

City of Atwater

Atwater, California

Annual Financial Report

For the year ended June 30, 2024

Prepared by:
Finance Department

City of Atwater

Annual Comprehensive Financial Report

For the year ended June 30, 2024

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City of Atwater, California Finance Department

September 24, 2025

Honorable Mayor, Members of the City Council and Citizens of the City of Atwater:

It is our pleasure to submit the Annual Financial Report of the City of Atwater for the fiscal year that ended June 30, 2024. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with government auditing standards. In compliance with state and federal laws, 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 the governing body of the City of Atwater.

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 presented 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 interested 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 that ended June 30, 20234, 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, 2024, 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 and Services Provided

The City of Atwater was incorporated in 1922 and is in the San Joaquin Valley of California. Atwater is one of six incorporated cities in Merced County. The City encompasses a six square mile area approximately six miles west-northwest of Merced. The City has a current population of 31,862 (State of California DOF Population Estimates, May 2025). The City maintains a small hometown feel through community events, partnerships with area schools, and longstanding community service clubs that build on many beloved traditions in Atwater. Being located along the Highway 99 corridor, the City of Atwater is in a premiere location for travelers that traverse through California. Additionally, the City is geographically situated where a visit to the Pacific coast or Sierra Nevada mountain range is all within the distance of a daytrip, making the location a desirable place to live, work and operate a business.

The City of Atwater operates under a Council-Manager form of government and provides municipal services that include general municipal administration, road infrastructure, police services, contracted fire services, community and economic development, and parks and recreational opportunities. In addition, through public works, the City provides water, wastewater, and contracted 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 Atwater City Council consists of five members: four council members are elected by districts to four-year terms, and the Mayor is elected at large. All 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 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. While property and sales tax revenues have remained strong; revenue estimates for sales tax continue to be flat when compared to previous recent years. The City's housing market has continued to remain stable. The median home value for the City of Atwater is \$406,500. The median household income in Atwater is \$63,945, according to the American Community Survey 5-year estimates conducted by the U.S. Census Bureau ([American Community Survey \(ACS\)](#)). The unemployment rate (EDD, State of CA, July 2025) for Merced County is 10.3% and for the City of Atwater is 9.8%, which compares to a state rate of 6.1% and the U.S. rate of 4.2%. The diversity of the region offers many opportunities for businesses.

Budget Information

The City operates on a fiscal year that runs from July 1 – June 30. The City Council adopts annual budgets for the General Fund, Proprietary Funds, and all Special Revenue Funds, in addition to a capital budget. Budgetary control is legally maintained at the fund level. The City Manager and Finance Director meet with each department director to discuss budget requests, department and organizational goals and needs, and make revisions, as necessary. The Finance Department prepares an estimate of revenues and expenses for the City Manager's review and recommendation to the City Council. Budget workshops are held prior to the adoption of the budget that allow for public comment opportunity. In June of each year, 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.

Financial Information & Policies

The City continues to take necessary steps to improve and preserve its fiscal health and sustainability.

The City of Atwater, by way of Resolution No. 3068-19, has a General Fund Reserve Policy that requires a minimum of 10% of annual General Fund operating costs to be kept in fund balance. During this audit period and subsequent periods to date of this publication, the City has maintained this requirement and met the goal of having a 25% General Fund reserve. The City established an irrevocable Section 115 trust (combo trust) to address the long-term liabilities of other postemployment benefits (OPEB) and pension liabilities. The City has made contributions for five consecutive years into the plan and is committed to annual contributions so the plan can grow and provide resources to help fund OPEB and pension liabilities. The City continues to work towards implementing measures to help fund existing liabilities and reduce future liabilities, while aiming to achieve structural fund balance in all operating funds on an annual basis.

The City of Atwater's sales tax rate is 8.75%. One percent of this is the Public Safety Transactions and Use Tax "Measure B" which is dedicated to public safety costs. This is a destination-based tax that provides revenue for police and fire expenses.

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

Major Initiatives

The City of Atwater's City Council, executive management team and staff continue to dedicate significant planning, attention, and resources to achieving the City's goals. Some of the recent highlights of these accomplishments are road improvement projects, resurfacing of the community tennis courts at Osborn Park, the completion of a new City Hall that contains the Community Development Department and the Finance Department, and creation of the Public Safety Expenditure Plan Program Guidelines.

Another important initiative that will help guide the City in future years is the update and adoption of the City's new Strategic Plan 2026-2030. The comprehensive plan was produced through input by the community, City staff, and governing body and serves as a roadmap to help guide decision-making. This plan helps the City Council to prioritize goals and align them with community interests. The plan contains six goals with each containing subitems that provide direction and areas of focus over the next five years. The City of Atwater Strategic Plan 2026-2030 can be located at: www.atwater.org.

Acknowledgements

The preparation and completion of the City of Atwater's Annual Financial Report is made possible by the dedicated service of the Finance Department, under the leadership of the Finance Director. The department takes considerable care in producing this report for all the City of Atwater's stakeholders. We appreciate the contributions and hard work of the Finance Department in producing the City's 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

City of Atwater
For the year ended June 30, 2024

List of City Officials

CITY COUNCIL

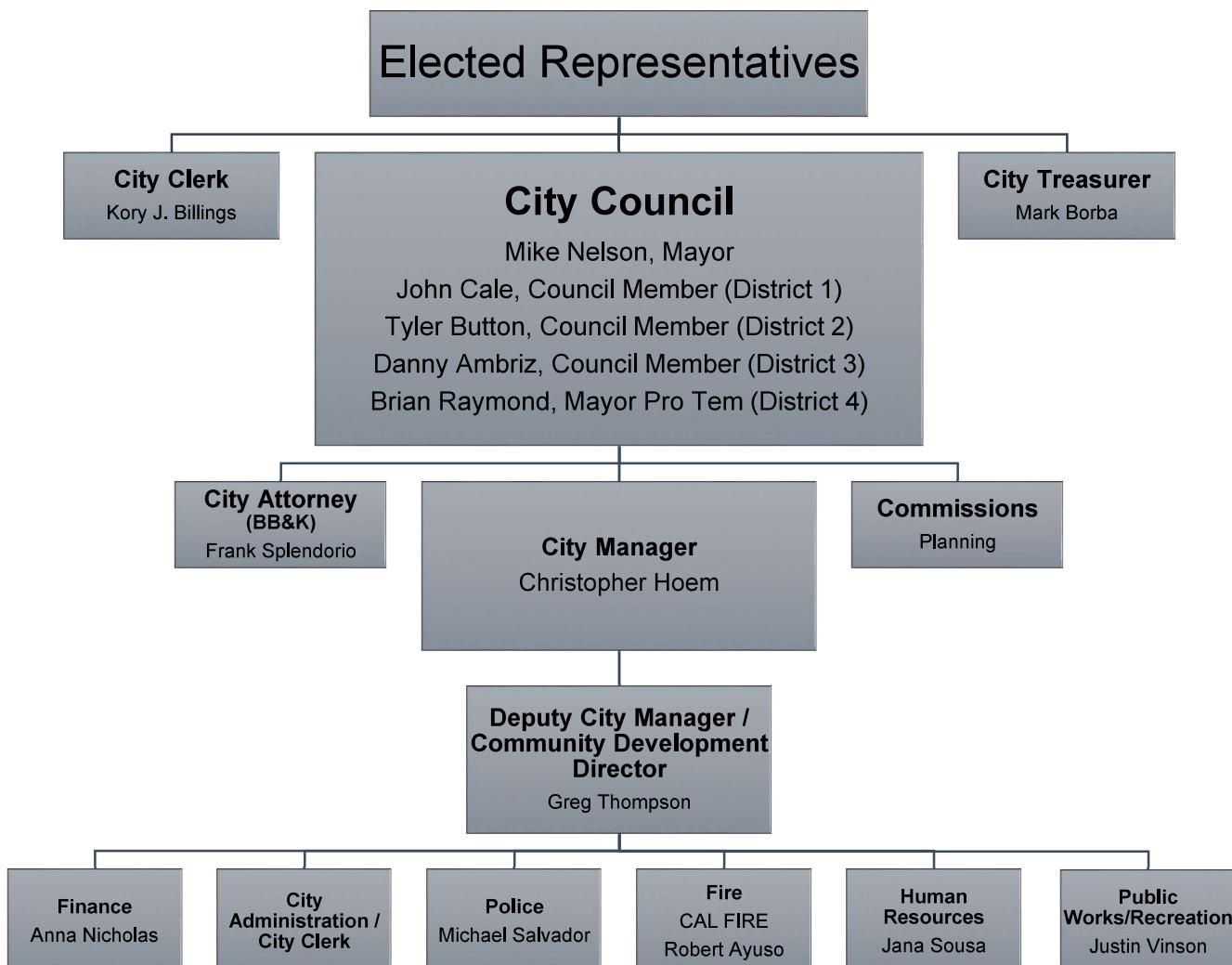
- Mike Nelson, Mayor
- Brian Raymond, Mayor Pro Term
- John Cale, Council Member
- Tyler Button, Council Member
- Danny Ambriz, Council Member

CITY OFFICIALS

- Christopher Hoem, 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
- Anna Nicholas, Finance Director
- Michael Salvador, Police Chief



CITY OF ATWATER ORGANIZATIONAL CHART 2024



Council Committees

Audit & Finance

Citizens Oversight for Public Safety Transaction and Use Tax
General Plan Technical Advisory Committee



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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and Public Safety Transactions and Use Tax 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* (GAS), 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
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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 and GAS 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 and GAS, 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.

To the Honorable Mayor and Members
of the City Council of the City of Atwater
Atwater, California
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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 86-91 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 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.

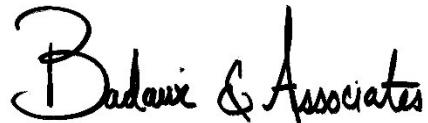
To the Honorable Mayor and Members
of the City Council of the City of Atwater
Atwater, California
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Other Information

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 September 24, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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, with a small vertical line above the ampersand.

Badawi & Associates, CPAs
Emeryville, California
September 24, 2025

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024

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, 2024. 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, 2024, totaled \$124.3 million. Governmental activities the net position was \$32.6 million, while the business-type activities net position was \$91.7 million.
- ◆ Total City revenues, including program and general revenues, and business-type activities were \$64.04 million, while total expenses were \$49.3 million.
- ◆ Governmental program and general revenues were \$35.6 million compared to governmental program expenses of \$24.8 million.
- ◆ Program revenues from business-type activities were \$25.5 million, while expenses for business-type activities were \$24.5 million.
- ◆ The City's total net capital asset balance for governmental activities was \$27.8 million and \$38.6 million for business-type activities.

Fund Highlights

- ◆ Net General Fund revenues and other financing sources (uses) exceeded expenditures by \$1.6 million as compared to the prior year when revenues and other financing sources (uses) exceeded expenditures by \$3.2 million.
- ◆ At June 30, 2024, the General Fund has a positive fund balance of \$17.3 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, 2024

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, 2024

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, 2024, the City's major funds are as follows:

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ Public Safety Transactions and Use Tax 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, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

For the fiscal year ended June 30, 2024, 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 47–84 of this report.

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 97–163 of this report.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024

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 \$124.3 million as of June 30, 2024. The Summary of net position as of June 30, 2023, and 2024 follows:

	Summary of Net Position					
	2023			2024		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Current and other assets	\$ 50,457,435	\$ 57,293,913	\$ 107,751,348	\$ 54,729,192	\$ 56,499,694	\$ 111,228,886
Noncurrent assets	25,145,812	101,513,524	126,659,336	28,228,225	104,582,890	132,811,115
Deferred outflows of resources	16,022,723	-	16,022,723	15,350,383	-	15,350,383
Total assets and deferred outflows of resources	91,625,970	158,807,437	250,433,407	98,307,800	161,082,584	259,390,384
Current and other liabilities	8,788,090	4,695,728	13,483,818	7,230,264	5,084,696	12,314,960
Long-term liabilities	49,549,663	66,235,849	115,785,512	50,318,880	64,232,273	114,551,153
Deferred inflows of resources	11,479,799	-	11,479,799	8,144,089	-	8,144,089
Total liabilities and deferred inflows of resources	69,817,552	70,931,577	140,749,129	65,693,233	69,316,969	135,010,202
Net position:						
Net investment in capital assets	24,470,439	33,639,179	58,109,618	27,836,092	38,668,554	66,504,646
Restricted	22,603,301	1,035,567	23,638,868	26,722,990	1,130,742	27,853,732
Unrestricted (deficit)	(25,265,322)	53,201,114	27,935,792	(21,944,515)	51,966,319	30,021,804
Total net position	\$ 21,808,418	\$ 87,875,860	\$ 109,684,278	\$ 32,614,567	\$ 91,765,615	\$ 124,380,182

Overall, the total net position increased by \$14.6 million. The total net position of governmental activities increased by \$10.8 million and total net position for business-type activities increased by \$3.8 million.

The total restricted net position increased by \$10.6 million, and the unrestricted net position experienced a decrease of \$4.3 million over the previous year.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$64.0 million for the fiscal year ended June 30, 2024. Significant revenues for the City for fiscal year 2023-24 were derived from charges for services 45%, sales and use tax 17.9%, operating/capital grants and contributions 11.3%, property taxes and assessments 10.6%.

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

- 1. Sales and Use Tax.** Sales Tax revenue increased by \$2.2 million or 20% over last fiscal year. The fiscal year ending June 30, 2024, encompassed the first full fiscal year the Measure B Public Safety one cent special transaction and use tax (sales tax) was in effect. The one cent tax went into effect during the last quarter of fiscal year 2022-23 and replaced Measure H which was a half cent transaction and use tax.
- 2. Operating/Capital Grants and Contributions.** Capital contributions represent 3% of overall total revenues for the City.
- 3. Property Taxes and Assessments.** Property tax revenue increased by \$162,808 or 2.4% 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, 2024

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2023, and 2024, follows

	Changes in Net Position					
	2023			2024		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 4,171,579	\$ 24,788,960	\$ 28,960,539	\$ 4,688,984	\$ 24,271,014	\$ 28,959,998
Grants and contributions:						
Operating	2,549,146	553,293	3,102,439	3,839,414	1,314,149	5,153,563
Capital	1,307,173	-	1,307,173	2,137,575	-	2,137,575
General revenues:						
Property taxes and assessments	6,688,731	-	6,688,731	6,851,539	-	6,851,539
Transient occupancy taxes	43,921	-	43,921	51,276	-	51,276
Sales and use tax	9,204,161	-	9,204,161	11,478,891	-	11,478,891
Franchise taxes	1,023,347	-	1,023,347	714,781	-	714,781
Other taxes	1,935,430	-	1,935,430	1,848,083	-	1,848,083
Intergovernmental	1,214,785	-	1,214,785	1,773,427	-	1,773,427
Use of money and property	627,063	652,877	1,279,940	1,820,613	2,976,846	4,797,459
Other	201,822	-	201,822	202,249	-	202,249
Sale of real property	-	-	-	80,000	-	80,000
Total revenues	<u>28,967,158</u>	<u>25,995,130</u>	<u>54,962,288</u>	<u>35,486,832</u>	<u>28,562,009</u>	<u>64,048,841</u>
Expenses:						
Governmental activities:						
General government	3,088,191	-	3,088,191	6,453,064	-	6,453,064
Public safety	6,867,369	-	6,867,369	12,370,822	-	12,370,822
Highways and streets	2,122,879	-	2,122,879	3,760,276	-	3,760,276
Urban redevelopment and housing	647,257	-	647,257	988,150	-	988,150
Community services	940,277	-	940,277	1,134,604	-	1,134,604
Interest on long-term debt	119,819	-	119,819	126,142	-	126,142
Business-type activities:						
Water	-	5,095,232	5,095,232	-	6,153,078	6,153,078
Sewer	-	12,657,347	12,657,347	-	12,761,785	12,761,785
Sanitation	-	4,181,081	4,181,081	-	5,605,016	5,605,016
Total expenses	<u>13,785,792</u>	<u>21,933,660</u>	<u>35,719,452</u>	<u>24,833,058</u>	<u>24,519,879</u>	<u>49,352,937</u>
Change in net position before transfers	<u>15,181,366</u>	<u>4,061,470</u>	<u>19,242,836</u>	<u>10,653,774</u>	<u>4,042,130</u>	<u>14,695,904</u>
Transfers	<u>752,375</u>	<u>(752,375)</u>	<u>-</u>	<u>152,375</u>	<u>(152,375)</u>	<u>-</u>
Change in net position	<u>15,933,741</u>	<u>3,309,095</u>	<u>19,242,836</u>	<u>10,806,149</u>	<u>3,889,755</u>	<u>14,695,904</u>

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024

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 \$49.3 million. Governmental activity expenses totaled \$24.8 million or 50% of total expenses. Business-type activities incurred \$24.5 million or 50% of total expenses during the fiscal year. Public safety costs represented 25% 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, 2023, and 2024, are as follows:

	2023		2024	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 3,088,191	\$ 116,207	\$ 6,453,064	\$ (2,715,091)
Public safety	6,842,033	(4,898,922)	12,370,822	(9,165,603)
Highway and streets	2,122,879	547,917	3,760,276	(549,042)
Urban development and housing	647,257	(647,257)	988,150	(829,941)
Community services	940,277	(730,684)	1,134,604	(781,266)
Interest on long-term debt	145,155	(145,155)	126,142	(126,142)
Total	<u>\$ 13,785,792</u>	<u>\$ (5,757,894)</u>	<u>\$ 24,833,058</u>	<u>\$ (14,167,085)</u>

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 23/24, 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, 2024

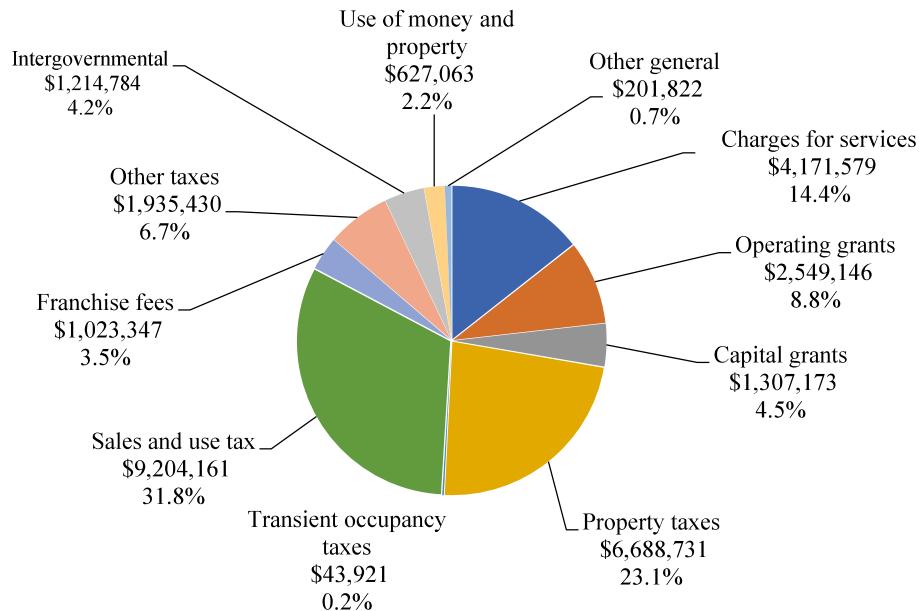
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

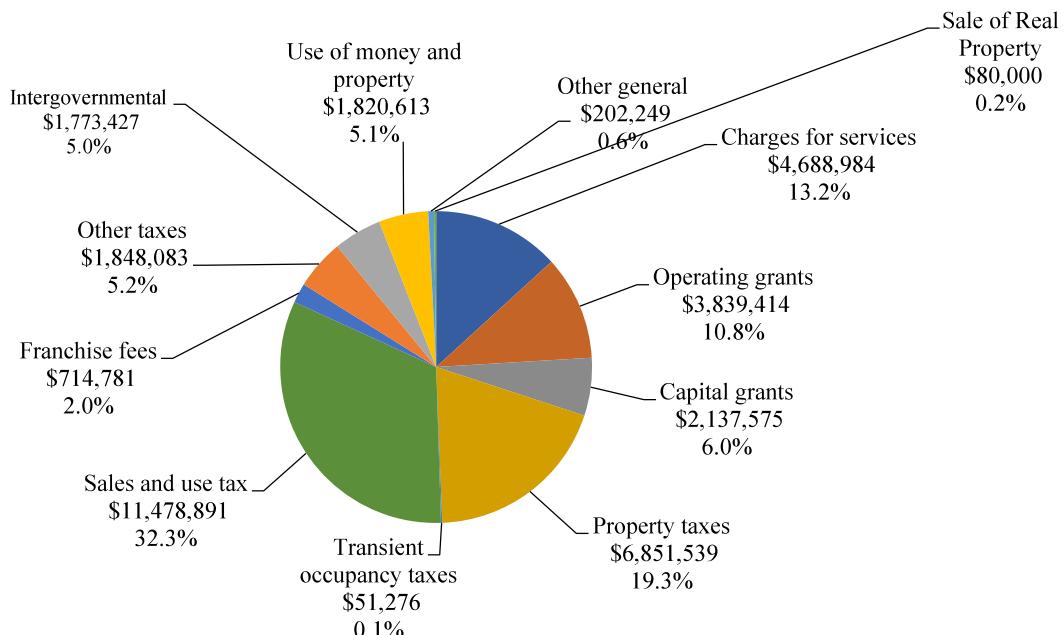
Governmental Activities, Continued

Revenues by source for the fiscal years ended June 30, 2023, and 2024, are as follows:

Revenues by Source - Governmental Activities 2023



Revenues by Source - Governmental Activities 2024



City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024

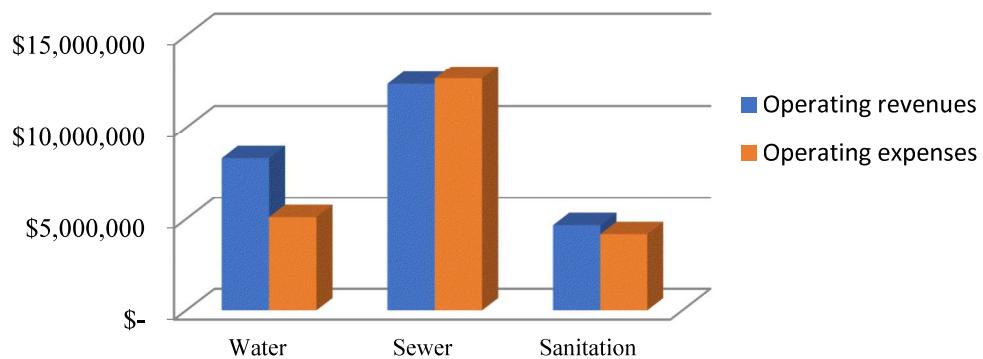
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

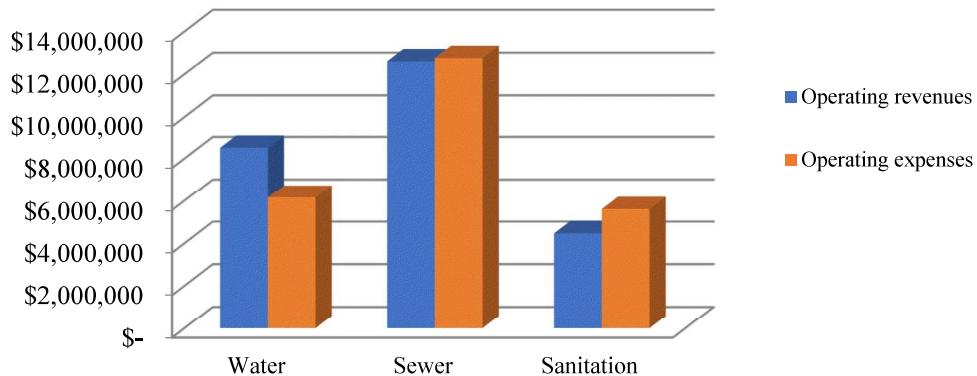
Business-type Activities

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, 2023 and 2024 are as follows:

**Operating Revenues & Expenditures
Business-type 2023**



**Operating Revenues and Expenses
Business-type Activities
2024**



**City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024**

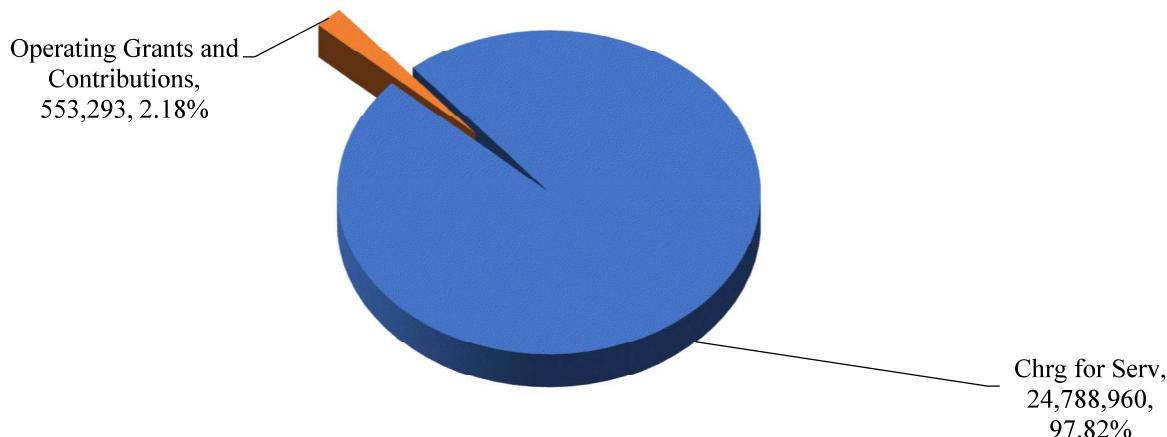
Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

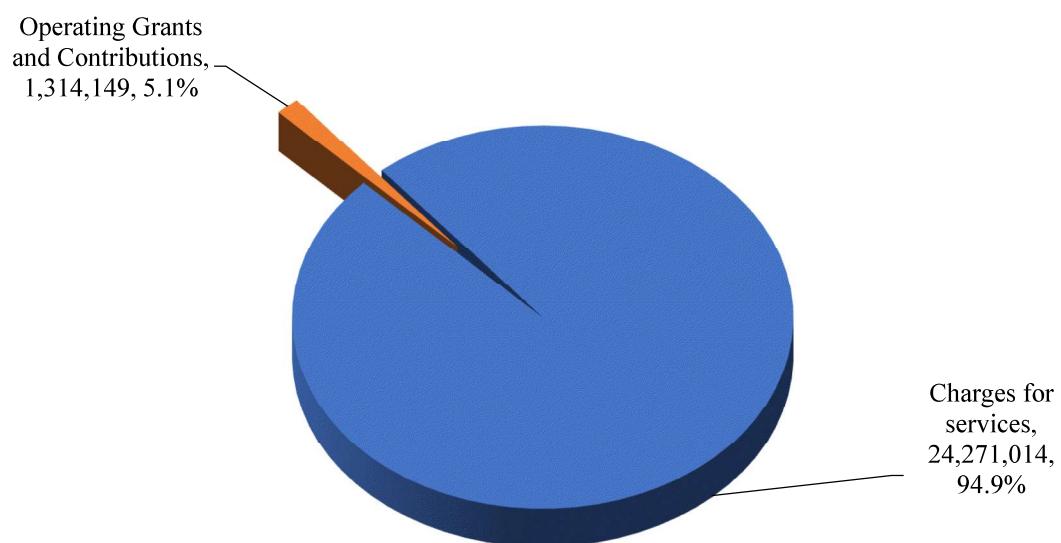
Business-type Activities, Continued

The revenues by source for the business-type activities for the fiscal years ended June 30, 2023, and 2024, are as follows:

Revenues by Source - Business-type Activities 2023



Revenues by Source - Business-type Activities 2024



City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024

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, 2024, the City's governmental funds reported combined fund balances of \$44.2 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, 2024, the General Fund had a fund balance of \$17.3 million. The General Fund balance improved by \$1.6 million from the prior fiscal year end balance of \$15.7 million and is the sixth consecutive fiscal year with positive fund balance. The increase of \$1.6 million was due to \$800K more revenue being received than estimated and \$ 800K 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 \$3.0 million as of June 30, 2024. The Public Safety Transactions and Use Tax Fund balance improved by \$1.1 million over the prior fiscal year.

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 \$3.8 million for enterprise funds and increased by \$265,027 for internal service funds in the fiscal year ended June 30, 2024. 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, 2024

Management's Discussion and Analysis, Continued

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS, Continued

General Fund Budgetary Highlights

General Fund actual revenues totaled \$20.2 million which was 105.1 percent of the amended budget estimate. General Fund expenditures totaled \$17.9 million or 88.2 percent of the approved amended budget. The General Fund balance increased by \$1.6 million to a balance of \$17.2 million.

CAPITAL ASSETS

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounted to \$132.6 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	
	2023	2024	2023	2024	2023	2024
Land	\$ 299,384	\$ 299,384	\$ 1,064,902	\$ 1,064,902	\$ 1,364,286	\$ 1,364,286
Construction in progress	9,112,226	6,420,451	32,177,643	11,608,855	41,289,869	18,029,306
Buildings and improvement	9,218,339	18,160,380	113,068,526	139,740,024	122,286,865	157,900,404
Infrastructure	1,214,625	1,214,625	-	-	1,214,625	1,214,625
Roads	52,378,765	50,012,085	-	-	52,378,765	50,012,085
Equipment	11,335,755	12,316,355	11,770,535	11,977,249	23,106,290	24,293,604
Total	<u>\$ 83,559,094</u>	<u>\$ 88,423,280</u>	<u>\$ 158,081,606</u>	<u>\$ 164,391,030</u>	<u>\$ 241,640,700</u>	<u>\$ 252,814,310</u>

The June 30, 2024, total balance reflects addition to construction in progress of \$7.8 million. Total depreciation for the year amounted to \$4.9 million.

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 51 for significant accounting policies and Note 3 on pages 62 and 63 for other capital asset information.

City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

LONG-TERM LIABILITIES

At June 30, 2024, the City had \$66.9 million in debt outstanding consisting of compensated absences, lease obligations and revenue bonds.

	2024		
	Governmental		Business-type
	Activities	Activities	Total
Compensated absences	\$ 720,230	\$ 162,152	\$ 882,382
Capital lease obligation	184,403	-	184,403
2017A Wastewater Revenue Refunding Bonds	-	49,115,000	49,115,000
2018A Wastewater Revenue Refunding Bonds	-	12,520,000	12,520,000
Unamortized bond premium	-	4,279,336	4,279,336
Unamortized underwriting discount	-	-	-
Total	\$ 904,633	\$ 66,076,488	\$ 66,981,121

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 6 to the financial statements on page 69.

NEXT YEARS BUDGET AND THE ECONOMY

The budget for Fiscal Year (FY) 2024-25 was developed with expense and revenue estimates based on known data factors and historical trends. The City's total FY 2024-25 adopted budget approves appropriations at \$91.2 million. The budget provides funding for staffing of 106.5 positions and allocates funds for retirement and OPEB obligations. Revenue increases were calculated with a conservative and likely approach as there is no identified new revenue streams coming online during FY 2024-25 and sales tax estimates are rather flat. Expense estimates were calculated with cost escalation of both known data, and estimates where needed.

After eight (8) years of operating at a deficit, the City's General Fund has had a positive fund balance for six consecutive fiscal years and is planned to maintain a positive fund balance in FY 2024-25 and continue to meet the reserve requirement as established by Council, in addition, the estimated budget allows for maintaining funds for General Fund reserves beyond the required ten percent of estimated expenses as set forth by the General Fund reserve policy. The FY 2024-25 budget does not contain plans for new debt.

**City of Atwater, California
Basic Financial Statements
For the year ended June 30, 2024**

Management's Discussion and Analysis, Continued

NEXT YEARS BUDGET AND THE ECONOMY, Continued

As with many cities, the City of Atwater expects to experience the effects of increased inflation with impacts on operating expenses in the delivery of municipal services during FY 2024-25. In addition, primary sources of General Fund revenue, such as sales tax, have slowed in recent quarters. For FY 2024-25, there are cost of living increases approved for the Atwater Police Officers Association which have been included in the budget, and no cost-of-living increases approved for the other labor groups or unrepresented employees in the FY 2024-25 budget.

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 particular has remained relatively flat rather than steady upticks. 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, 1350 Broadway Avenue, 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, 2024

	Primary Government		
	Governmental Activities		Business-type Activities
ASSETS			
Current assets:			
Cash and investments	\$ 49,957,284	\$ 52,656,941	\$ 102,614,225
Restricted cash and investments	-	1,130,742	1,130,742
Receivables:			
Accounts	4,719,362	2,708,425	7,427,787
Prepaid items	52,546	3,586	56,132
Total current assets	<u>54,729,192</u>	<u>56,499,694</u>	<u>111,228,886</u>
Noncurrent assets:			
Investment in land held for resale	159,364	-	159,364
Capital assets:			
Nondepreciable	6,719,835	12,673,757	19,393,592
Depreciable	81,703,444	151,717,273	233,420,717
Lease assets	249,376	-	249,376
Less accumulated amortization	(207,429)	-	(207,429)
Less accumulated depreciation	(60,396,365)	(59,808,140)	(120,204,505)
Total capital assets	<u>28,068,861</u>	<u>104,582,890</u>	<u>132,651,751</u>
Total noncurrent assets	<u>28,228,225</u>	<u>104,582,890</u>	<u>132,811,115</u>
Total assets	<u>82,957,417</u>	<u>161,082,584</u>	<u>244,040,001</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	12,048,401	-	12,048,401
Deferred outflows - OPEB	<u>3,301,982</u>	<u>-</u>	<u>3,301,982</u>
Total deferred outflows of resources	<u>15,350,383</u>	<u>-</u>	<u>15,350,383</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,111,201	1,913,251	5,024,452
Interest payable	-	436,368	436,368
Deposits payable	452,360	577,104	1,029,464
Other liabilities	46,204	256,820	303,024
Unearned revenue	2,582,856	56,938	2,639,794
Compensated absences - current portion	60,530	14,215	74,745
Lease liabilities - current portion	45,570	-	45,570
Long-term debt - current portion	109,317	1,830,000	1,939,317
Net OPEB liability - current portion	822,226	-	822,226
Total current liabilities	<u>7,230,264</u>	<u>5,084,696</u>	<u>12,314,960</u>
Noncurrent liabilities:			
Compensated absences	659,700	147,937	807,637
Net pension liability	29,210,063	-	29,210,063
Net OPEB liability	20,371,235	-	20,371,235
Lease liabilities	2,796	-	2,796
Long-term debt	75,086	64,084,336	64,159,422
Total noncurrent liabilities	<u>50,318,880</u>	<u>64,232,273</u>	<u>114,551,153</u>
Total liabilities	<u>57,549,144</u>	<u>69,316,969</u>	<u>126,866,113</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	2,890,316	-	2,890,316
Deferred inflows of resources - OPEB	<u>5,253,773</u>	<u>-</u>	<u>5,253,773</u>
Total deferred inflows of resources	<u>8,144,089</u>	<u>-</u>	<u>8,144,089</u>
NET POSITION			
Net investment in capital assets	27,836,092	38,668,554	66,504,646
Restricted	26,722,990	1,130,742	27,853,732
Unrestricted	(21,944,515)	51,966,319	30,021,804
Total net position	<u>\$ 32,614,567</u>	<u>\$ 91,765,615</u>	<u>\$ 124,380,182</u>

See accompanying Notes to Basic Financial Statements

City of Atwater
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues				Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
Governmental activities:						
General government	\$ 6,453,064	\$ 3,727,042	\$ 10,931	\$ -	\$ 3,737,973	
Public safety	12,370,822	222,814	2,734,443	247,962	3,205,219	
Highways and streets	3,760,276	555,798	935,831	1,719,605	3,211,234	
Urban redevelopment and housing	988,150	-	158,209	-	158,209	
Community services	1,134,604	183,330	-	170,008	353,338	
Interest on long-term debt	126,142	-	-	-	-	
Total governmental activities	24,833,058	4,688,984	3,839,414	2,137,575	10,665,973	
Business-type Activities:						
Water	6,153,078	8,398,535	110,534	-	8,509,069	
Sewer	12,761,785	12,162,445	447,496	-	12,609,941	
Sanitation	5,605,016	3,710,034	756,119	-	4,466,153	
Total Business-Type activities	24,519,879	24,271,014	1,314,149	-	25,585,163	
Total primary government	\$ 49,352,937	\$ 28,959,998	\$ 5,153,563	\$ 2,137,575	\$ 36,251,136	
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						

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue
and Changes in Net Position

Governmental Business-Type

Activities	Activities	Total
\$ (2,715,091)	\$ -	\$ (2,715,091)
(9,165,603)	-	(9,165,603)
(549,042)	-	(549,042)
(829,941)	-	(829,941)
(781,266)	-	(781,266)
(126,142)	-	(126,142)
<u>(14,167,085)</u>	<u>-</u>	<u>(14,167,085)</u>
-	2,355,991	2,355,991
-	(151,844)	(151,844)
<u>-</u>	<u>(1,138,863)</u>	<u>(1,138,863)</u>
<u>-</u>	<u>1,065,284</u>	<u>1,065,284</u>
<u>(14,167,085)</u>	<u>1,065,284</u>	<u>(13,101,801)</u>
6,851,539	-	6,851,539
51,276	-	51,276
11,478,891	-	11,478,891
714,781	-	714,781
1,848,083	-	1,848,083
<u>20,944,570</u>	<u>-</u>	<u>20,944,570</u>
1,773,427	-	1,773,427
1,820,613	2,976,846	4,797,459
202,249	-	202,249
80,000	-	80,000
<u>3,876,289</u>	<u>2,976,846</u>	<u>6,853,135</u>
<u>152,375</u>	<u>(152,375)</u>	<u>-</u>
<u>4,028,664</u>	<u>2,824,471</u>	<u>6,853,135</u>
10,806,149	3,889,755	14,695,904
21,808,418	87,875,860	109,684,278
<u>\$ 32,614,567</u>	<u>\$ 91,765,615</u>	<u>\$ 124,380,182</u>

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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, 2024

	Major Funds				Total Governmental Funds
	General Fund	Public Safety Transaction & Use Special Tax Revenue Fund	Nonmajor Governmental Funds		
ASSETS					
Cash and investments	\$ 17,633,678	\$ 2,246,123	\$ 26,543,182	\$ 46,422,983	
Receivables:					
Taxes	673,777	-	17,049	690,826	
Interest	125,764	15,479	184,639	325,882	
Intergovernmental	12,638	-	968,979	981,617	
Other receivable	1,480,726	956,322	229,894	2,666,942	
Prepaid items	35,013	-	321	35,334	
Investment in land held for resale	-	-	159,364	159,364	
Total assets	\$ 19,961,596	\$ 3,217,924	\$ 28,103,428	\$ 51,282,948	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,611,191	\$ 113,245	\$ 752,478	\$ 2,476,914	
Accrued liabilities	285,352	31,483	21,812	338,647	
Deposits payable	340,694	-	111,666	452,360	
Other liabilities	-	-	46,204	46,204	
Unearned revenue	-	-	2,582,856	2,582,856	
Total liabilities	2,237,237	144,728	3,515,016	5,896,981	
Deferred Inflows of Resources					
Unavailable revenues	389,609	-	697,848	1,087,457	
Total deferred inflows of resources	389,609	-	697,848	1,087,457	
Fund Balances:					
Nonspendable					
Prepaid items	35,013	-	321	35,334	
Investment in land held for resale	-	-	159,364	159,364	
Restricted	-	3,073,196	23,649,794	26,722,990	
Assigned	-	-	116,188	116,188	
Unassigned	17,299,737	-	(35,103)	17,264,634	
Total fund balances	17,334,750	3,073,196	23,890,564	44,298,510	
Total liabilities, deferred inflows of resources and fund balances	\$ 19,961,596	\$ 3,217,924	\$ 28,103,428	\$ 51,282,948	

See accompanying Notes to Basic Financial Statements

City of Atwater

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

June 30, 2024

Total Fund Balances - Total Governmental Funds \$ 44,298,510

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	\$ 6,719,835	\$ -	\$ 6,719,835
Depreciable, net	21,349,026	(744,274)	20,604,752
Total capital assets	\$ 28,068,861	\$ (744,274)	27,324,587

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.

4,027,060

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.

1,087,457

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	12,048,401
Deferred outflows of resources related to OPEB	3,301,982
Deferred inflows of resources related to pension	(2,890,316)
Deferred inflows of resources related to OPEB	(5,253,773)

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	\$ (60,530)	\$ 4,307	\$ (56,223)
Long-term debt - due within one year	(109,317)	-	(109,317)
Compensated absences - due in more than one year	(659,700)	22,875	(636,825)
Net pension liability	(29,210,063)	-	(29,210,063)
Net OPEB liability - due within one year	(822,226)	-	(822,226)
Net OPEB liability - due in more than one year	(20,371,235)	-	(20,371,235)
Lease liability	(2,796)	-	(2,796)
Long-term lease liability - due in more than one year	(45,570)	-	(45,570)
Long-term debt - due in more than one year	(75,086)	-	(75,086)
Total long-term liabilities	\$ (51,356,523)	\$ 27,182	(51,329,341)
Net Position of Governmental Activities			\$ 32,614,567

See accompanying Notes to Basic Financial Statements.

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2024

	Major Funds					Total Governmental Funds	
	General Fund	Public Safety		ARPA Grant Fund	Nonmajor Governmental Funds		
		Transaction & Use Special Tax Revenue	Revenue				
REVENUES:							
Taxes and assessments	\$ 9,366,038	\$ 5,711,910	\$ -	\$ 2,010,591	\$ 17,088,539		
Licenses and permits	340,566	-	-	-	-	340,566	
Fines and forfeitures	172,487	-	-	-	-	172,487	
Intergovernmental	5,321,178	-	-	5,807,848	11,129,026		
Use of money and property	754,608	65,615	-	910,977	1,731,200		
Charges for services	4,148,830	-	-	105,813	4,254,643		
Other revenues	183,686	-	-	124,639	308,325		
Total revenues	20,287,393	5,777,525	-	8,959,868	35,024,786		
EXPENDITURES:							
Current:							
General government	5,426,370	7,200	-	627,239	6,060,809		
Public safety	9,223,432	3,119,375	-	16,582	12,359,389		
Highways and streets	2,038,732	-	-	1,273,856	3,312,588		
Urban redevelopment and housing	-	-	-	1,025,385	1,025,385		
Community services	1,102,381	60,162	-	-	1,162,543		
Capital outlay	-	803,960	-	3,795,136	4,599,096		
Debt service							
Principal	189,014	213,296	-	-	402,310		
Interest and fiscal charges	-	7,072	-	-	7,072		
Total expenditures	17,979,929	4,211,065	-	6,738,198	28,929,192		
REVENUES OVER (UNDER) EXPENDITURES	2,307,464	1,566,460	-	2,221,670	6,095,594		
OTHER FINANCING SOURCES (USES):							
Transfers in	202,375	-	-	667,193	869,568		
Transfers out	(867,193)	-	-	(50,000)	(917,193)		
Proceeds from sale of capital assets	-	-	-	80,000	80,000		
Total other financing sources (uses)	(664,818)	-	-	697,193	32,375		
Net change in fund balances	1,642,646	1,566,460	-	2,918,863	6,127,969		
FUND BALANCES:							
Beginning of year	15,692,104	1,506,736	37,570	20,934,131	38,170,541		
Restatement - change in reporting entity	-	-	(37,570)	37,570	-		
Beginning of year, as restated	15,692,104	1,506,736	-	20,971,701	38,170,541		
End of year	\$ 17,334,750	\$ 3,073,196	\$ -	\$ 23,890,564	\$ 44,298,510		

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 6,127,969
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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.

4,599,096

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.

(1,690,288)

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.

(47,277)

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.

283,240

Long-term debt repayments

Capital Contributions

247,962

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.

48,152

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.

930,983

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.

41,285

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.

265,027

Change in Net Position of Governmental Activities

\$ 10,806,149

City of Atwater

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

For the year ended June 30, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 9,355,213	\$ 9,355,213	\$ 9,366,038	\$ 10,825
Licenses and permits	312,725	312,725	340,566	27,841
Fines and forfeitures	207,750	207,750	172,487	(35,263)
Intergovernmental	4,594,526	4,594,526	5,321,178	726,652
Use of money and property	173,033	173,033	754,608	581,575
Charges for services	4,604,864	4,604,864	4,148,830	(456,034)
Other revenues	176,320	176,320	183,686	7,366
Total revenues	19,424,431	19,424,431	20,287,393	862,962
EXPENDITURES:				
Current:				
General government	6,104,123	6,104,123	5,426,370	677,753
Public safety	10,468,606	10,468,606	9,223,432	1,245,174
Public works	2,482,630	2,482,630	2,038,732	443,898
Community services	1,324,203	1,324,203	1,102,381	221,822
Debt Service				
Principal	-	-	189,014	(189,014)
Total expenditures	20,379,562	20,379,562	17,979,929	2,588,647
REVENUES OVER (UNDER) EXPENDITURES	(955,131)	(955,131)	2,307,464	3,451,609
OTHER FINANCING SOURCES (USES):				
Transfers in	202,375	202,375	202,375	-
Transfers out	(1,935,114)	(1,935,114)	(867,193)	1,067,921
Total other financing sources (uses)	(1,732,739)	(1,732,739)	(664,818)	1,067,921
Net change in fund balances	\$ (2,687,870)	\$ (2,687,870)	1,642,646	\$ 4,519,530
FUND BALANCES:				
Beginning of year			15,692,104	
End of year			\$ 17,334,750	

See accompanying Notes to Basic Financial Statements.

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Public Safety Transaction & Use Special Tax Revenue Fund For the year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 4,964,700	\$ 4,964,700	\$ 5,711,910	\$ 747,210
Use of money and property	1,000	1,000	65,615	64,615
Total revenues	4,965,700	4,965,700	5,777,525	811,825
EXPENDITURES:				
Current:				
General government	7,200	7,200	7,200	-
Public safety	3,623,566	3,623,566	3,119,375	504,191
Non-departmental	65,000	65,000	60,162	4,838
Capital outlay:				
General capital outlay	752,352	752,352	803,960	(51,608)
Debt service				
Principal	314,117	314,117	213,296	100,821
Total expenditures	4,762,235	4,762,235	4,211,065	457,421
REVENUES OVER (UNDER) EXPENDITURES	203,465	203,465	1,566,460	1,269,246
Net change in fund balances	\$ 203,465	\$ 203,465	\$ 1,566,460	\$ 1,269,246
FUND BALANCES:				
Beginning of year				1,506,736
End of year				\$ 3,073,196

See accompanying Notes to Basic Financial Statements.

City of Atwater

Statement of Net Position

Proprietary Funds

June 30, 2024

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal
	Water	Sewer	Sanitation	Totals	Service Funds
	ASSETS				
Current Assets:					
Cash and investments	\$ 30,464,359	\$ 19,693,127	\$ 2,499,455	\$ 52,656,941	\$ 3,534,301
Restricted cash and investments	-	1,130,742	-	1,130,742	-
Receivables:					
Accounts	771,253	1,028,271	524,436	2,323,960	33,605
Interest	227,041	138,498	18,926	384,465	20,490
Prepaid expenses	3,586	-	-	3,586	17,212
Total current assets	31,466,239	21,990,638	3,042,817	56,499,694	3,605,608
Noncurrent:					
Capital assets:					
Nondepreciable	8,411,745	4,176,668	85,344	12,673,757	-
Depreciable	48,424,157	102,726,445	566,671	151,717,273	2,764,426
Less accumulated depreciation	(17,554,024)	(41,766,680)	(487,436)	(59,808,140)	(2,020,152)
Net capital assets	39,281,878	65,136,433	164,579	104,582,890	744,274
Total noncurrent assets	39,281,878	65,136,433	164,579	104,582,890	744,274
Total assets	70,748,117	87,127,071	3,207,396	161,082,584	4,349,882
LIABILITIES					
Current liabilities:					
Accounts payable	715,586	872,165	275,516	1,863,267	285,865
Accrued payroll	16,062	33,922	-	49,984	9,775
Interest payable	-	436,368	-	436,368	-
Deposits payable	577,104	-	-	577,104	-
Other liabilities	256,820	-	-	256,820	-
Unearned revenue	-	56,938	-	56,938	-
Compensated absences - current	6,337	7,878	-	14,215	4,307
Long-term debt - current	-	1,830,000	-	1,830,000	-
Total current liabilities	1,571,909	3,237,271	275,516	5,084,696	299,947
Noncurrent liabilities:					
Compensated absences	34,627	113,310	-	147,937	22,875
Long-term debt	-	64,084,336	-	64,084,336	-
Total noncurrent liabilities	34,627	64,197,646	-	64,232,273	22,875
Total liabilities	1,606,536	67,434,917	275,516	69,316,969	322,822
NET POSITION					
Net investment in capital assets	39,281,878	(777,903)	164,579	38,668,554	744,274
Restricted for capital projects	-	1,130,742	-	1,130,742	-
Unrestricted	29,859,703	19,339,315	2,767,301	51,966,319	3,282,786
Total net position	\$ 69,141,581	\$ 19,692,154	\$ 2,931,880	\$ 91,765,615	\$ 4,027,060

See accompanying Notes to Basic Financial Statements.

City of Atwater

Statement of Revenues, Expenses and Changes in Net Position Proprietary Funds For the year ended June 30, 2024

	Business-Type Activities - Enterprise Funds					Governmental Activities
					Internal	
	Water	Sewer	Sanitation	Totals	Service Funds	
OPERATING REVENUES:						
Charges for services	\$ 8,398,535	\$ 12,162,445	\$ 3,710,034	\$ 24,271,014	\$ 5,507,416	
Other operating revenue	110,534	447,496	756,119	1,314,149	661,539	
Total operating revenues	8,509,069	12,609,941	4,466,153	25,585,163	6,168,955	
OPERATING EXPENSES:						
Salaries and benefits	754,501	1,511,908	-	2,266,409	554,612	
Contractual services	1,308,470	2,609,926	4,550,890	8,469,286	660,908	
Materials and supplies	240,286	157,010	37,347	434,643	114,697	
Repairs and maintenance	-	36,626	-	36,626	896,439	
Utilities	1,635,192	1,102,885	-	2,738,077	172,496	
Insurance	-	-	-	-	3,379,652	
Other operating costs	1,944,857	1,876,925	1,002,726	4,824,508	326,439	
Depreciation	269,772	2,981,827	14,053	3,265,652	91,489	
Total operating expenses	6,153,078	10,277,107	5,605,016	22,035,201	6,196,732	
Operating income (loss)	2,355,991	2,332,834	(1,138,863)	3,549,962	(27,777)	
NONOPERATING REVENUES (EXPENSES):						
Intergovernmental revenues (expenses)	-	-	-	-	3,743	
Interest revenue	2,150,065	734,926	91,855	2,976,846	89,061	
Interest expense	-	(2,484,678)	-	(2,484,678)	-	
Total nonoperating revenues (expenses)	2,150,065	(1,749,752)	91,855	492,168	92,804	
Income before contributions and transfers	4,506,056	583,082	(1,047,008)	4,042,130	65,027	
CONTRIBUTIONS AND TRANSFERS:						
Transfers in	-	-	-	-	300,000	
Transfers out	(152,375)	-	-	(152,375)	(100,000)	
Total contributions and transfers	(152,375)	-	-	(152,375)	200,000	
Change in net position	4,353,681	583,082	(1,047,008)	3,889,755	265,027	
NET POSITION:						
Beginning of year	64,787,900	19,109,072	3,978,888	87,875,860	3,762,033	
End of year	\$ 69,141,581	\$ 19,692,154	\$ 2,931,880	\$ 91,765,615	\$ 4,027,060	

See accompanying Notes to Basic Financial Statements.

City of Atwater
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2024

	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	\$ 8,978,890	\$ 13,107,053	\$ 4,760,258	\$ 26,846,201	\$ 6,210,884		
Cash paid to suppliers for goods and services	(5,278,133)	(5,563,195)	(5,333,871)	(16,175,199)	(5,695,094)		
Cash paid to employees for services	(755,264)	(1,480,211)	-	(2,235,475)	(548,775)		
Net cash provided by (used in) operating activities	2,945,493	6,063,647	(573,613)	8,435,527	(32,985)		
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Cash transfers in	-	-	-	-	-	300,000	
Cash transfers out	(152,375)	-	-	(152,375)	(100,000)		
Subsidy from grants	-	-	-	-	-	3,743	
Net cash provided by (used in) noncapital financing activities	(152,375)	-	-	(152,375)	203,743		
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Note principal payments	-	(1,755,000)	-	(1,755,000)	-		
Interest paid on capital debt	-	(2,703,161)	-	(2,703,161)	-		
Purchase of capital assets	(5,393,418)	(941,600)	-	(6,335,018)	(17,127)		
Net cash provided by (used in) capital and related financing activities	(5,393,418)	(5,399,761)	-	(10,793,179)	(17,127)		
CASH FLOWS FROM INVESTING ACTIVITIES:							
Interest received	2,062,183	678,753	86,195	2,827,131	89,061		
Net cash provided by (used in) investing activities	2,062,183	678,753	86,195	2,827,131	89,061		
Net cash flows	(538,117)	1,342,639	(487,418)	317,104	242,692		
CASH AND INVESTMENTS - Beginning of year	31,002,476	19,481,230	2,986,873	53,470,579	3,291,609		
CASH AND INVESTMENTS - End of year	\$ 30,464,359	\$ 20,823,869	\$ 2,499,455	\$ 53,787,683	\$ 3,534,301		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET							
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:							
Operating income (loss)	\$ 2,355,991	\$ 2,332,834	\$ (1,138,863)	\$ 3,549,962	\$ (27,777)		
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation	269,772	2,981,827	14,053	3,265,652	91,489		
(Increase) decrease in accounts receivable	470,519	497,112	294,105	1,261,736	(23,218)		
(Increase) decrease in prepaid expense	(698)	-	-	(698)	65,147		
Increase (decrease) in accounts payable	(368,947)	267,809	257,092	155,954	(144,463)		
Increase (decrease) in accrued payroll	99	3,464	-	3,563	-		
Increase (decrease) in accrued liabilities	167,517	(47,632)	-	119,885	285		
Increase (decrease) in deposits payable	52,102	-	-	52,102	-		
Increase (decrease) in compensated absences	(862)	28,233	-	27,371	5,552		
Net cash provided by (used in) operating activities	\$ 2,945,493	\$ 6,063,647	\$ (573,613)	\$ 8,435,527	\$ (32,985)		
NONCASH TRANSACTIONS:							
Amortization of bond premiums	\$ -	\$ 205,009	\$ -	\$ -	\$ -		

See accompanying Notes to Basic Financial Statements.

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City of Atwater

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2024

	RDA	Successor Agency	Private Purpose	Trust Fund	Custodial Funds
ASSETS					
Current assets:					
Cash and investments					
	\$ 599,250	\$ 136,970			
Interest receivable					
	6,239	966			
Loans/notes receivable					
	1,740	-			
Total current assets					
	<u>607,229</u>	<u>137,936</u>			
Land					
	706,256				
Property, plant and equipment					
	8,348,242				
Less accumulated depreciation					
	<u>(6,898,870)</u>				
Property, plant and equipment					
	2,155,628				
Total assets					
	<u>2,762,857</u>	<u>137,936</u>			
LIABILITIES					
Current liabilities:					
Accounts payable					
	75	-			
Due to others					
	-	2,074			
Due within one year					
	<u>979,000</u>				
Total current liabilities					
	<u>979,075</u>	<u>2,074</u>			
Long-term liabilities:					
Due after one year					
	<u>1,005,000</u>				
Total long-term liabilities					
	<u>1,005,000</u>				
Total liabilities					
	<u>1,984,075</u>	<u>2,074</u>			
NET POSITION					
Held in trust for dissolution of RDA					
	778,782	-			
Held for the CFD Bond holders					
	-	135,862			
Total Net Position					
	<u>\$ 778,782</u>	<u>\$ 135,862</u>			

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, 2024

	RDA		
	Successor Agency		
	Private Purpose		
	Trust Fund	Custodial Funds	
ADDITIONS:			
Property taxes	\$ 1,070,223	\$ -	
Investment income	37,008	4,462	
Other additions	<u>1,260,373</u>	<u>-</u>	
Total additions	<u>2,367,604</u>	<u>4,462</u>	
DEDUCTIONS:			
Depreciation expense	466,825	-	
Urban redevelopment and housing	1,385,391	-	
Interest expense	<u>74,985</u>	<u>-</u>	
Total deductions	<u>1,927,201</u>	<u>-</u>	
Change in net position	440,403	4,462	
NET POSITION:			
Beginning of year	<u>338,379</u>	<u>131,400</u>	
End of year	<u>\$ 778,782</u>	<u>\$ 135,862</u>	

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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, 2024

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, 2024

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.

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, 2024

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, 2024

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, 2024

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 (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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, 2023
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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, 2024

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 XIII A 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, 2024

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, 2024. 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, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. New Accounting Pronouncements

In 2024, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 100, Accounting Changes and Error Corrections – an amendments of GASB Statement No. 62. This main purpose of this Statement is to strengthen accounting and financial reporting standards with respect to accounting changes and corrections of errors. The statement provides detailed descriptions (1) changes in accounting principles; (2) changes in accounting estimates; (3) changes in reporting entity. Those changes need to disclose the nature and reasons in the financial statements to ensure the better transparency and consistency in financial reporting.

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	\$ 49,957,284	\$ 52,656,941	\$ 736,220
Restricted cash and investments	-	1,130,742	-
Total cash and investments	\$ 49,957,284	\$ 53,787,683	\$ 736,220
			\$ 104,481,187

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

2. CASH AND INVESTMENTS, Continued

Summary of Cash and Investments

At June 30, 2024, the City's pooled cash and investments consist of the following:

Cash on hand	\$ 550
Deposits with financial institutions	<u>13,377,856</u>
Total cash on hand and deposits	<u>13,378,406</u>
Local Agency Investment Funds (LAIF)	65,171,135
CSJVRMA Investment Pool	1,187,118
Government bonds	9,150,983
Corporate bonds	5,055,498
Asset-backed securities	949,050
Suprational obligation	964,422
Agency CMBS	1,606,254
Commercial Paper	121,849
Money Market Fund	83,395
Agency Obligation	<u>5,167,903</u>
Total investments	<u>89,457,607</u>
Total City Treasury	<u>102,836,013</u>
Cash and investments held by fiscal agents	1,130,742
Restricted for PARS pension Trust	514,432
Total cash and investments	<u><u>\$ 104,481,187</u></u>

Deposits

The carrying amount of the City's cash deposit was \$13,377,856 at June 30, 2024.

Bank balances before reconciling items were a positive amount of \$13,284,293 at June 30, 2024. 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, 2024

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, 2024, 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	30%	5%
Certificates of Deposits	2 years	N/A	N/A	\$500,000 per entity
Negotiable Certificates of Deposit	2 years	A	30%	\$1m per institution
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%	10%
U.S. Treasury Securities	5 years	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 asset backed securities	5 years	AA	20%	5%
Supranational Obligations	5 years	AA	30%	10%

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, 2024

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, 2024, 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, 2024, the City had \$65,171,135 invested in LAIF, which had invested 3.00% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.78% in the previous year. The LAIF fair value factor of 0.996316042 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	\$ 9,150,983	\$ 3,960,857	\$ 1,955,802	\$ 3,234,324
Corporate bonds	5,055,498	1,162,319	2,601,970	1,291,209
Asset-backed securities	949,050	201,639	687,900	59,511
Supratational obligation	964,422	-	613,150	351,272
Agency CMBS	1,606,254	791,377	147,165	667,712
Commercial Paper	121,849	121,849	-	-
Money Market Fund	83,395	83,395	-	-
Agency Obligation	5,167,903	2,466,599	2,146,975	554,329
Subtotal	23,099,354	8,788,035	8,152,962	6,158,357
Joint investment pools:				
Local Agency Investment Fund	65,171,135	65,171,135	-	-
CSJVRMA Investment Pool	1,187,118	1,187,118	-	-
Total	\$ 89,457,607	\$ 75,146,288	\$ 8,152,962	\$ 6,158,357

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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, 2024 for each investment type:

Investment	Total	Rating as of June 30, 2024					
		A3	A2	A1	Aa2	Aaa	P-1
Government bonds	\$ 9,150,983	-	-	-	-	\$ 6,764,586	\$ 2,386,397
Corporate bonds	5,055,498	261,532	1,566,670	2,674,658	552,638	-	-
Asset-backed securities	547,677	-	-	-	-	547,677	-
Supranational obligation	964,422	-	-	-	-	964,422	-
Agency CMBS	1,606,254	-	-	-	-	1,606,254	-
Commercial Paper	121,849	-	-	-	-	-	121,849
Money Market Fund	83,395	-	-	-	-	83,395	-
Agency Obligation	5,167,903	-	-	-	-	5,167,903	-
Subtotal	\$22,697,981	\$261,532	\$1,566,670	\$2,674,658	\$552,638	\$15,134,237	\$2,508,246

Not Rated:

Joint Investment Pool:

Local Agency Investment Fund	\$65,171,135
CSJVRMA Investment Pool	1,187,118
Asset-backed securities	401,373
Total Investments	\$89,457,607
Total Cash and Investments	\$89,457,607

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, 2024

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, 2024:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Government bonds	\$ 9,150,983	\$ -	\$ 9,150,983	\$ -
Corporate bonds	5,055,498	-	5,055,498	-
Asset-backed securities	949,050		949,050	
Suprational obligation	964,422	-	964,422	-
Agency CMBS	1,606,254	-	1,606,254	-
Commercial Paper	121,849	-	121,849	-
Agency Obligation	5,167,903	-	5,167,903	-
 Total investments subject to fair value	 23,015,959	 \$ -	 \$ 23,015,959	 \$ -
Investments not subject to levelling:				
Money Market Funds	83,395			
CSJVRMA Investment Pool	1,187,118			
California Local Agency Investment Fund	65,171,135			
 Total Investments	 \$ 89,457,607			

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

3. CAPITAL ASSETS

Governmental capital asset activity for the year ended June 30, 2024, was as follows:

	Balance at July 1, 2023	Adjustments	Restated balance at July 1, 2023	Additions	Transfers	Balance June 30, 2024
<u>Governmental activities</u>						
Nondepreciable assets:						
Land	\$ 299,384	\$ -	\$ 299,384	\$ -	\$ -	\$ 299,384
Construction in Progress	9,112,226	-	9,112,226	2,097,487	(4,789,262)	6,420,451
Total nondepreciable assets	9,411,610	-	9,411,610	2,097,487	(4,789,262)	6,719,835
Depreciable assets:						
Buildings and improvements	9,218,339	8,073,196	17,291,535	-	868,845	18,160,380
Infrastructure	1,214,625	-	1,214,625	-	-	1,214,625
Roads	52,378,765	(8,073,196)	44,305,569	1,786,099	3,920,417	50,012,085
Equipment	11,335,755	-	11,335,755	980,600	-	12,316,355
Total depreciable assets	74,147,484	-	74,147,484	2,766,699	4,789,262	81,703,445
Total	83,559,094	-	83,559,094	4,864,186	-	88,423,280
Accumulated depreciation:						
Buildings and improvements	(5,006,636)	(5,675,565)	(10,682,201)	(438,800)	-	(11,121,001)
Infrastructure	(629,106)	(362,337)	(991,443)	(9,994)	-	(1,001,437)
Roads	(45,731,928)	6,037,902	(39,694,026)	(559,402)	-	(40,253,428)
Equipment	(7,310,923)	-	(7,310,923)	(709,577)	-	(8,020,500)
Total accumulated depreciation	(58,678,592)	-	(58,678,592)	(1,717,773)	-	(60,396,365)
Net depreciable assets	15,468,892	-	15,468,892	1,048,926	4,789,262	21,307,080
Amortizable assets:						
Right of use - lease asset	249,376	-	249,376	-	-	249,376
Accumulated amortization	(143,430)	-	(143,430)	(64,000)	-	(207,430)
Net amortizable assets	105,946	-	105,946	(64,000)	-	41,946
Total net capital assets	\$ 24,986,448	\$ -	\$ 24,986,448	\$ 3,082,413	\$ -	\$ 28,068,861

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

General government	\$ 700,070
Public safety	458,305
Highways and streets	559,398
Total	\$ 1,717,773

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

3. CAPITAL ASSETS, Continued

Business-type capital asset activity for the year ended June 30, 2024, was as follows:

	Balance		Restated balance			Transfers	Balance		
	July 1, 2023	Adjustments	at July 1, 2024	Additions	Deletions				
Business-type activities									
Nondepreciable assets:									
Land	\$ 1,064,902	\$ -	\$ 1,064,902	\$ -	\$ -	\$ -	\$ 1,064,902		
Construction in Progress	32,177,643	-	32,177,643	5,886,038	-	(26,454,826)	11,608,855		
Total nondepreciable assets	33,242,545	-	33,242,545	5,886,038	-	(26,454,826)	12,673,757		
Depreciable assets:									
Buildings and improvements	113,068,526	216,672	113,285,198	-	-	26,454,826	139,740,024		
Equipment	11,770,535	(216,672)	11,553,863	455,360	(31,974)	-	11,977,249		
Total depreciable assets	124,839,061	-	124,839,061	455,360	(31,974)	26,454,826	151,717,273		
Total	158,081,606	-	158,081,606	6,341,398	(31,974)	-	164,391,030		
Accumulated depreciation:									
Buildings and improvements	(47,251,683)	-	(47,251,683)	(2,913,649)	-	-	(50,165,332)		
Equipment	(9,316,399)	-	(9,316,399)	(352,003)	25,594	-	(9,642,808)		
Total accumulated depreciation	(56,568,082)	-	(56,568,082)	(3,265,652)	25,594	-	(59,808,140)		
Net depreciable assets	68,270,979	-	68,270,979	(2,810,292)	(6,380)	26,454,826	91,909,133		
Total net capital assets	\$101,513,524	\$ -	\$ 101,513,524	\$ 3,075,746	\$ (6,380)	\$ -	\$ 104,582,890		

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

Water	\$ 269,772
Sewer	2,981,827
Sanitation	14,053
\$ 3,265,652	

4. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024:

	Balance		Retirements	Balance	Due Within One Year			
	July 1, 2023	Additions						
Governmental Activities:								
Lease liability								
Lease liability	\$ 118,985	\$ -	\$ (70,619)	\$ 48,366	\$ 45,570			
Lease-purchase financing	397,024	-	(212,621)	184,403	109,317			
Total governmental activities	\$ 516,009	\$ -	\$ (283,240)	\$ 232,769	\$ 154,887			

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
<u>Business-type Activities</u>					
2017A Wastewater Revenue					
Refunding Bonds	\$ 50,180,000	\$ -	\$ (1,065,000)	\$ 49,115,000	\$ 1,115,000
Unamortized bond premium	4,429,015	-	(201,320)	4,227,695	-
2018A Wastewater Revenue					
Refunding Bonds	13,210,000	-	(690,000)	12,520,000	715,000
Unamortized bond premium	55,330	-	(3,689)	51,641	-
Total governmental activities	<u>\$ 67,874,345</u>	<u>\$ -</u>	<u>\$ (1,960,009)</u>	<u>\$ 65,914,336</u>	<u>\$ 1,830,000</u>

Governmental Activities:

Lease-Purchase financing:

The City of Atwater has entered into two separate lease agreements as lessee for financing the acquisition of eight 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. City paid off the Ladder fire truck lease purchase liability in FY 2024.

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
2025	\$ 71,774	\$ 7,177
Total	<u>\$ 71,774</u>	<u>\$ 7,177</u>

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

4. LONG-TERM LIABILITIES, Continued

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, 2024 amounted to \$112,629. The bodycams have 5-year estimated useful life.

Year Ending June 30,	Principal	Interest
2025	\$ 37,543	\$ -
2026	37,543	-
2027	37,543	-
Total	<u>\$ 112,629</u>	<u>\$ -</u>

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, 2024, the value of the lease liability is \$10,851. 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, 2024 of \$9,645 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2025	\$ 10,851	\$ 485
Total	<u>\$ 10,851</u>	<u>\$ 485</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. The vehicle has 4-year estimated useful life. As of June 30, 2024, City has paid off the lease liability. Right to use asset as of June 30, 2024 is fully amortized and is included in the intangible assets on the capital assets activities table found in Note 3 above.

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.. The vehicle has 4-year estimated useful life. As of June 30, 2024, City has paid off the lease liability. As of June 30, 2024 Right to use the asset is fully amortized and is included in the intangible assets on the capital assets activities table found in Note 3 above.

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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. The vehicle has 4-year estimated useful life. As of June 30, 2024, City has paid off the lease liability. As of June 30, 2024, Right to use the asset is fully amortized and is included in the intangible assets on the capital assets activities table found in Note 3 above.

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, 2024, the value of the lease liability is \$2,722. 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, 2024 of \$1,813 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2025	\$ 2,722	\$ 35
Total	\$ 2,722	\$ 35

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, 2024, the value of the lease liability is \$11,534. 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, 2024 of \$10,172 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2025	\$ 10,608	\$ 35
2026	926	6
Total	\$ 11,534	\$ 41

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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, 2024, the value of the lease liability is \$11,603. 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, 2024 of \$10,161 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2025	\$ 10,673	\$ 570
2026	930	7
Total	\$ 11,603	\$ 577

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, 2024, the value of the lease liability is \$11,656. 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, 2024 of \$10,151 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2025	\$ 10,716	\$ 572
2026	940	7
Total	\$ 11,656	\$ 579

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, 2018. 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, 2024

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
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	1,365,000	1,951,088
2030-2034	7,815,000	8,756,438
2035-2039	10,850,000	7,048,850
2040-2044	19,770,000	3,523,000
2045	4,500,000	157,500
Total	<u>\$ 49,115,000</u>	<u>\$ 29,857,974</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 May 1, 2019, 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
2025	\$ 715,000	\$ 426,369
2026	740,000	397,769
2027	775,000	368,168
2028	795,000	346,856
2029	820,000	323,006
2030-2034	4,495,000	1,211,863
2035-2038	4,180,000	385,019
Total	<u>\$ 12,520,000</u>	<u>\$ 3,459,050</u>

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

5. COMPENSATED ABSENCES

The City's compensated absences payable activity for the year ended June 30, 2024 was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated absences payable	\$ 667,401	\$ 52,829	\$ -	\$ 720,230	\$ 60,530
Business-Type Activities:					
Compensated absences payable	<u>134,781</u>	<u>27,371</u>	<u>-</u>	<u>162,152</u>	<u>14,215</u>
	<u><u>\$ 802,182</u></u>	<u><u>\$ 80,200</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 882,382</u></u>	<u><u>\$ 74,745</u></u>

6. NET POSITION/ FUND BALANCES

Net position

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 27,836,092	\$ 38,668,554	\$ 66,504,646
Restricted	26,722,990	1,130,742	27,853,732
Unrestricted (deficit)	<u>(21,944,515)</u>	<u>51,966,319</u>	<u>30,021,804</u>
Total	<u><u>\$ 32,614,567</u></u>	<u><u>\$ 91,765,615</u></u>	<u><u>\$ 124,380,182</u></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, 2024

6. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Nonspendable and Restricted fund balance consisted of the following at June 30, 2024:

Nonspendable:	
Prepaid items	\$ 35,334
Investment in land held for resale	<u>159,364</u>
Total Nonspendable	<u>\$ 194,698</u>
Restricted:	
Governmental Funds:	
Public Safety Transaction & Use Special Revenue	\$ 3,073,196
Measure V Special Revenue	6,028,505
Gas Tax	156,320
Facility Impact Fee	6,708,191
HOME Investment Partnership	534,666
Neighborhood Stabilization	229,201
Pension 115 Trust	514,432
Narcotics Program	2,152
Applegate Exchange	800,346
Regional Transportation Program	2,710,408
PLHA-Perm Local Housing Alloc	158,593
ARPA Fund	157,523
Maintenance District Funds	<u>1,512,547</u>
Total Restricted	<u>\$ 26,722,990</u>
Assigned:	
Performance Bond	<u>\$ 116,118</u>
Total Assigned	<u>\$ 116,118</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, 2024

6. NET POSITION/ FUND BALANCES, Continued

Restricted

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

Deficit fund balances consisted of the following:

	As of June 30, 2024
Nonmajor Capital Project Funds:	
General Capital Projects	\$ (34,838)
Maintenance District Funds:	
Northwood Village	(245)
Woodview Garland	(20)
Total Governmental Funds	<u><u>\$ (35,103)</u></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, 2024:

Transfers Out	Transfers In			Total
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 567,193	\$ 300,000	\$ 867,193
Nonmajor Governmental Funds	50,000	-	-	50,000
Water Fund	152,375	-	-	152,375
Internal Service Fund	-	100,000	-	100,000
Total	\$ 202,375	\$ 667,193	\$ 300,000	\$ 1,169,568

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

7. INTERFUND TRANSACTIONS, Continued

The \$50,000 transfer from Nonmajor Governmental Funds to General Fund was for Administration of the Low to Moderate Income Housing Fund. The remaining \$152,375 Water Fund Transfer to General Fund was to fund hydrant maintenance paid from General Fund. The transfers from the General Fund to Nonmajor Governmental funds are for the contributions to the Gas Tax Fund for road maintenance and general benefit contribution to the Maintenance Districts. The transfers from the General Fund to Nonmajor Proprietary Funds are for the contributions to the Internal Service Fund for Building/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 have 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, 2024, the most recent available:

Total assets	\$ 179,635,612
Total liabilities	144,400,470
Total equities	35,235,142
Total revenues	95,596,916
Total expenses	94,324,180
Revenues over (under) expenses	1,272,736

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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.

Benefits Provided

The Plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous	Miscellaneous	Miscellaneous - Tier 2
	PEPRA	Classic	Prior to
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	Prior to January 1, 2013
Benefit vesting schedule	5 years of service monthly for life	5 years of service monthly for life	5 years of service monthly for life
Benefit payments			
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	7.68%	17.96%	10.10%
	Safety - Classic	Safety - PEPRA	
	Prior to January 1, 2013	Prior to January 1, 2013	
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	
Benefit vesting schedule	5 years of service monthly for life	5 years of service monthly for life	
Benefit payments			
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	28.30%	13.54%	

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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, 2024, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	\$ 1,946,726	\$ 1,427,392

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

As of June 30, 2024, 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	\$ 14,133,528
Safety	15,076,535
Total Net Pension Liability	<u>\$ 29,210,063</u>

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, 2023, 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, 2023 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, 2023 and 2022 was as follows:

Proportion - June 30, 2022	0.24936%
Proportion - June 30, 2023	0.23414%
Change - Increase (Decrease)	<u>(0.01522%)</u>

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

For the year ended June 30, 2024, the City recognized pension expense of \$3,533,547. At June 30, 2024, 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	\$ 1,733,192	\$ -
Differences between actual and expected experience	1,828,913	206,764
Differences between projected and actual investment	4,351,565	-
Differences between employers contributions and proportionate share of contributions	760,613	-
Change in employer's proportion	-	2,683,552
Pension contributions made subsequent to measurement date	3,374,118	-
Total	\$ 12,048,401	\$ 2,890,316

\$3,374,118 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	
2025	\$ 1,371,076
2026	987,458
2027	3,302,182
2028	123,251

Actuarial Assumptions -The total pension liabilities in the June 30, 2023 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 category, 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

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

9. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

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

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 2021 experience 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, 2023 for the Plan was 6.90%. 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.

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
Leverage	(5.00)	(0.59)
Total	100%	

(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, 2024

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, 2024			
Net Pension Liability (Asset)	\$ 41,913,935	\$ 29,210,063	\$ 18,791,265
Total	\$ 41,913,935	\$ 29,210,063	\$ 18,791,265

Payable to the Pension Plan

At June 30, 2024 the City no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

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 2025, the City contributed \$822,226 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, 2024

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

At June 30, 2024, the following employees were covered by the benefit terms:

Active employees	96
Inactive employees or beneficiaries currently receiving benefits	68
Inactive employees entitled to, but not yet receiving benefits	28
Total number of participants	<u>192</u>

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, 2024, the City's cash contributions were \$646,975 cash benefit payments.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2022 that was rolled forward to determine the June 30, 2023 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Actuarial Valuation Date

June 30, 2023

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

3.56% at June 30, 2023

3.54% at June 30, 2022

Current trust assets plus expected City contributions and expected trust earnings projected to be less than future hires' Service Costs

2.50% per annum

CalPERS 2000-2019 experience study

General Inflation

Aggregate - 2.75% annually

Mortality, Retirement, Merit - Table from CalPERS 2000-2019 Experience Study

Disability, Termination

7.90% - 3.45%

Salary Increases

Active & surviving spouse:

Participating & Waived:

- Percentage of premium - 100%
- PEMHCA minimum - 60%

Retirees & surviving spouse:

Participating - 100%

Waived > 65 - 0 %

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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%)
	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 3.65 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the OPEB Liability

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/2023 (6/30/22 measurement date)	\$ 20,161,295	\$ 244,667	\$ 19,916,628
Changes for the year			
Service Cost	566,446	-	566,446
Interest	721,815	-	721,815
Difference between actual and expected experience	306,204	-	306,204
Assumption changes	479,774	-	479,774
Contributions - employer	-	777,122	(777,122)
Contributions - employee	-	-	-
Net investment income	-	23,047	(23,047)
Benefit payments	(674,989)	(674,989)	-
Administrative expenses	-	(2,763)	2,763
Net Changes	1,399,250	122,417	1,276,833
Balance at 6/30/2024 (6/30/23 measurement date)	\$ 21,560,545	\$ 367,084	\$ 21,193,461

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

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

The discount rate used for the fiscal year end 2023 is 3.65%. 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:

Change in Discount Rate	1% Decrease	Current Rate	1% Increase
	2.65%	3.65%	4.65%
Net OPEB Liability	\$ 24,606,128	\$ 21,193,461	\$ 18,452,603

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, 2023 (Healthcare Cost Trend Rate was assumed to start at 7.90% in 2026 and grade down to 3.45% for years 2076 and thereafter):

Change in Healthcare Cost Trend Rate	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 18,282,976	\$ 21,193,461	\$ 24,846,237

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) (7.8 Years at June 30, 2023)

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

10. OTHER POSTEMPLOYMENT BENEFITS, Continued

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 \$836,861. As of fiscal year ended June 30, 2024, 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	\$ 263,077	\$ 1,787,025
Changes in assumptions	2,205,527	3,466,748
Net difference between projected and actual earnings on plan investments	11,152	-
Employer contributions made subsequent to the measurement date	822,226	-
Total	\$ 3,301,982	\$ 5,253,773

The \$822,226 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 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
2025	\$ (1,121,637)
2026	(269,298)
2027	(731,660)
2028	(663,503)
2029	(109,691)
Thereafter	121,772

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.

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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

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.

Long-term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Trust Activities					
Refunding Bonds	\$ 2,940,000	\$ -	\$ (956,000)	\$ 1,984,000	\$ 979,000
Total trust fund debt	\$ 2,940,000	\$ -	\$ (956,000)	\$ 1,984,000	\$ 979,000

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

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

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, 2024, is as follows:

Year Ending June 30,	2017 Series A & B	
	Tax Allocation Refunding Bonds	
	Principal	Interest
2025	\$ 979,000	\$ 51,188
2026	1,005,000	25,928
Total	\$ 1,984,000	\$ 77,116

12. COMMITMENTS AND CONTINGENCIES

Litigation

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

Grants and Allocations

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

Trichloro propane (TCP) Contamination, Settlement and Remediation Efforts

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.

City of Atwater
Notes to Basic Financial Statements
For the year ended June 30, 2024

12. COMMITMENTS AND CONTINGENCIES, Continued

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 \$1,000,000 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 2024, the employees were able to contribute to the plan up to a maximum of \$23,000. The City did not match or provide any employer paid contributions to the plan during fiscal year 2024.

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 2024, the employees were able to contribute to the plan up to a maximum \$23,000. The City did not match or provide any employer paid contributions to the plan during fiscal year 2024.

14. CHANGES IN REPORTING ENTITY

City reported the following changes in reporting entity as a result of change in major funds this year.

	June 30, 2023, as		June 30, 2023, as restated
	previously reported	Changes in major fund	
Governmental Funds:			
Major Governmental Funds			
ARPA fund	\$ 375,750	\$ (37,570)	\$ -
Nonmajor Governmental Funds	20,934,131	37,570	20,971,701

**REQUIRED
SUPPLEMENTARY INFORMATION**

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City of Atwater

Required Supplementary Information

For the year ended June 30, 2024

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

Fiscal year	2024	2023	2022	2021	2020
Measurement date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Proportion share of the net pension liability / (asset)	0.23414%	0.24936%	0.34025%	0.25529%	0.26482%
Proportionate share of the net pension liability / (asset)	\$ 29,210,063	\$ 28,802,661	\$ 18,401,458	\$ 27,776,819	\$ 27,135,766
Covered payroll	5,904,114	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	20.21%	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	76.21%	76.68%	88.29%	75.10%	75.26%

Notes to Schedule

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, 2024

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

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, 2024

Schedule of Pension Contributions - Last 10 Years

Fiscal year	2024	2023	2022	2021	2020
Actuarially determined contribution	\$ 3,374,118	\$ 3,273,604	\$ 3,715,339	\$ 3,689,231	\$ 3,671,000
Contributions in relation to actuarially deemed contributions	<u>(3,374,118)</u>	<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>				
Covered payroll	\$ 7,065,729	\$ 5,904,114	\$ 5,228,523	\$ 4,635,875	\$ 4,869,106
Contributions as a percentage of covered payroll	47.75%	55.45%	71.06%	79.58%	75.39%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Valuation date (for contractually required

contribution):	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Actuarial cost method:	Entry Age				
Amortization method:	(1)	(1)	(1)	(1)	(1)
Assets valuation method:	Market Value				
Inflation:	2.30%	2.50%	2.50%	2.50%	2.63%
Salary increases:	(2)	(2)	(2)	(2)	(2)
Investment rate of return:	6.900%	7.000%	7.000%	7.000%	7.250%
Retirement age:	(3)	(3)	(3)	(3)	(3)
Mortality:	(4)	(4)	(4)	(4)	(4)

(1) Varies by date established and source. May be level dollar or level % of pay and may include direct rate smoothing

(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, 2024

Schedule of Pension Contributions - Last 10 Years (Continued)

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, 2024

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:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability							
Service cost	\$ 566,446	\$ 830,650	1,052,679	\$ 737,612	\$ 986,349	\$ 1,028,487	\$ 1,200,000
Interest	721,815	531,096	552,930	678,894	949,529	872,785	746,000
Assumption changes	479,774	(4,628,232)	(495,797)	4,517,566	1,230,191	(1,089,852)	(2,981,000)
Differences between expected and actual experience	306,204	-	(674,772)	-	(7,433,570)	-	-
Benefit payments	(674,989)	(658,695)	(630,738)	(622,521)	(622,296)	(604,000)	(627,000)
Net change in the total OPEB liability	1,399,250	(3,925,181)	(195,698)	5,311,551	(4,889,797)	207,420	(1,662,000)
Total OPEB liability - beginning	20,161,295	24,086,476	24,282,174	18,970,623		23,653,000	25,315,000
Total OPEB liability - ending (a)	\$ 21,560,545	\$ 20,161,295	24,086,476	\$24,282,174	\$ (4,889,797)	\$ 23,860,420	\$ 23,653,000
 Plan Fiduciary Net Position							
Contributions - employer	\$ 777,122	\$ 710,265	\$ 732,277	\$ 724,186	\$ -	\$ -	\$ -
Net investment income	23,047	(31,120)	26,549	76	-	-	-
Administrative expense	(2,763)	(2,126)	(1,821)	(1,665)	-	-	-
Benefit payments	(674,989)	(658,695)	(630,738)	(622,521)	-	-	-
 Net change in the total OPEB liability	122,417	18,324	126,267	100,076		-	-
 Plan fiduciary net position - beginning	244,667	226,343	100,076		-	-	-
 Plan fiduciary net position - ending (b)	\$ 367,084	\$ 244,667	\$ 226,343	\$ 100,076	\$ -	\$ -	\$ -
 Net OPEB liability - ending (a) - (b)	\$ 21,193,461	\$ 19,916,628	\$23,860,133	\$24,182,098	\$ (4,889,797)	\$ 23,860,420	\$ 23,653,000
 Plan fiduciary net position as a percentage of the total OPEB liability	1.70%	1.21%	0.94%	0.41%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 7,061,135	\$ 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	300.1%	282.3%	402.64%	496.64%	N/A	N/A	N/A

*Fiscal year 2017 was the 1st year of implementation.

City of Atwater

Required Supplementary Information For the year ended June 30, 2024

OTHER POST-EMPLOYMENT BENEFITS PLAN SCHEDULES

*Schedule of OPEB Contributions - Last 10 Years**

Fiscal Year Ended:	6/30/2024	6/30/2023	6/30/2022	6/30/2021
Actuarially determined contribution	\$ 822,226	\$ 777,122	\$ 710,265	\$ 732,277
Contributions in relation to the actuarially determined contribution	<u>(822,226)</u>	<u>(777,122)</u>	<u>(710,265)</u>	<u>(732,277)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 7,487,307	\$ 7,061,135	\$ 7,055,218	\$ 5,925,878
Contribution as a percentage of covered-employee payroll	11%	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, 2023

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

3.65% at June 30, 2023

Long-term Expected Rate of Return on Assets

5.54% 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

7.90% -5.65%

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, 2024

	Capital Projects Funds			
	Special Revenue Funds	General	Performance Bond	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 26,335,728	\$ (18,779)	\$ 226,233	\$ 26,543,182
Receivables:				
Taxes	17,049	-	-	17,049
Interest	183,018	-	1,621	184,639
Intergovernmental	968,979	-	-	968,979
Other receivable	114,882	115,012	-	229,894
Prepaid items	321	-	-	321
Investment in land held for resale	159,364	-	-	159,364
Total assets	\$ 27,779,341	\$ 96,233	\$ 227,854	\$ 28,103,428
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 621,407	\$ 131,071	\$ -	\$ 752,478
Accrued liabilities	21,812	-	-	21,812
Deposits payable	-	-	111,666	111,666
Other liabilities	46,204	-	-	46,204
Unearned revenue	2,582,856	-	-	2,582,856
Total liabilities	3,272,279	131,071	111,666	3,515,016
Deferred Inflows of Resources				
Unavailable revenues	697,848	-	-	697,848
Total deferred inflows of resources	697,848	-	-	697,848
Fund Balances:				
Nonspendable				
Prepaid items	321	-	-	321
Investment in land held for resale	159,364	-	-	159,364
Restricted	23,649,794	-	-	23,649,794
Assigned	-	-	116,188	116,188
Unassigned	(265)	(34,838)	-	(35,103)
Total fund balances	23,809,214	(34,838)	116,188	23,890,564
Total liabilities, deferred inflows of resources and fund balances	\$ 27,779,341	\$ 96,233	\$ 227,854	\$ 28,103,428

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2024

	Capital Projects Funds			
	Special Revenue Funds	General	Performance Bond	Total Nonmajor Governmental Funds
REVENUES:				
Taxes and assessments	\$ 2,010,591	\$ -	\$ -	\$ 2,010,591
Intergovernmental	4,993,656	814,192	-	5,807,848
Use of money and property	903,493	-	7,484	910,977
Charges for services	105,813	-	-	105,813
Other revenues	124,639	-	-	124,639
Total revenues	8,138,192	814,192	7,484	8,959,868
EXPENDITURES:				
Current:				
General government	627,239	-	-	627,239
Public safety	16,582	-	-	16,582
Highways and streets	1,273,856	-	-	1,273,856
Urban redevelopment and housing	1,025,385	-	-	1,025,385
Capital outlay	3,339,332	455,804	-	3,795,136
Total expenditures	6,282,394	455,804	-	6,738,198
REVENUES OVER (UNDER) EXPENDITURES	1,855,798	358,388	7,484	2,221,670
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	80,000	-	-	80,000
Transfers in	667,193	-	-	667,193
Transfers out	(50,000)	-	-	(50,000)
Total other financing sources (uses)	697,193	-	-	697,193
Net change in fund balances	2,552,991	358,388	7,484	2,918,863
FUND BALANCES:				
Beginning of year, as previously stated	21,218,653	(393,226)	108,704	20,934,131
Restatement - change in reporting entity	37,570	-	-	37,570
Beginning of year, as restated	21,256,223	(393,226)	108,704	20,971,701
End of year	\$ 23,809,214	\$ (34,838)	\$ 116,188	\$ 23,890,564

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City of Atwater
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	Special Revenue Funds				
	Measure V Special Revenue Fund	Police Grants	Gas Tax	Local Transportation	
ASSETS					
Cash and investments	\$ 5,832,783	\$ 101,881	\$ 192,589	\$ 595,148	
Receivables:					
Taxes	-	-	-	-	
Interest	42,033	-	-	4,282	
Intergovernmental	381,438	-	-	-	
Other receivable	-	-	114,382	-	
Prepaid items	-	-	321	-	
Investment in land held for resale	-	-	-	-	
Total assets	\$ 6,256,254	\$ 101,881	\$ 307,292	\$ 599,430	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 16,982	\$ -	\$ 99,462	\$ 10,580	
Accrued liabilities	-	-	9,322	-	
Other liabilities	-	-	-	-	
Unearned revenue	-	-	-	-	
Total liabilities	16,982	-	108,784	10,580	
Deferred Inflows of Resources					
Unavailable revenues	210,767	-	41,867	-	
Total deferred inflows of resources	210,767	-	41,867	-	
Fund Balances:					
Nonspendable					
Prepaid items	-	-	321	-	
Investment in land held for resale	-	-	-	-	
Restricted	6,028,505	101,881	156,320	588,850	
Unassigned	-	-	-	-	
Total fund balances	6,028,505	101,881	156,641	588,850	
Total liabilities, deferred inflows of resources and fund balances	\$ 6,256,254	\$ 101,881	\$ 307,292	\$ 599,430	

Special Revenue Funds

Facility Impact Fee	CDBG Program Income	Investment Partnership Program	HOME Housing Authority	Narcotics Program
\$ 6,554,953	\$ 301,819	\$ 530,863	\$ 1,238,968	\$ 2,137
- 47,370	- 2,194	- 3,803	- 8,728	- 15
142,798	- -	- -	- -	- -
- -	- 500	- -	- -	- -
- -	- -	- -	- 159,364	- -
\$ 6,745,121	\$ 304,513	\$ 534,666	\$ 1,407,060	\$ 2,152
\$ 36,930	\$ -	\$ -	\$ -	\$ -
- -	- -	- -	- -	- -
- -	- -	- -	- -	- -
36,930	- -	- -	- -	- -
- -	471	- -	- -	- -
- -	471	- -	- -	- -
- -	- -	- -	- -	- -
- -	- -	- -	- 159,364	- -
6,708,191	304,042	534,666	1,247,696	2,152
- -	- -	- -	- -	- -
6,708,191	304,042	534,666	1,407,060	2,152
\$ 6,745,121	\$ 304,513	\$ 534,666	\$ 1,407,060	\$ 2,152

City of Atwater
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2024

	Special Revenue Funds			
	Neighborhood Stabilization	Applegate Exchange	Regional Surface Transportation Program	Pension Rate Stabilization 115 Trust
ASSETS				
Cash and investments	\$ 227,571	\$ 794,653	\$ 2,700,874	\$ 514,432
Receivables:				
Taxes	-	-	-	-
Interest	1,630	5,693	19,349	-
Intergovernmental	-	-	444,743	-
Other receivable	-	-	-	-
Prepaid items	-	-	-	-
Investment in land held for resale	-	-	-	-
Total assets	\$ 229,201	\$ 800,346	\$ 3,164,966	\$ 514,432
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 9,815	\$ -
Accrued liabilities	-	-	-	-
Other liabilities	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	9,815	-
Deferred Inflows of Resources				
Unavailable revenues	-	-	444,743	-
Total deferred inflows of resources	-	-	444,743	-
Fund Balances:				
Nonspendable				
Prepaid items	-	-	-	-
Investment in land held for resale	-	-	-	-
Restricted	229,201	800,346	2,710,408	514,432
Unassigned	-	-	-	-
Total fund balances	229,201	800,346	2,710,408	514,432
Total liabilities, deferred inflows of resources and fund balances	\$ 229,201	\$ 800,346	\$ 3,164,966	\$ 514,432

Special Revenue Funds

General Plan Update Fund	PLHA-Perm Local Housing Allocation Fund	Maintenance District Funds	ARPA Grant Fund	Total Nonmajor Special Revenue Funds
\$ 1,898,666	\$ 158,216	\$ 1,530,633	\$ 3,159,542	\$ 26,335,728
-	-	17,049	-	17,049
13,963	377	9,916	23,665	183,018
-	-	-	-	968,979
-	-	-	-	114,882
-	-	-	-	321
-	-	-	-	159,364
\$ 1,912,629	\$ 158,593	\$ 1,557,598	\$ 3,183,207	\$ 27,779,341
\$ 18,188	\$ -	\$ 32,826	\$ 396,624	\$ 621,407
-	-	12,490	-	21,812
-	-	-	46,204	46,204
-	-	-	2,582,856	2,582,856
18,188	-	45,316	3,025,684	3,272,279
-	-	-	-	697,848
-	-	-	-	697,848
-	-	-	-	321
-	-	-	-	159,364
1,894,441	158,593	1,512,547	157,523	23,649,794
-	-	(265)	-	(265)
1,894,441	158,593	1,512,282	157,523	23,809,214
\$ 1,912,629	\$ 158,593	\$ 1,557,598	\$ 3,183,207	\$ 27,779,341

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2024

	Special Revenue Funds			
	Measure V Special Revenue	Police Grants	Gas Tax	Local Transportation
REVENUES:				
Taxes and assessments	\$ 1,064,767	\$ -	\$ -	\$ 1,277
Intergovernmental	-	106,927	840,952	377,505
Use of money and property	187,695	819	(451)	18,751
Charges for services	-	-	105,813	-
Other revenues	-	-	5,304	-
Total revenues	1,252,462	107,746	951,618	397,533
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	14,784	-	-
Highways and streets	-	-	1,273,856	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	137,536	94,398	52,920	238,043
Total expenditures	137,536	109,182	1,326,776	238,043
REVENUES OVER (UNDER)				
EXPENDITURES	1,114,926	(1,436)	(375,158)	159,490
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	481,500	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	481,500	-
Net change in fund balances	1,114,926	(1,436)	106,342	159,490
FUND BALANCES:				
Beginning of year, as previously stated	4,913,579	103,317	50,299	429,360
Restatement - change in reporting entity	-	-	-	-
Beginning of year, as restated	4,913,579	103,317	50,299	429,360
End of year	\$ 6,028,505	\$ 101,881	\$ 156,641	\$ 588,850

Special Revenue Funds

Facility Impact Fee	CDBG Program Income	HOME Investment Partnership Program	Housing Authority	Narcotics Program
\$ 43,913	\$ -	\$ -	\$ -	\$ -
948,096	-	-	-	-
224,080	9,968	17,557	40,071	71
-	-	-	-	-
829	42,900	-	1,000	-
1,216,918	52,868	17,557	41,071	71
1,078	8,270	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	1,988	-
594,040	-	-	-	-
595,118	8,270	-	1,988	-
621,800	44,598	17,557	39,083	71
-	-	-	80,000	-
-	-	-	-	-
-	-	-	(50,000)	-
-	-	-	30,000	-
621,800	44,598	17,557	69,083	71
6,086,391	259,444	517,109	1,337,977	2,081
-	-	-	-	-
6,086,391	259,444	517,109	1,337,977	2,081
\$ 6,708,191	\$ 304,042	\$ 534,666	\$ 1,407,060	\$ 2,152

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the year ended June 30, 2024

	Special Revenue Funds			
	Neighborhood Stabilization	Applegate Exchange	Regional Surface Transportation Program	Pension Rate Stabilization 115 Trust
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	437,727	-
Use of money and property	7,525	26,283	89,072	47,348
Charges for services	-	-	-	-
Other revenues	-	-	-	-
Total revenues	7,525	26,283	526,799	47,348
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	-	-	397,682	-
Total expenditures	-	-	397,682	-
REVENUES OVER (UNDER) EXPENDITURES	7,525	26,283	129,117	47,348
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	100,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	100,000
Net change in fund balances	7,525	26,283	129,117	147,348
FUND BALANCES:				
Beginning of year, as previously stated	221,676	774,063	2,581,291	367,084
Restatement - change in reporting entity	-	-	-	-
Beginning of year, as restated	221,676	774,063	2,581,291	367,084
End of year	\$ 229,201	\$ 800,346	\$ 2,710,408	\$ 514,432

Special Revenue Funds

General Plan Update Fund	Local Housing Allocation Fund	PLHA-Perm Maintenance District Funds	ARPA Grant Fund	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 900,634	\$ -	\$ 2,010,591
160,000	158,209	-	1,964,240	4,993,656
68,007	384	46,360	119,953	903,493
-	-	-	-	105,813
74,606	-	-	-	124,639
302,613	158,593	946,994	2,084,193	8,138,192
478,364	-	-	139,527	627,239
-	-	1,798	-	16,582
-	-	-	-	1,273,856
-	-	1,023,397	-	1,025,385
-	-	-	1,824,713	3,339,332
478,364	-	1,025,195	1,964,240	6,282,394
(175,751)	158,593	(78,201)	119,953	1,855,798
-	-	-	-	80,000
-	-	85,693	-	667,193
-	-	-	-	(50,000)
-	-	85,693	-	697,193
(175,751)	158,593	7,492	119,953	2,552,991
2,070,192	-	1,504,790	-	21,218,653
-	-	-	37,570	37,570
2,070,192	-	1,504,790	37,570	21,256,223
\$ 1,894,441	\$ 158,593	\$ 1,512,282	\$ 157,523	\$ 23,809,214

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure V Fund For the year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 861,382	\$ 861,382	\$ 1,064,767	\$ 203,385
Use of money and property	12,000	12,000	187,695	175,695
Charges for services	2,289,162	2,289,162	-	(2,289,162)
Total revenues	3,162,544	3,162,544	1,252,462	(1,910,082)
EXPENDITURES:				
Current:				
Capital outlay:				
General capital outlay	5,657,607	5,657,607	137,536	5,520,071
Total expenditures	5,657,607	5,657,607	137,536	5,520,071
REVENUES OVER (UNDER) EXPENDITURES				
	(2,495,063)	(2,495,063)	1,114,926	3,609,989
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	\$ (2,495,063)	\$ (2,495,063)	1,114,926	\$ 3,609,989
FUND BALANCES:				
Beginning of year				4,913,579
End of year				\$ 6,028,505

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Police Grants Fund For the year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Charges for services	\$ 88,137	\$ 88,137	\$ 106,927	\$ 18,790
Fines, forfeitures and assessments	-	-	819	819
Total revenues	88,137	88,137	107,746	19,609
EXPENDITURES:				
Public safety	34,784	34,784	14,784	20,000
Capital outlay:				
General capital outlay	73,353	73,353	94,398	(21,045)
Total expenditures	108,137	108,137	109,182	(1,045)
Net change in fund balances	\$ (20,000)	\$ (20,000)	(1,436)	\$ 18,564
FUND BALANCES:				
Beginning of year			<u>103,317</u>	
End of year			<u>\$ 101,881</u>	

City of Atwater

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

For the year ended June 30, 2024

	Budget Amounts	Actual	Variance with Final Budget
	Original	Final	Positive (Negative)
REVENUES:			
Charges for services	\$ 833,547	\$ 833,547	\$ 840,952 7,405
Fines, forfeitures and assessments	-	-	(451) (451)
Use of money and property	115,494	115,494	105,813 (9,681)
Miscellaneous	-	-	5,304 5,304
Total revenues	949,041	949,041	951,618 2,577
EXPENDITURES:			
Current:			
Public works	1,420,989	1,420,989	1,273,856 147,133
Capital outlay:			
General capital outlay	60,000	60,000	52,920 7,080
Total expenditures	1,481,189	1,481,189	1,326,776 154,413
REVENUES OVER (UNDER) EXPENDITURES	(532,148)	(532,148)	(375,158) 156,990
OTHER FINANCING SOURCES (USES):			
Transfers in	481,500	481,500	481,500 -
Total other financing sources (uses)	481,500	481,500	481,500 -
Net change in fund balances	\$ (50,648)	\$ (50,648)	\$ 106,342 \$ 156,990

FUND BALANCES:

Beginning of year	50,299
End of year	\$ 156,641

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Local Transportation Fund For the year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 1,277	\$ 1,277
Charges for services	230,370	230,370	377,505	147,135
Fines, forfeitures and assessments	500	500	18,751	18,251
Total revenues	230,870	230,870	397,533	166,663
EXPENDITURES:				
Current:				
Capital outlay:				
General capital outlay	814,850	814,850	238,043	576,807
Total expenditures	814,850	814,850	238,043	576,807
Net change in fund balances	\$ (583,980)	\$ (583,980)	\$ 159,490	\$ 743,470
FUND BALANCES:				
Beginning of year				429,360
End of year				\$ 588,850

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 43,913	\$ 43,913
Charges for services	888,900	888,900	948,096	59,196
Fines, forfeitures and assessments	12,500	12,500	224,080	211,580
Miscellaneous	-	-	829	829
Total revenues	901,400	901,400	1,216,918	315,518
EXPENDITURES:				
Current:				
General government	170	170	1,078	(908)
Capital outlay:				
General capital outlay	3,818,780	3,818,780	594,040	3,224,740
Total expenditures	3,818,950	3,818,950	595,118	3,223,832
Net change in fund balances	\$ (2,917,550)	\$ (2,917,550)	\$ 621,800	\$ 3,539,350
FUND BALANCES:				
Beginning of year			<u>6,086,391</u>	
End of year			<u>\$ 6,708,191</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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ 500	\$ 500	\$ 9,968	\$ 9,468
Miscellaneous	-	-	42,900	42,900
Total revenues	500	500	52,868	52,368
General government	240,741	240,741	8,270	232,471
Total expenditures	240,741	240,741	8,270	232,471
Net change in fund balances	\$ (240,241)	\$ (240,241)	\$ 44,598	\$ 284,839
FUND BALANCES:				
Beginning of year				259,444
End of year				\$ 304,042

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, 2024**

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ 1,000	\$ 1,000	\$ 17,557	\$ 16,557
Total revenues	700,993	700,993	17,557	(683,436)
Net change in fund balances	\$ 1,000	\$ 1,000	17,557	\$ 16,557
FUND BALANCES:				
Beginning of year			517,109	
End of year			\$ 534,666	

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Housing Authority Fund For the year ended June 30, 2024

	Budget Amounts	Actual	Variance with Final Budget
	Original	Final	Positive (Negative)
REVENUES:			
Fines, forfeitures and assessments	\$ 3,000	\$ 3,000	\$ 40,071
Miscellaneous	15,125	15,125	1,000
Total revenues	18,125	18,125	41,071
			37,071 (14,125) 22,946
EXPENDITURES:			
Current:			
Community development	20,000	20,000	1,988
Total expenditures	20,000	20,000	1,988
			18,012 18,012
REVENUES OVER (UNDER) EXPENDITURES	(1,875)	(1,875)	39,083
			40,958
OTHER FINANCING SOURCES (USES):			
Proceeds from sale of capital assets	160,000	160,000	80,000
Transfers out	(50,000)	(50,000)	(50,000)
Total other financing sources (uses)	110,000	110,000	30,000
Net change in fund balances	\$ 108,125	\$ 108,125	69,083
			\$ (139,042)
FUND BALANCES:			
Beginning of year			1,337,977
End of year			\$ 1,407,060

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Narcotics Program Fund For the year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 71	\$ 71
Total revenues	-	-	71	71
Net change in fund balances	\$ -	\$ -	71	\$ 71
FUND BALANCES:				
Beginning of year				2,081
End of year			\$ 2,152	

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Neighborhood Stabilization Fund For the year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 7,525	\$ 7,525
Total revenues	-	-	7,525	7,525
Net change in fund balances	\$ -	\$ -	7,525	\$ 7,525
FUND BALANCES:				
Beginning of year			<u>221,676</u>	
End of year			<u>\$ 229,201</u>	

City of Atwater

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual **Applegate Interchange Fund** **For the year ended June 30, 2024**

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 26,283	\$ 26,283
Total revenues	-	-	26,283	26,283
Net change in fund balances	\$ -	\$ -	26,283	\$ 26,283
FUND BALANCES:				
Beginning of year			774,063	
End of year			\$ 800,346	

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, 2024

	Budget Amounts	Actual	Variance with Final Budget
	Original	Final	Positive (Negative)
REVENUES:			
Charges for services	\$ 437,727	\$ 437,727	\$ 437,727 -
Fines, forfeitures and assessments	5,000	5,000	89,072 84,072
Total revenues	442,727	442,727	526,799 84,072
EXPENDITURES:			
Capital outlay:			
General capital outlay	2,857,418	2,857,418	397,682 2,459,736
Total expenditures	2,857,418	2,857,418	397,682 2,459,736
Net change in fund balances	\$ (2,414,691)	\$ (2,414,691)	129,117 \$ 2,543,808
FUND BALANCES:			
Beginning of year			2,581,291
End of year			<u>\$ 2,710,408</u>

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Fines, forfeitures and assessments	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Use of money and property	-	-	47,348	47,348
Total revenues	5,000	5,000	47,348	42,348
OTHER FINANCING SOURCES (USES):				
Transfers in	100,000	100,000	100,000	-
Total other financing sources (uses)	100,000	100,000	100,000	-
Net change in fund balances	\$ 105,000	\$ 105,000	\$ 147,348	\$ 42,348
FUND BALANCES:				
Beginning of year			367,084	
End of year			\$ 514,432	

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, 2024

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 160,000	\$ -
Use of money and property	-	-	68,007	68,007
Other revenues	150,000	150,000	74,606	(75,394)
Total revenues	310,000	310,000	302,613	(7,387)
EXPENDITURES:				
Current:				
General government	3,100,000	3,100,000	478,364	2,621,636
Total expenditures	3,100,000	3,100,000	478,364	2,621,636
REVENUES OVER (UNDER) EXPENDITURES	(2,790,000)	(2,790,000)	(175,751)	2,614,249
OTHER FINANCING SOURCES (USES):				
Transfers in	900,000	900,000	-	(900,000)
Total other financing sources (uses)	900,000	900,000	-	(900,000)
Net change in fund balances	\$ (1,890,000)	\$ (1,890,000)	(175,751)	\$ 1,714,249
FUND BALANCES:				
Beginning of year			2,070,192	
End of year			\$ 1,894,441	

City of Atwater

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

PLHA-Perm Local Housing Allocation Fund

For the year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Intergovernmental	\$ 949,257	\$ 949,257	\$ 158,209	\$ (791,048)
Use of money and property	-	-	384	384
Total revenues	949,257	949,257	158,593	(790,664)
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	\$ 949,257	\$ 949,257	158,593	\$ (790,664)
FUND BALANCES:				
Beginning of year				-
End of year			\$ 158,593	

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, 2024

	Budget Amounts	Actual	Variance with Final Budget
	Original	Final	Positive (Negative)
REVENUES:			
Intergovernmental	\$ -	\$ 1,964,240	\$ 1,964,240
Use of money and property	-	119,953	119,953
Total revenues	-	2,084,193	2,084,193
EXPENDITURES:			
Current:			
General government	138,471	138,471	139,527
Capital outlay	4,625,977	4,625,977	1,824,713
Total expenditures	4,764,448	4,764,448	2,800,208
REVENUES OVER (UNDER) EXPENDITURES	(4,764,448)	(4,764,448)	119,953
OTHER FINANCING SOURCES (USES):			4,884,401
Net change in fund balances	\$ (4,764,448)	\$ (4,764,448)	\$ 119,953
FUND BALANCES:			\$ 4,884,401
Beginning of year, as previously stated			-
Restatement - change in reporting entity			37,570
Beginning of year, as restated			<u>37,570</u>
End of year			<u>\$ 157,523</u>

City of Atwater

Combining Balance Sheet

Maintenance District Special Revenue Funds

June 30, 2024

Special Revenue Funds

	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
ASSETS				
Cash and investments	\$ -	\$ 94,364	\$ 23,408	\$ -
Receivables:				
Taxes	117	238	73	-
Interest	-	669	135	-
Total assets	\$ 117	\$ 95,271	\$ 23,616	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 362	\$ 170	\$ 47	\$ 20
Accrued liabilities	-	-	-	-
Total liabilities	362	170	47	20
Fund Balances:				
Nonspendable				
Restricted		95,101	23,569	
Unassigned	(245)	-	-	(20)
Total fund balances	(245)	95,101	23,569	(20)
Total liabilities, deferred inflows of resources and fund balances	\$ 117	\$ 95,271	\$ 23,616	\$ -

Special Revenue Funds

Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square
\$ 26,692	\$ 15,947	\$ -	\$ 121,904	\$ 9,855	\$ 19,509
129	-	370	417	1,370	326
188	114	-	847	43	134
\$ 27,009	\$ 16,061	\$ 370	\$ 123,168	\$ 11,268	\$ 19,969
\$ 67	\$ 24	\$ 33	\$ 272	\$ 10,144	\$ 804
-	-	-	-	-	-
67	24	33	272	10,144	804
26,942	16,037	337	122,896	1,124	19,165
-	-	-	-	-	-
26,942	16,037	337	122,896	1,124	19,165
\$ 27,009	\$ 16,061	\$ 370	\$ 123,168	\$ 11,268	\$ 19,969

City of Atwater

Combining Balance Sheet

Maintenance District Special Revenue Funds

June 30, 2024

Special Revenue Funds				
	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
ASSETS				
Cash and investments	\$ 42,248	\$ 64,747	\$ 24,406	\$ 15,876
Receivables:				
Taxes	36	252	-	432
Interest	303	460	176	88
Total assets	\$ 42,587	\$ 65,459	\$ 24,582	\$ 16,396
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 501	\$ 484	\$ 337	\$ 766
Accrued liabilities	-	-	-	-
Total liabilities	501	484	337	766
Fund Balances:				
Nonspendable				
Restricted	42,086	64,975	24,245	15,630
Unassigned	-	-	-	-
Total fund balances	42,086	64,975	24,245	15,630
Total liabilities, deferred inflows of resources and fund balances	\$ 42,587	\$ 65,459	\$ 24,582	\$ 16,396

Special Revenue Funds

Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Stone Creek
\$ 56,380	\$ 75,142	\$ 19,942	\$ 19,255	\$ 39,320	\$ 145,331
86 397	66 514	- 142	3 121	511 280	181 1,022
\$ 56,863	\$ 75,722	\$ 20,084	\$ 19,379	\$ 40,111	\$ 146,534
\$ 1,050	\$ 1,949	\$ 148	\$ 351	\$ 728	\$ 2,385
-	-	-	-	-	-
1,050	1,949	148	351	728	2,385
55,813	73,773	19,936	19,028	39,383	144,149
-	-	-	-	-	-
55,813	73,773	19,936	19,028	39,383	144,149
\$ 56,863	\$ 75,722	\$ 20,084	\$ 19,379	\$ 40,111	\$ 146,534

City of Atwater

Combining Balance Sheet

Maintenance District Special Revenue Funds

June 30, 2024

Special Revenue Funds

	America West	Bell Crossing	Atwater South	Beluga Court
ASSETS				
Cash and investments	\$ 56,482	\$ 2,734	\$ 91,211	\$ 7,008
Receivables:				
Taxes	-	168	382	304
Interest	404	6	604	50
Total assets	\$ 56,886	\$ 2,908	\$ 92,197	\$ 7,362
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 323	\$ 1,249	\$ 3,133	\$ -
Accrued liabilities	-	-	-	-
Total liabilities	323	1,249	3,133	-
Fund Balances:				
Nonspendable				
Restricted	56,563	1,659	89,064	7,362
Unassigned	-	-	-	-
Total fund balances	56,563	1,659	89,064	7,362
Total liabilities, deferred inflows of resources and fund balances	\$ 56,886	\$ 2,908	\$ 92,197	\$ 7,362

Special Revenue Funds

Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	CFD District
\$ 188,948	\$ 89,677	\$ 101,793	\$ 27,621	\$ 13,416	\$ 93,984
352	359	955	20	-	9,899
1,328	609	723	174	96	-
\$ 190,628	\$ 90,645	\$ 103,471	\$ 27,815	\$ 13,512	\$ 103,883
\$ 2,579	\$ 1,933	\$ 1,312	\$ 1,651	\$ 3	\$ -
-	-	-	-	-	12,490
2,579	1,933	1,312	1,651	3	12,490
188,049	88,712	102,159	26,164	13,509	91,393
-	-	-	-	-	-
188,049	88,712	102,159	26,164	13,509	91,393
\$ 190,628	\$ 90,645	\$ 103,471	\$ 27,815	\$ 13,512	\$ 103,883

City of Atwater

Combining Balance Sheet

Maintenance District Special Revenue Funds

June 30, 2024

	Special Revenue Funds			Total Maintenance District Special Revenue Funds
	Simon Annexation Lighting District	Simon Annexation Landscape District	Juniper Meadows 2 Lighting District	
ASSETS				
Cash and investments	\$ 15,106	\$ 6,414	\$ 21,913	\$ 1,530,633
Receivables:				
Taxes	-	-	3	17,049
Interest	103	46	140	9,916
Total assets	\$ 15,209	\$ 6,460	\$ 22,056	\$ 1,557,598
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1	\$ 32,826
Accrued liabilities	-	-	-	12,490
Total liabilities	-	-	1	45,316
Fund Balances:				
Nonspendable				
Restricted	15,209	6,460	22,055	1,512,547
Unassigned	-	-	-	(265)
Total fund balances	15,209	6,460	22,055	1,512,282
Total liabilities, deferred inflows of resources and fund balances	\$ 15,209	\$ 6,460	\$ 22,056	\$ 1,557,598

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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, 2024

	Special Revenue Funds			
	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
REVENUES:				
Taxes and assessments	\$ 4,552	\$ 5,064	\$ 3,505	\$ 392
Use of money and property	-	3,083	560	-
Total revenues	4,552	8,147	4,065	392
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	11,234	5,320	1,571	886
Total expenditures	11,234	5,320	1,571	886
REVENUES OVER (UNDER) EXPENDITURES	(6,682)	2,827	2,494	(494)
OTHER FINANCING SOURCES (USES):				
Transfers in	6,675	350	5,688	472
Total other financing sources (uses)	6,675	350	5,688	472
Net change in fund balances	(7)	3,177	8,182	(22)
FUND BALANCES:				
Beginning of year	(238)	91,924	15,387	2
End of year	\$ (245)	\$ 95,101	\$ 23,569	\$ (20)

Special Revenue Funds

Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square
\$ 2,292	\$ -	\$ 2,027	\$ 14,257	\$ 55,790	\$ 7,097
864	533	-	3,859	218	608
3,156	533	2,027	18,116	56,008	7,705
-	-	-	-	-	-
2,323	1,334	1,099	9,609	109,452	9,510
2,323	1,334	1,099	9,609	109,452	9,510
833	(801)	928	8,507	(53,444)	(1,805)
280	279	2,293	1,460	42,755	3,190
280	279	2,293	1,460	42,755	3,190
1,113	(522)	3,221	9,967	(10,689)	1,385
25,829	16,559	(2,884)	112,929	11,813	17,780
\$ 26,942	\$ 16,037	\$ 337	\$ 122,896	\$ 1,124	\$ 19,165

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Maintenance District Special Revenue Funds

For the year ended June 30, 2024

	Special Revenue Funds			
	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
REVENUES:				
Taxes and assessments	\$ 3,454	\$ 5,599	\$ 404	\$ 5,407
Use of money and property	1,406	2,118	837	385
Total revenues	4,860	7,717	1,241	5,792
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	5,645	7,770	2,744	7,518
Total expenditures	5,645	7,770	2,744	7,518
REVENUES OVER (UNDER) EXPENDITURES	(785)	(53)	(1,503)	(1,726)
OTHER FINANCING SOURCES (USES):				
Transfers in	610	1,906	268	3,369
Total other financing sources (uses)	610	1,906	268	3,369
Net change in fund balances	(175)	1,853	(1,235)	1,643
FUND BALANCES:				
Beginning of year	42,261	63,122	25,480	13,987
End of year	\$ 42,086	\$ 64,975	\$ 24,245	\$ 15,630

Special Revenue Funds

Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Stone Creek
\$ 6,348	\$ 13,089	\$ -	\$ 2,897	\$ 5,213	\$ 12,084
1,863	2,386	666	530	1,299	4,769
8,211	15,475	666	3,427	6,512	16,853
 - 12,782	 - 19,072	 - 1,755	 - 2,539	 - 5,717	 - 22,513
12,782	19,072	1,755	2,539	5,717	22,513
 (4,571)	 (3,597)	 (1,089)	 888	 795	 (5,660)
 526	 1,016	 312	 2,840	 396	 912
526	1,016	312	2,840	396	912
 (4,045)	 (2,581)	 (777)	 3,728	 1,191	 (4,748)
 59,858	 76,354	 20,713	 15,300	 38,192	 148,897
\$ 55,813	\$ 73,773	\$ 19,936	\$ 19,028	\$ 39,383	\$ 144,149

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Maintenance District Special Revenue Funds

For the year ended June 30, 2024

	Special Revenue Funds			
	America West	Bell Crossing	Atwater South	Beluga Court
REVENUES:				
Taxes and assessments	\$ -	\$ 13,693	\$ 25,732	\$ 709
Use of money and property	1,878	20	2,744	227
Total revenues	1,878	13,713	28,476	936
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	2,731	15,866	25,852	111
Total expenditures	2,731	15,866	25,852	111
REVENUES OVER (UNDER) EXPENDITURES	(853)	(2,153)	2,624	825
OTHER FINANCING SOURCES (USES):				
Transfers in	433	1,338	1,399	17
Total other financing sources (uses)	433	1,338	1,399	17
Net change in fund balances	(420)	(815)	4,023	842
FUND BALANCES:				
Beginning of year	56,983	2,474	85,041	6,520
End of year	\$ 56,563	\$ 1,659	\$ 89,064	\$ 7,362

Special Revenue Funds

Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	CFD District
\$ 14,260	\$ 16,920	\$ 3,846	\$ 11,180	\$ -	\$ 662,481
6,155	2,790	3,373	782	441	677
20,415	19,710	7,219	11,962	441	663,158
-	-	-	-	-	1,798
21,422	16,373	9,570	10,651	162	679,982
21,422	16,373	9,570	10,651	162	681,780
(1,007)	3,337	(2,351)	1,311	279	(18,622)
1,106	808	505	565	127	-
1,106	808	505	565	127	-
99	4,145	(1,846)	1,876	406	(18,622)
187,950	84,567	104,005	24,288	13,103	110,015
\$ 188,049	\$ 88,712	\$ 102,159	\$ 26,164	\$ 13,509	\$ 91,393

City of Atwater

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Maintenance District Special Revenue Funds

For the year ended June 30, 2024

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	\$ -	\$ -	\$ 2,342	\$ 900,634
Use of money and property	469	212	608	46,360
Total revenues	469	212	2,950	946,994

EXPENDITURES:

Current:

Public safety	-	-	-	1,798
Urban redevelopment and housing	33	31	220	1,023,397
Total expenditures	33	31	220	1,025,195

REVENUES OVER (UNDER)

EXPENDITURES	436	181	2,730	(78,201)
---------------------	------------	------------	--------------	-----------------

OTHER FINANCING SOURCES (USES):

Transfers in	1,045	4	2,749	85,693
Total other financing sources (uses)	1,045	4	2,749	85,693
Net change in fund balances	1,481	185	5,479	7,492

FUND BALANCES:

Beginning of year	13,728	6,275	16,576	1,504,790
End of year	\$ 15,209	\$ 6,460	\$ 22,055	\$ 1,512,282

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 4,552	\$ 4,552
Total revenues	-	-	4,552	4,552
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	11,234	(11,234)
Total expenditures	-	-	11,234	(11,234)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(6,682)	(6,682)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	6,675	6,675
Total other financing sources (uses)	-	-	6,675	6,675
Net change in fund balances	\$ -	\$ -	(7)	\$ (7)
FUND BALANCES:				
Beginning of year				(238)
End of year			\$ (245)	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 5,064	\$ 5,064
Use of money and property	-	-	3,083	3,083
Total revenues	-	-	8,147	8,147
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	5,320	(5,320)
Total expenditures	-	-	5,320	(5,320)
REVENUES OVER (UNDER) EXPENDITURES	-	-	2,827	2,827
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	350	350
Total other financing sources (uses)	-	-	350	350
Net change in fund balances	\$ -	\$ -	3,177	\$ 3,177
FUND BALANCES:				
Beginning of year			<u>91,924</u>	
End of year			<u>\$ 95,101</u>	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 3,505	\$ 3,505
Use of money and property	-	-	560	560
Total revenues	-	-	4,065	4,065
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	1,571	(1,571)
Total expenditures	-	-	1,571	(1,571)
REVENUES OVER (UNDER) EXPENDITURES				
	-	-	2,494	2,494
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	5,688	5,688
Total other financing sources (uses)	-	-	5,688	5,688
Net change in fund balances	\$ -	\$ -	8,182	\$ 8,182
FUND BALANCES:				
Beginning of year			15,387	
End of year			\$ 23,569	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 392	\$ 392
Total revenues	-	-	392	392
EXPENDITURES:				
Current:				
Urban redevelopment and housing		-	886	(886)
Total expenditures	-	-	886	(886)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(494)	(494)
OTHER FINANCING SOURCES (USES):				
Transfers in		-	472	472
Total other financing sources (uses)	-	-	472	472
Net change in fund balances	\$ -	\$ -	(22)	\$ (22)
FUND BALANCES:				
Beginning of year				2
End of year			\$ (20)	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 2,292	\$ 2,292
Use of money and property	-	-	864	864
Total revenues	-	-	3,156	3,156
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	2,323	(2,323)
Total expenditures	-	-	2,323	(2,323)
REVENUES OVER (UNDER) EXPENDITURES	-	-	833	833
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	280	280
Total other financing sources (uses)	-	-	280	280
Net change in fund balances	\$ -	\$ -	1,113	\$ 1,113
FUND BALANCES:				
Beginning of year			<u>25,829</u>	
End of year			<u>\$ 26,942</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, 2024

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

REVENUES:

Use of money and property	\$	-	\$	533	\$	533
Total revenues		-		533		533

EXPENDITURES:

Current:

Urban redevelopment and housing		-	-	1,334	(1,334)
Total expenditures		-	-	1,334	(1,334)

REVENUES OVER (UNDER) EXPENDITURES

	-	-	(801)	(801)
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OTHER FINANCING SOURCES (USES):

Transfers in		-	-	279	279
Total other financing sources (uses)		-	-	279	279
Net change in fund balances	\$	-	\$	<u>(522)</u>	<u>\$ (522)</u>

FUND BALANCES:

Beginning of year				16,559
End of year				<u>\$ 16,037</u>

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 2,027	\$ 2,027
Total revenues	-	-	2,027	2,027
EXPENDITURES:				
Current:				
Urban redevelopment and housing		-	1,099	(1,099)
Total expenditures	-	-	1,099	(1,099)
REVENUES OVER (UNDER) EXPENDITURES				
		-	928	928
OTHER FINANCING SOURCES (USES):				
Transfers in		-	2,293	2,293
Total other financing sources (uses)	-	-	2,293	2,293
Net change in fund balances	\$ -	\$ -	\$ 3,221	\$ 3,221
FUND BALANCES:				
Beginning of year				(2,884)
End of year			\$ 337	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 14,257	\$ 14,257
Use of money and property	-	-	3,859	3,859
Total revenues	-	-	18,116	18,116
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	9,609	(9,609)
Total expenditures	-	-	9,609	(9,609)
REVENUES OVER (UNDER) EXPENDITURES	-	-	8,507	8,507
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,460	1,460
Total other financing sources (uses)	-	-	1,460	1,460
Net change in fund balances	\$ -	\$ -	9,967	\$ 9,967
FUND BALANCES:				
Beginning of year			112,929	
End of year			\$ 122,896	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 55,790	\$ 55,790
Use of money and property	-	-	218	218
Total revenues	-	-	56,008	56,008
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	109,452	(109,452)
Total expenditures	-	-	109,452	(109,452)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(53,444)	(53,444)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	42,755	42,755
Total other financing sources (uses)	-	-	42,755	42,755
Net change in fund balances	\$ -	\$ -	(10,689)	\$ (10,689)
FUND BALANCES:				
Beginning of year			11,813	
End of year			\$ 1,124	

City of Atwater

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

Sandlewood Square - Maintenance District Special Revenue Fund

For the year ended June 30, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 7,097	\$ 7,097
Use of money and property	-	-	608	608
Total revenues	-	-	7,705	7,705
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	9,510	(9,510)
Total expenditures	-	-	9,510	(9,510)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,805)	(1,805)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	3,190	3,190
Total other financing sources (uses)	-	-	3,190	3,190
Net change in fund balances	\$ -	\$ -	1,385	\$ 1,385
FUND BALANCES:				
Beginning of year			17,780	
End of year			\$ 19,165	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 3,454	\$ 3,454
Fines, forfeitures and assessments	-	-	1,406	1,406
Total revenues			4,860	4,860
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	5,645	(5,645)
Total expenditures			5,645	(5,645)
REVENUES OVER (UNDER) EXPENDITURES				
	-	-	(785)	(785)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	610	610
Total other financing sources (uses)			610	610
Net change in fund balances	\$ -	\$ -	(175)	\$ (175)
FUND BALANCES:				
Beginning of year			<u>42,261</u>	
End of year			<u>\$ 42,086</u>	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 5,599	\$ 5,599
Use of money and property	-	-	2,118	2,118
Total revenues	-	-	7,717	7,717
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	7,770	(7,770)
Total expenditures	-	-	7,770	(7,770)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(53)	(53)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,906	1,906
Total other financing sources (uses)	-	-	1,906	1,906
Net change in fund balances	\$ -	\$ -	1,853	\$ 1,853
FUND BALANCES:				
Beginning of year			63,122	
End of year			\$ 64,975	

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, 2024

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

REVENUES:

Taxes and assessments	\$	-	\$	404	\$	404
Use of money and property		-	-	837		837
Total revenues		-	-	1,241		1,241

EXPENDITURES:

Current:

Urban redevelopment and housing		-	-	2,744	(2,744)
Total expenditures		-	-	2,744	(2,744)

REVENUES OVER (UNDER) EXPENDITURES

	-	-	(1,503)	(1,503)
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OTHER FINANCING SOURCES (USES):

Transfers in		-	-	268	268	
Total other financing sources (uses)		-	-	268	268	
Net change in fund balances	\$	-	\$	(1,235)	\$	(1,235)

FUND BALANCES:

Beginning of year				25,480
End of year			\$	24,245

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, 2024

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

REVENUES:

Taxes and assessments	\$	-	\$	5,407	\$	5,407
Use of money and property		-	-	385		385
Total revenues		-	-	5,792		5,792

EXPENDITURES:

Current:

Urban redevelopment and housing		-	-	7,518	(7,518)
Total expenditures		-	-	7,518	(7,518)

REVENUES OVER (UNDER) EXPENDITURES

	-	-	(1,726)	(1,726)
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OTHER FINANCING SOURCES (USES):

Transfers in		-	-	3,369	3,369	
Total other financing sources (uses)		-	-	3,369	3,369	
Net change in fund balances	\$	-	\$	1,643	\$	1,643

FUND BALANCES:

Beginning of year				13,987
End of year				\$ 15,630

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 6,348	\$ 6,348
Use of money and property	-	-	1,863	1,863
Total revenues	-	-	8,211	8,211
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	12,782	(12,782)
Total expenditures	-	-	12,782	(12,782)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(4,571)	(4,571)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	526	526
Total other financing sources (uses)	-	-	526	526
Net change in fund balances	\$ -	\$ -	(4,045)	\$ (4,045)
FUND BALANCES:				
Beginning of year			59,858	
End of year			\$ 55,813	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 13,089	\$ 13,089
Use of money and property	-	-	2,386	2,386
Total revenues	-	-	15,475	15,475
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	19,072	(19,072)
Total expenditures	-	-	19,072	(19,072)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(3,597)	(3,597)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,016	1,016
Total other financing sources (uses)	-	-	1,016	1,016
Net change in fund balances	\$ -	\$ -	(2,581)	\$ (2,581)
FUND BALANCES:				
Beginning of year			76,354	
End of year			\$ 73,773	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 666	\$ 666
Total revenues	-	-	666	666
EXPENDITURES:				
Current:				
Urban redevelopment and housing		-	1,755	(1,755)
Total expenditures	-	-	1,755	(1,755)
REVENUES OVER (UNDER) EXPENDITURES				
		-	(1,089)	(1,089)
OTHER FINANCING SOURCES (USES):				
Transfers in		-	312	312
Total other financing sources (uses)	-	-	312	312
Net change in fund balances	\$ -	\$ -	(777)	\$ (777)
FUND BALANCES:				
Beginning of year			20,713	
End of year		\$ -	\$ 19,936	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 2,897	\$ 2,897
Use of money and property	-	-	530	530
Total revenues	-	-	3,427	3,427
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	2,539	(2,539)
Total expenditures	-	-	2,539	(2,539)
REVENUES OVER (UNDER) EXPENDITURES			888	888
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,840	2,840
Total other financing sources (uses)	-	-	2,840	2,840
Net change in fund balances	\$ -	\$ -	3,728	\$ 3,728
FUND BALANCES:				
Beginning of year			15,300	
End of year			\$ 19,028	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$	-	\$ 5,213	\$ 5,213
Use of money and property		-	1,299	1,299
Total revenues		-	6,512	6,512
EXPENDITURES:				
Current:				
Urban redevelopment and housing		-	5,717	(5,717)
Total expenditures		-	5,717	(5,717)
REVENUES OVER (UNDER) EXPENDITURES		-	795	795
OTHER FINANCING SOURCES (USES):				
Transfers in		-	396	396
Total other financing sources (uses)		-	396	396
Net change in fund balances	\$	-	\$ 1,191	\$ 1,191
FUND BALANCES:				
Beginning of year			38,192	
End of year			\$ 39,383	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 12,084	\$ 12,084
Use of money and property	-	-	4,769	4,769
Total revenues	-	-	16,853	16,853
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	22,513	(22,513)
Total expenditures	-	-	22,513	(22,513)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(5,660)	(5,660)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	912	912
Total other financing sources (uses)	-	-	912	912
Net change in fund balances	\$ -	\$ -	(4,748)	\$ (4,748)
FUND BALANCES:				
Beginning of year			148,897	
End of year			<u>\$ 144,149</u>	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1,878	\$ 1,878
Total revenues	-	-	1,878	1,878
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	2,731	(2,731)
Total expenditures	-	-	2,731	(2,731)
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	(853)	(853)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	433	433
Total other financing sources (uses)	-	-	433	433
Net change in fund balances	\$ -	\$ -	(420)	\$ (420)
FUND BALANCES:				
Beginning of year			56,983	
End of year			\$ 56,563	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 13,693	\$ 13,693
Use of money and property	-	-	20	20
Total revenues	-	-	13,713	13,713
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	15,866	(15,866)
Total expenditures	-	-	15,866	(15,866)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(2,153)	(2,153)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,338	1,338
Total other financing sources (uses)	-	-	1,338	1,338
Net change in fund balances	\$ -	\$ -	(815)	\$ (815)
FUND BALANCES:				
Beginning of year			2,474	
End of year			\$ 1,659	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 25,732	\$ 25,732
Use of money and property	-	-	2,744	2,744
Total revenues	-	-	28,476	28,476
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	25,852	(25,852)
Total expenditures	-	-	25,852	(25,852)
REVENUES OVER (UNDER) EXPENDITURES	-	-	2,624	2,624
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,399	1,399
Total other financing sources (uses)	-	-	1,399	1,399
Net change in fund balances	\$ -	\$ -	4,023	\$ 4,023
FUND BALANCES:				
Beginning of year			85,041	
End of year			\$ 89,064	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 709	\$ 709
Use of money and property	-	-	227	227
Total revenues	-	-	936	936
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	111	(111)
Total expenditures	-	-	111	(111)
REVENUES OVER (UNDER) EXPENDITURES	-	-	825	825
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	17	17
Total other financing sources (uses)	-	-	17	17
Net change in fund balances	\$ -	\$ -	842	\$ 842
FUND BALANCES:				
Beginning of year			6,520	
End of year			\$ 7,362	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 14,260	\$ 14,260
Use of money and property	-	-	6,155	6,155
Total revenues	-	-	20,415	20,415
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	21,422	(21,422)
Total expenditures	-	-	21,422	(21,422)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(1,007)	(1,007)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,106	1,106
Total other financing sources (uses)	-	-	1,106	1,106
Net change in fund balances	\$ -	\$ -	99	\$ 99
FUND BALANCES:				
Beginning of year			187,950	
End of year			\$ 188,049	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$	-	\$ 16,920	\$ 16,920
Use of money and property		-	2,790	2,790
Total revenues		-	19,710	19,710
EXPENDITURES:				
Current:				
Urban redevelopment and housing		-	16,373	(16,373)
Total expenditures		-	16,373	(16,373)
REVENUES OVER (UNDER) EXPENDITURES		-	3,337	3,337
OTHER FINANCING SOURCES (USES):				
Transfers in		-	808	808
Total other financing sources (uses)		-	808	808
Net change in fund balances	\$	-	\$ 4,145	\$ 4,145
FUND BALANCES:				
Beginning of year			84,567	
End of year			\$ 88,712	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 3,846	\$ 3,846
Use of money and property	-	-	3,373	3,373
Total revenues	-	-	7,219	7,219
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	9,570	(9,570)
Total expenditures	-	-	9,570	(9,570)
REVENUES OVER (UNDER) EXPENDITURES	-	-	(2,351)	(2,351)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	505	505
Total other financing sources (uses)	-	-	505	505
Net change in fund balances	\$ -	\$ -	(1,846)	\$ (1,846)
FUND BALANCES:				
Beginning of year			104,005	
End of year			\$ 102,159	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 11,180	\$ 11,180
Use of money and property	-	-	782	782
Total revenues	-	-	11,962	11,962
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	10,651	(10,651)
Total expenditures	-	-	10,651	(10,651)
REVENUES OVER (UNDER) EXPENDITURES	-	-	1,311	1,311
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	565	565
Total other financing sources (uses)	-	-	565	565
Net change in fund balances	\$ -	\$ -	1,876	\$ 1,876
FUND BALANCES:				
Beginning of year			<u>24,288</u>	
End of year			<u>\$ 26,164</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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 441	\$ 441
Total revenues	-	-	441	441
EXPENDITURES:				
Current:				
Urban redevelopment and housing		-	162	(162)
Total expenditures	-	-	162	(162)
REVENUES OVER (UNDER)				
EXPENDITURES		-	279	279
OTHER FINANCING SOURCES (USES):				
Transfers in		-	127	127
Total other financing sources (uses)	-	-	127	127
Net change in fund balances	\$ -	\$ -	406	\$ 406
FUND BALANCES:				
Beginning of year			13,103	
End of year		\$ -	13,509	

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, 2024

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				Positive (Negative)
Taxes and assessments	\$ -	\$ -	\$ 662,481	\$ 662,481
Use of money and property	-	-	677	677
Total revenues	-	-	663,158	663,158
EXPENDITURES:				
Current:				
Public safety	-	-	1,798	(1,798)
Urban redevelopment and housing	732,328	732,328	679,982	52,346
Total expenditures	732,328	732,328	681,780	50,548
REVENUES OVER (UNDER)				
EXPENDITURES	(732,328)	(732,328)	(18,622)	713,706
OTHER FINANCING SOURCES (USES):				
Net change in fund balances	\$ (732,328)	\$ (732,328)	\$ (18,622)	\$ 713,706
FUND BALANCES:				
Beginning of year			<u>110,015</u>	
End of year			<u>\$ 91,393</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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 469	\$ 469
Total revenues	-	-	469	469
EXPENDITURES:				
Current:				
Urban redevelopment and housing		-	33	(33)
Total expenditures	-	-	33	(33)
REVENUES OVER (UNDER)				
EXPENDITURES		-	436	436
OTHER FINANCING SOURCES (USES):				
Transfers in		-	1,045	1,045
Total other financing sources (uses)	-	-	1,045	1,045
Net change in fund balances	\$ -	\$ -	1,481	\$ 1,481
FUND BALANCES:				
Beginning of year			13,728	
End of year		\$ -	\$ 15,209	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 212	\$ 212
Total revenues	-	-	212	212
EXPENDITURES:				
Current:				
Urban redevelopment and housing		-	31	(31)
Total expenditures	-	-	31	(31)
REVENUES OVER (UNDER)				
EXPENDITURES		-	181	181
OTHER FINANCING SOURCES (USES):				
Transfers in		-	4	4
Total other financing sources (uses)	-	-	4	4
Net change in fund balances	\$ -	\$ -	185	\$ 185
FUND BALANCES:				
Beginning of year			6,275	
End of year			\$ 6,460	

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, 2024

	Budget Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Positive (Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ 2,342	\$ 2,342
Use of money and property	-	-	608	608
Total revenues	-	-	2,950	2,950
EXPENDITURES:				
Current:				
Urban redevelopment and housing	-	-	220	(220)
Total expenditures	-	-	220	(220)
REVENUES OVER (UNDER) EXPENDITURES	-	-	2,730	2,730
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	2,749	2,749
Total other financing sources (uses)	-	-	2,749	2,749
Net change in fund balances	\$ -	\$ -	5,479	\$ 5,479
FUND BALANCES:				
Beginning of year			16,576	
End of year			\$ 22,055	

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City of Atwater

Combining Statement of Net Position

Internal Service Funds

June 30, 2024

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
ASSETS					
Current Assets:					
Cash and investments	\$ 1,193,081	\$ 798,020	\$ 883,902	\$ 659,298	\$ 3,534,301
Receivables:					
Interest	6,882	5,345	4,176	4,087	20,490
Other	30,147	3,458	-	-	33,605
Prepaid expenses	-	5,920	-	11,292	17,212
Total current assets	<u>1,230,110</u>	<u>812,743</u>	<u>888,078</u>	<u>674,677</u>	<u>3,605,608</u>
Noncurrent:					
Capital assets:					
Depreciable	2,059,984	-	103,094	601,348	2,764,426
Less accumulated depreciation	<u>(1,388,981)</u>	<u>-</u>	<u>(44,947)</u>	<u>(586,224)</u>	<u>(2,020,152)</u>
Net capital assets	<u>671,003</u>	<u>-</u>	<u>58,147</u>	<u>15,124</u>	<u>744,274</u>
Total noncurrent assets	<u>671,003</u>	<u>-</u>	<u>58,147</u>	<u>15,124</u>	<u>744,274</u>
Total assets	<u>1,901,113</u>	<u>812,743</u>	<u>946,225</u>	<u>689,801</u>	<u>4,349,882</u>
LIABILITIES					
Current liabilities:					
Accounts payable	261,423	22,224	1,539	679	285,865
Accrued payroll	7,691	-	-	2,084	9,775
Compensated absences - current	<u>3,926</u>	<u>-</u>	<u>-</u>	<u>381</u>	<u>4,307</u>
Total current liabilities	<u>273,040</u>	<u>22,224</u>	<u>1,539</u>	<u>3,144</u>	<u>299,947</u>
Noncurrent liabilities:					
Compensated absences	<u>19,921</u>	<u>-</u>	<u>-</u>	<u>2,954</u>	<u>22,875</u>
Total noncurrent liabilities	<u>19,921</u>	<u>-</u>	<u>-</u>	<u>2,954</u>	<u>22,875</u>
Total liabilities	<u>292,961</u>	<u>22,224</u>	<u>1,539</u>	<u>6,098</u>	<u>322,822</u>
NET POSITION					
Net investment in capital assets	671,003	-	58,147	15,124	744,274
Unrestricted	<u>937,149</u>	<u>790,519</u>	<u>886,539</u>	<u>668,579</u>	<u>3,282,786</u>
Total net position	<u>\$ 1,608,152</u>	<u>\$ 790,519</u>	<u>\$ 944,686</u>	<u>\$ 683,703</u>	<u>\$ 4,027,060</u>

City of Atwater

Combining Statement of Revenues, Expenses and Changes in Net Position Internal Service Funds For the year ended June 30, 2024

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
OPERATING REVENUES:					
Interdepartmental charges	\$ 2,015,060	\$ 767,380	\$ 1,925,111	\$ 799,865	\$ 5,507,416
Other operating revenue	35,935	61,952	563,652	-	661,539
Total operating revenues	2,050,995	829,332	2,488,763	799,865	6,168,955
OPERATING EXPENSES:					
Salaries and benefits	354,757	100,000	-	99,855	554,612
Contractual services	395,605	5,250	87,144	172,909	660,908
Materials and supplies	114,697	-	-	-	114,697
Repairs and maintenance	896,439	-	-	-	896,439
Utilities	172,496	-	-	-	172,496
Insurance	-	881,705	2,497,947	-	3,379,652
Other operating costs	-	-	6,125	320,314	326,439
Depreciation	79,374	-	3,143	8,972	91,489
Total operating expenses	2,013,368	986,955	2,594,359	602,050	6,196,732
Operating income (loss)	37,627	(157,623)	(105,596)	197,815	(27,777)
NONOPERATING REVENUES (EXPENSES):					
Intergovernmental revenues (expenses)	3,743	-	-	-	3,743
Interest revenue	25,363	25,840	20,412	17,446	89,061
Total nonoperating revenues (expenses)	29,106	25,840	20,412	17,446	92,804
Income before contributions and transfers	66,733	(131,783)	(85,184)	215,261	65,027
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	166,733	(31,783)	(85,184)	215,261	265,027
NET POSITION:					
Beginning of year	1,441,419	822,302	1,029,870	468,442	3,762,033
End of year	\$ 1,608,152	\$ 790,519	\$ 944,686	\$ 683,703	\$ 4,027,060

City of Atwater
Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2024

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers and users	\$ 2,032,605	\$ 826,918	\$ 2,488,169	\$ 863,192	\$ 6,210,884
Cash paid to suppliers for goods and services	(1,389,861)	(902,909)	(2,874,072)	(528,252)	(5,695,094)
Cash paid to employees for services	(351,023)	(100,000)	-	(97,752)	(548,775)
Net cash provided by (used in) operating activities	291,721	(175,991)	(385,903)	237,188	(32,985)
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	3,743	-	-	-	3,743
Net cash provided by (used in) noncapital financing activities	103,743	100,000	-	-	203,743
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(17,127)	-	-	-	(17,127)
Net cash provided by (used in) capital and related financing activities	(17,127)	-	-	-	(17,127)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest received	25,363	25,840	20,412	17,446	89,061
Net cash provided by (used in) investing activities	25,363	25,840	20,412	17,446	89,061
Net cash flows	403,700	(50,151)	(365,491)	254,634	242,692
CASH AND INVESTMENTS - Beginning of year	789,381	848,171	1,249,393	404,664	3,291,609
CASH AND INVESTMENTS - End of year	\$ 1,193,081	\$ 798,020	\$ 883,902	\$ 659,298	\$ 3,534,301
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET					
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	\$ 37,627	\$ (157,623)	\$ (105,596)	\$ 197,815	\$ (27,777)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	79,374	-	3,143	8,972	91,489
(Increase) decrease in accounts receivable	(18,390)	(1,919)	(594)	(2,315)	(23,218)
(Increase) decrease in prepaid expense	-	(495)	-	65,642	65,147
Increase (decrease) in accounts payable	189,376	(15,954)	(282,856)	(35,029)	(144,463)
Increase (decrease) in accrued payroll	192	-	-	93	285
Increase (decrease) in compensated absences	3,542	-	-	2,010	5,552
Net cash provided by (used in) operating activities	\$ 291,721	\$ (175,991)	\$ (385,903)	\$ 237,188	\$ (32,985)

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City of Atwater

Combining Statement of Fiduciary Net Position

Custodial Funds

June 30, 2024

	Section 125 Medical	Section 125 Dependent Care	Community Facility District No.1	Total Custodial Funds
ASSETS				
Cash and investments held for others, restricted	\$ 2,074	\$ -	\$ 134,896	\$ 136,970
Interest receivables	-	-	966	966
Total assets	2,074	-	135,862	137,936
LIABILITIES				
Other Liabilities	2,074	-	-	2,074
Total liabilities	2,074	-	-	2,074
NET POSITION				
Restricted for				
Bondholders	-	-	135,862	135,862
Total net position	\$ -	\$ -	\$ 135,862	\$ 135,862

City of Atwater

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

For the year ended June 30, 2024

	Section 125 Medical	Section 125 Dependent Care	Community Facility District No.1	Total Custodial Funds
ADDITIONS				
Interest income	\$ -	\$ -	\$ 4,462	\$ 4,462
Total additions	-	-	4,462	4,462
Changes in net position		-	-	4,462
NET POSITION				
Beginning of the year	-	-	131,400	131,400
End of year	\$ -	\$ -	\$ 135,862	\$ 135,862

City of Atwater
Schedule of Debt Service Coverage
June 30, 2024 and 2023

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.

	2024	2023
Service charges	\$ 12,095,786	\$ 11,841,868
Connection fees	66,659	69,154
Total service charges	12,162,445	11,911,022
Investment income	599,678	311,490
Other income	16,247	53,658
Total miscellaneous revenue	615,925	365,148
Total Revenue	12,778,370	12,276,170
Personnel costs	1,511,909	1,441,015
Supplies (1)	157,010	156,415
Professional Services (2)	1,101,140	1,043,963
Wastewater Treatment Plant Mgmt. Service (3)	2,609,926	2,373,761
Other Charges (1), (4)	354,498	495,485
Total Operations and Maintenance	5,734,483	5,510,639
Net Revenue Available For Debt Service	\$ 7,043,887	\$ 6,765,531
Debt service:		
2017A Wastewater Revenue Refunding Bonds	\$ 3,310,088	\$ 3,316,088
2018A Wastewater Revenue Refunding Bonds	1,141,369	1,140,369
Total debt service	\$ 4,451,457	\$ 4,456,457
Net Revenue After Debt Service		
Calculated coverage	1.58	1.52
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