</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 191	\$ 191
Total revenues	-	-	191	191
EXPENDITURES:				
Current:				
Community development	-	-	1,167	(1,167)
Total expenditures	-	-	1,167	(1,167)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(976)	1,358
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	279	279
Total other financing sources (uses)	-	-	279	279
Net change in fund balances	\$ -	\$ -	(697)	\$ 1,637
FUND BALANCES:				
Beginning of year			17,256	
End of year			\$ 16,559	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 2,025	\$ 2,025
Total revenues	-	-	2,025	2,025
EXPENDITURES:				
Current:				
Community development		-	18,954	(18,954)
Total expenditures	-	-	18,954	(18,954)
REVENUES OVER (UNDER)				
EXPENDITURES		-	(16,929)	(16,929)
OTHER FINANCING SOURCES (USES):				
Transfers in		-	16,270	16,270
Total other financing sources (uses)	-	-	16,270	16,270
Net change in fund balances	\$ -	\$ -	(659)	\$ (659)
FUND BALANCES:				
Beginning of year				(2,225)
End of year			\$ (2,884)	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 12,453	\$ 12,453
Fines, forfeitures and assessments	-	-	1,167	1,167
Total revenues	-	-	13,620	13,620
EXPENDITURES:				
Current:				
Community development	-	-	8,409	(8,409)
Total expenditures	-	-	8,409	(8,409)
REVENUES OVER (UNDER) EXPENDITURES	-	-	5,211	5,211
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,460	1,460
Total other financing sources (uses)	-	-	1,460	1,460
Net change in fund balances	\$ -	\$ -	6,671	\$ 6,671
FUND BALANCES:				
Beginning of year			106,258	
End of year			<u>\$ 112,929</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 55,716	\$ 55,716
Fines, forfeitures and assessments	-	-	150	150
Total revenues	-	-	55,866	55,866
EXPENDITURES:				
Current:				
Community development	-	-	106,119	(106,119)
Total expenditures	-	-	106,119	(106,119)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(50,253)	(50,253)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	46,983	46,983
Total other financing sources (uses)	-	-	46,983	46,983
Net change in fund balances	\$ -	\$ -	(3,270)	\$ (3,270)
FUND BALANCES:				
Beginning of year			<u>15,083</u>	
End of year			<u>\$ 11,813</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 7,089	\$ 7,089
Fines, forfeitures and assessments	-	-	179	179
Total revenues	-	-	7,268	7,268
EXPENDITURES:				
Current:				
Community development	-	-	9,024	(9,024)
Total expenditures	-	-	9,024	(9,024)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,756)	(1,756)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,197	3,197
Total other financing sources (uses)	-	-	3,197	3,197
Net change in fund balances	\$ -	\$ -	1,441	\$ 1,441
FUND BALANCES:				
Beginning of year			<u>16,339</u>	
End of year			<u>\$ 17,780</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 3,449	\$ 3,449
Fines, forfeitures and assessments	-	-	483	483
Total revenues	-	-	3,932	3,932
EXPENDITURES:				
Current:				
Community development	-	-	5,483	(5,483)
Total expenditures	-	-	5,483	(5,483)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,551)	(1,551)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	709	709
Total other financing sources (uses)	-	-	709	709
Net change in fund balances	\$ -	\$ -	(842)	\$ (842)
FUND BALANCES:				
Beginning of year			43,103	
End of year			\$ 42,261	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 3,637	\$ 3,637
Fines, forfeitures and assessments	-	-	715	715
Total revenues	-	-	4,352	4,352
EXPENDITURES:				
Current:				
Community development	-	-	7,245	(7,245)
Total expenditures	-	-	7,245	(7,245)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(2,893)	(2,893)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,923	1,923
Total other financing sources (uses)	-	-	1,923	1,923
Net change in fund balances	\$ -	\$ -	(970)	\$ (970)
FUND BALANCES:				
Beginning of year			<u>64,092</u>	
End of year			<u>\$ 63,122</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 404	\$ 404
Fines, forfeitures and assessments	-	-	295	295
Total revenues	-	-	699	699
EXPENDITURES:				
Current:				
Community development	-	-	3,166	(3,166)
Total expenditures	-	-	3,166	(3,166)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(2,467)	(2,467)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	241	241
Total other financing sources (uses)	-	-	241	241
Net change in fund balances	\$ -	\$ -	(2,226)	\$ (2,226)
FUND BALANCES:				
Beginning of year			27,706	
End of year			\$ 25,480	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 5,390	\$ 5,390
Fines, forfeitures and assessments	-	-	117	117
Total revenues	-	-	5,507	5,507
EXPENDITURES:				
Current:				
Community development	-	-	7,385	(7,385)
Total expenditures	-	-	7,385	(7,385)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,878)	(1,878)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,369	3,369
Total other financing sources (uses)	-	-	3,369	3,369
Net change in fund balances	\$ -	\$ -	1,491	\$ 1,491
FUND BALANCES:				
Beginning of year			12,496	
End of year			\$ 13,987	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 781	\$ 781
Total revenues	-	-	781	781
EXPENDITURES:				
Current:				
Community development		-	13,099	(13,099)
Total expenditures	-	-	13,099	(13,099)
REVENUES OVER (UNDER)				
EXPENDITURES		-	(12,318)	(12,318)
OTHER FINANCING SOURCES (USES):				
Transfers in		-	374	374
Total other financing sources (uses)	-	-	374	374
Net change in fund balances	\$ -	\$ -	(11,944)	\$ (11,944)
FUND BALANCES:				
Beginning of year			71,802	
End of year			\$ 59,858	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 7,983	\$ 7,983
Fines, forfeitures and assessments	-	-	919	919
Total revenues	-	-	8,902	8,902
EXPENDITURES:				
Current:				
Community development	-	-	18,345	(18,345)
Total expenditures	-	-	18,345	(18,345)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(9,443)	(9,443)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,208	1,208
Total other financing sources (uses)	-	-	1,208	1,208
Net change in fund balances	\$ -	\$ -	(8,235)	\$ (8,235)
FUND BALANCES:				
Beginning of year			<u>84,589</u>	
End of year			<u>\$ 76,354</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 240	\$ 240
Total revenues	-	-	240	240
EXPENDITURES:				
Current:				
Community development		-	1,571	(1,571)
Total expenditures	-	-	1,571	(1,571)
REVENUES OVER (UNDER)				
EXPENDITURES		-	(1,331)	(1,331)
OTHER FINANCING SOURCES (USES):				
Transfers in		-	312	312
Total other financing sources (uses)	-	-	312	312
Net change in fund balances	\$ -	\$ -	(1,019)	\$ (1,019)
FUND BALANCES:				
Beginning of year			21,732	
End of year		\$ -	20,713	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	-	-	137	137
Total revenues	-	-	137	137
EXPENDITURES:				
Current:				
Community development	-	-	2,386	(2,386)
Total expenditures	-	-	2,386	(2,386)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(2,249)	(2,249)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,395	4,395
Total other financing sources (uses)	-	-	4,395	4,395
Net change in fund balances	\$ -	\$ -	2,146	\$ 2,146
FUND BALANCES:				
Beginning of year			13,154	
End of year			\$ 15,300	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)

REVENUES:

Fines, forfeitures and assessments	\$	-	\$	440	\$	440
Total revenues				440		440

EXPENDITURES:

Current:

Community development		-	-	5,469		(5,469)
Total expenditures				5,469		(5,469)

REVENUES OVER (UNDER) EXPENDITURES

	-	-	(5,029)	(5,029)
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OTHER FINANCING SOURCES (USES):

Transfers in		-	-	3,915		3,915
Total other financing sources (uses)				3,915		3,915
Net change in fund balances	\$	-	\$	(1,114)	\$	(1,114)

FUND BALANCES:

Beginning of year				39,306
End of year				\$ 38,192

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 10,510	\$ 10,510
Fines, forfeitures and assessments	-	-	1,724	1,724
Total revenues	-	-	12,234	12,234
EXPENDITURES:				
Current:				
Community development	-	-	21,480	(21,480)
Total expenditures	-	-	21,480	(21,480)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(9,246)	(9,246)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	975	975
Total other financing sources (uses)	-	-	975	975
Net change in fund balances	\$ -	\$ -	(8,271)	\$ (8,271)
FUND BALANCES:				
Beginning of year			157,168	
End of year			\$ 148,897	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 650	\$ 650
Total revenues	-	-	650	650
EXPENDITURES:				
Current:				
Community development	-	-	2,438	(2,438)
Total expenditures	-	-	2,438	(2,438)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(1,788)	(1,788)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	425	425
Total other financing sources (uses)	-	-	425	425
Net change in fund balances	\$ -	\$ -	(1,363)	\$ (1,363)
FUND BALANCES:				
Beginning of year			58,346	
End of year			\$ 56,983	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 2,960	\$ 2,960
Fines, forfeitures and assessments	-	-	111	111
Total revenues	-	-	3,071	3,071
EXPENDITURES:				
Current:				
Community development	-	-	15,497	(15,497)
Total expenditures	-	-	15,497	(15,497)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(12,426)	18,568
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,946	3,946
Total other financing sources (uses)	-	-	3,946	3,946
Net change in fund balances	\$ -	\$ -	(8,480)	\$ 22,514
FUND BALANCES:				
Beginning of year			<u>10,954</u>	
End of year			<u>\$ 2,474</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 651	\$ 651
Fines, forfeitures and assessments	-	-	1,158	1,158
Total revenues	-	-	1,809	1,809
EXPENDITURES:				
Current:				
Community development	-	-	24,944	(24,944)
Total expenditures	-	-	24,944	(24,944)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(23,135)	26,753
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,710	1,710
Total other financing sources (uses)	-	-	1,710	1,710
Net change in fund balances	\$ -	\$ -	(21,425)	\$ 28,463
FUND BALANCES:				
Beginning of year			106,466	
End of year			\$ 85,041	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 73	\$ 73
Total revenues	-	-	73	73
EXPENDITURES:				
Current:				
Community development		-	101	(101)
Total expenditures	-	-	101	(101)
REVENUES OVER (UNDER)				
EXPENDITURES		-	(28)	174
OTHER FINANCING SOURCES (USES):				
Transfers in		-	16	16
Total other financing sources (uses)	-	-	16	16
Net change in fund balances	\$ -	\$ -	(12)	\$ 190
FUND BALANCES:				
Beginning of year			6,532	
End of year			\$ 6,520	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 9,579	\$ 9,579
Fines, forfeitures and assessments	-	-	2,169	2,169
Total revenues	-	-	11,748	11,748
EXPENDITURES:				
Current:				
Community development	-	-	20,682	(20,682)
Total expenditures	-	-	20,682	(20,682)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(8,934)	(8,934)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,001	1,001
Total other financing sources (uses)	-	-	1,001	1,001
Net change in fund balances	\$ -	\$ -	(7,933)	\$ (7,933)
FUND BALANCES:				
Beginning of year			195,883	
End of year			\$ 187,950	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 1,042	\$ 1,042
Total revenues	-	-	1,042	1,042
EXPENDITURES:				
Current:				
Community development	-	-	15,197	(15,197)
Total expenditures	-	-	15,197	(15,197)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(14,155)	(14,155)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,501	4,501
Total other financing sources (uses)	-	-	4,501	4,501
Net change in fund balances	\$ -	\$ -	(9,654)	\$ (9,654)
FUND BALANCES:				
Beginning of year			94,221	
End of year			\$ 84,567	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 1,251	\$ 1,251
Total revenues	-	-	1,251	1,251
EXPENDITURES:				
Current:				
Community development		-	10,049	(10,049)
Total expenditures	-	-	10,049	(10,049)
REVENUES OVER (UNDER)				
EXPENDITURES		-	(8,798)	(8,798)
OTHER FINANCING SOURCES (USES):				
Transfers in		-	387	387
Total other financing sources (uses)	-	-	387	387
Net change in fund balances	\$ -	\$ -	(8,411)	\$ (8,411)
FUND BALANCES:				
Beginning of year			112,416	
End of year			\$ 104,005	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 3,944	\$ 3,944
Fines, forfeitures and assessments	-	-	312	312
Total revenues	-	-	4,256	4,256
EXPENDITURES:				
Current:				
Community development	-	-	9,858	(9,858)
Total expenditures	-	-	9,858	(9,858)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(5,602)	(5,602)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	537	537
Total other financing sources (uses)	-	-	537	537
Net change in fund balances	\$ -	\$ -	(5,065)	\$ (5,065)
FUND BALANCES:				
Beginning of year			<u>29,353</u>	
End of year			<u>\$ 24,288</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 145	\$ 145
Total revenues	-	-	145	145
EXPENDITURES:				
Current:				
Community development		-	155	(155)
Total expenditures	-	-	155	(155)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(10)	(10)
OTHER FINANCING SOURCES (USES):				
Transfers in	136,775	136,775	127	(136,648)
Total other financing sources (uses)	136,775	136,775	127	(136,648)
Net change in fund balances	\$ 136,775	\$ 136,775	117	\$ (136,658)
FUND BALANCES:				
Beginning of year			12,986	
End of year			\$ 13,103	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 627,152	\$ 627,152
Fines, forfeitures and assessments	100	100	104	4
Total revenues	100	100	627,256	627,156
EXPENDITURES:				
Current:				
Public safety	-	-	32	(32)
Community development	697,032	697,032	588,272	108,760
Total expenditures	697,032	697,032	588,304	108,728
Net change in fund balances	\$ (696,932)	\$ (696,932)	\$ 38,952	\$ 735,884
FUND BALANCES:				
Beginning of year			<u>71,063</u>	
End of year			<u>\$ 110,015</u>	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 137	\$ 137
Total revenues	-	-	137	137
EXPENDITURES:				
Current:				
Community development	-	-	28	(28)
Total expenditures	-	-	28	(28)
REVENUES OVER (UNDER) EXPENDITURES	-	-	109	109
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,045	1,045
Total other financing sources (uses)	-	-	1,045	1,045
Net change in fund balances	\$ -	\$ -	1,154	\$ 1,154
FUND BALANCES:				
Beginning of year			12,574	
End of year			\$ 13,728	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 70	\$ 70
Total revenues	-	-	70	70
EXPENDITURES:				
Current:				
Community development	-	-	28	(28)
Total expenditures	-	-	28	(28)
REVENUES OVER (UNDER) EXPENDITURES	-	-	42	42
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4	4
Total other financing sources (uses)	-	-	4	4
Net change in fund balances	\$ -	\$ -	46	\$ 46
FUND BALANCES:				
Beginning of year			6,229	
End of year			\$ 6,275	

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, 2023

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 2,338	\$ 2,338
Fines, forfeitures and assessments	-	-	118	118
Total revenues			2,456	2,456
EXPENDITURES:				
Current:				
Community development	-	-	198	(198)
Total expenditures			198	(198)
REVENUES OVER (UNDER) EXPENDITURES			2,258	2,258
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,749	2,749
Total other financing sources (uses)			2,749	2,749
Net change in fund balances	\$ -	\$ -	5,007	\$ 5,007
FUND BALANCES:				
Beginning of year			<u>11,569</u>	
End of year			<u>\$ 16,576</u>	

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City of Atwater

Combining Statement of Net Position

Internal Service Funds

June 30, 2023

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
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ASSETS

Current Assets:

Cash and investments	\$ 789,381	\$ 848,171	\$ 1,249,393	\$ 404,664	\$ 3,291,609
Receivables:					
Interest	2,639	3,471	3,582	1,772	11,464
Other	16,000	3,413	-	-	19,413
Prepaid expenses	-	5,425	-	76,934	82,359
Total current assets	808,020	860,480	1,252,975	483,370	3,404,845

Noncurrent:

Capital assets:					
Depreciable	2,042,857	-	103,094	601,348	2,747,299
Less accumulated depreciation	(1,309,607)	-	(41,804)	(577,252)	(1,928,663)
Net capital assets	733,250	-	61,290	24,096	818,636
Total noncurrent assets	733,250	-	61,290	24,096	818,636
Total assets	1,541,270	860,480	1,314,265	507,466	4,223,481

LIABILITIES

Current liabilities:

Accounts payable	72,047	38,178	284,395	35,708	430,328
Accrued payroll	7,499	-	-	1,991	9,490
Compensated absences - current	2,778	-	-	-	2,778
Total current liabilities	82,324	38,178	284,395	37,699	442,596

Noncurrent liabilities:

Compensated absences	17,527	-	-	1,325	18,852
Total noncurrent liabilities	17,527	-	-	1,325	18,852
Total liabilities	99,851	38,178	284,395	39,024	461,448

NET POSITION

Net investment in capital assets	733,250	-	61,290	24,096	818,636
Restricted for capital projects	-	-	-	-	-
Unrestricted	708,169	822,302	968,580	444,346	2,943,397
Total net position	\$ 1,441,419	\$ 822,302	\$ 1,029,870	\$ 468,442	\$ 3,762,033

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2023

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
OPERATING REVENUES:					
Interdepartmental charges	\$ 1,485,563	\$ 743,330	\$ 1,723,853	\$ 483,098	\$ 4,435,844
Other operating revenue	3,549	61,214	17,773	936	83,472
Total operating revenues	1,489,112	804,544	1,741,626	484,034	4,519,316
OPERATING EXPENSES:					
Salaries and benefits	340,817	100,000	-	72,391	513,208
Contractual services	228,082	5,428	75,770	194,059	503,339
Materials and supplies	5,557	-	-	-	5,557
Repairs and maintenance	655,273	-	-	-	655,273
Utilities	149,405	-	-	-	149,405
Insurance	-	776,580	1,608,586	-	2,385,166
Other operating costs	(15,998)	-	880	293,763	278,645
Depreciation	89,037	-	3,142	60,566	152,745
Total operating expenses	1,452,173	882,008	1,688,378	620,779	4,643,338
Operating income (loss)	36,939	(77,464)	53,248	(136,745)	(124,022)
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental revenues (expenses)	(1,660)	-	-	-	(1,660)
Interest revenue	8,646	8,870	7,009	5,490	30,015
Total nonoperating revenues (expenses)	6,986	8,870	7,009	5,490	28,355
Income before contributions and transfers	43,925	(68,594)	60,257	(131,255)	(95,667)
CONTRIBUTIONS AND TRANSFERS:					
Transfers in	100,000	200,000	-	-	300,000
Transfers out	-	(100,000)	-	-	(100,000)
Total contributions and transfers	100,000	100,000	-	-	200,000
Change in net position	143,925	31,406	60,257	(131,255)	104,333
NET POSITION:					
Beginning of year, as restated	1,297,494	790,896	969,613	599,697	3,657,700
End of year	\$ 1,441,419	\$ 822,302	\$ 1,029,870	\$ 468,442	\$ 3,762,033

City of Atwater

Statement of Cash Flows

Internal Service Funds

For the year ended June 30, 2023

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
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CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from customers and users	\$ 1,475,195	\$ 800,978	\$ 1,738,857	\$ 477,306	\$ 4,492,336
Cash paid to suppliers for goods and services	(1,044,821)	(754,900)	(1,424,059)	(476,353)	(3,700,133)
Cash paid to employees for services	(319,306)	(100,000)	-	(69,075)	(488,381)
Net cash provided by (used in) operating activities	111,068	(53,922)	314,798	(68,122)	303,822

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:

Cash transfers in	100,000	200,000	-	-	300,000
Cash transfers out		(100,000)	-	-	(100,000)
Subsidy from grants	(1,660)	-	-	-	(1,660)
Net cash provided by (used in) noncapital financing activities	98,340	100,000	-	-	198,340

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Purchase of capital assets	(62,267)	-	-	2	(62,265)
Net cash provided by (used in) capital and related financing activities	(62,267)	-	-	2	(62,265)

CASH FLOWS FROM INVESTING ACTIVITIES:

Interest received	8,646	8,870	7,009	5,490	30,015
Net cash provided by (used in) investing activities	8,646	8,870	7,009	5,490	30,015
Net cash flows	155,787	54,948	321,807	(62,630)	469,912
CASH AND INVESTMENTS - Beginning of year	633,594	793,223	927,586	467,294	2,821,697
CASH AND INVESTMENTS - End of year	\$ 789,381	\$ 848,171	\$ 1,249,393	\$ 404,664	\$ 3,291,609

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:

Operating income (loss)	\$ 36,939	\$ (77,464)	\$ 53,248	\$ (136,745)	\$ (124,022)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	89,037	-	3,142	60,566	152,745
(Increase) decrease in accounts receivable	(14,031)	(2,838)	(2,769)	(1,330)	(20,968)
(Increase) decrease in prepaid expense	114	(728)	-	(5,398)	(6,012)
Increase (decrease) in accounts payable	(6,504)	27,108	261,177	11,469	293,250
Increase (decrease) in accrued payroll	1,208	-	-	1,991	3,199
Increase (decrease) in compensated absences	4,305	-	-	1,325	5,630
Net cash provided by (used in) operating activities	\$ 111,068	\$ (53,922)	\$ 314,798	\$ (68,122)	\$ 303,822

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City of Atwater

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2023

	Section 125 Medical	Section 125 Dependent Care	Community Facility District No.1	Total Custodial Funds
ASSETS				
Cash and investments held for others, restricted	\$ 1,943	\$ -	\$ 130,820	\$ 132,763
Interest receivables	-	-	580	580
Total assets	1,943	-	131,400	133,343
LIABILITIES				
Other Liabilities	1,943	-	-	1,943
Total liabilities	1,943	-	-	1,943
NET POSITION				
Restricted for				
Bondholders	-	-	131,400	131,400
Total net position	\$ -	\$ -	\$ 131,400	\$ 131,400

City of Atwater

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the year ended June 30, 2023

	Section 125 Medical	Section 125 Dependent Care	Community Facility District No.1	Total Custodial Funds
ADDITIONS				
Interest income	\$ -	\$ -	\$ 1,460	\$ 1,460
Total additions	-	-	1,460	1,460
DELETIONS				
Urban Development and Housing	-	-	40	40
Total deletions	-	-	40	40
Changes in net position	-	-	1,420	1,420
NET POSITION				
Beginning of the year	-	-	129,980	129,980
End of year	\$ -	\$ -	\$ 131,400	\$ 131,400

City of Atwater
Schedule of Debt Service Coverage
June 30, 2023 and 2022

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.

	2023	2022
Service charges	\$ 11,841,868	\$ 11,386,274
Connection fees	69,154	335,813
Total service charges	<u>11,911,022</u>	<u>11,722,087</u>
Investment income	311,490	49,714
Other income	53,658	12,878
Total miscellaneous revenue	<u>365,148</u>	<u>62,592</u>
Total Revenue	<u><u>12,276,170</u></u>	<u><u>11,784,679</u></u>
Personnel costs	1,441,015	1,074,520
Supplies (1)	156,415	131,290
Professional Services (2)	1,043,963	1,021,051
Wastewater Treatment Plant Mgmt. Service (3)	2,373,761	2,202,241
Other Charges (1), (4)	495,485	516,299
Total Operations and Maintenance	<u><u>5,510,639</u></u>	<u><u>4,945,401</u></u>
Net Revenue Available For Debt Service	<u><u>\$ 6,765,531</u></u>	<u><u>\$ 6,839,278</u></u>
Debt service:		
2017A Wastewater Revenue Refunding Bonds	\$ 3,316,088	\$ 3,309,337
2018A Wastewater Revenue Refunding Bonds	<u>1,140,369</u>	<u>1,140,769</u>
Total debt service	<u><u>\$ 4,456,457</u></u>	<u><u>\$ 4,450,106</u></u>
Net Revenue After Debt Service		
Calculated coverage	<u><u>1.52</u></u>	<u><u>1.54</u></u>
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		