

# City of Atwater

Atwater, California

*Annual Financial Report*

*For the year ended June 30, 2025*

Prepared by:  
Finance Department



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**Annual Financial Report**  
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City of Atwater, California  
Finance Department

**May 12, 2026**

**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, 2025. 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, 2025, 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, 2025, 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 areas 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**

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 moderate when compared to previous recent years. The City's housing market has continued to remain stable. For the years 2020-2024, the median home value for the City of Atwater was \$363,400. The median household income in Atwater is \$64,472. Both statistics were sourced from: [U.S. Census Bureau QuickFacts: United States](#), on March 12, 2026. The unemployment rate (EDD, State of CA, December

2025) for Merced County was 9.6% and for the City of Atwater was 9.1%, which compares to a state rate of 5.1% and the U.S. rate of 4.4% at the same point in time. The diversity of the region offers many opportunities for businesses; college educational opportunities; and many recreational activities for families.

## **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 post-employment 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 public safety 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 remain committed to improving the community's day-to-day experience by refining systems, coordinating across departments, and allocating resources where they create the greatest impact. Recent accomplishments include the launch of a modern digital permit processing system, the completion of the City's 2026–2030 Strategic Plan update, and the relocation of the Finance and Community Development Departments to the new City Hall in spring 2025.

Another major initiative shaping Atwater's future is the comprehensive update of the City's General Plan. The General Plan serves as the City's long-range blueprint for growth, development, and infrastructure investment. It outlines policies related to land use, transportation, housing, public safety, environmental sustainability, and community amenities. Once complete, the updated plan will provide a clear framework to guide decision-making, support economic vitality, and ensure Atwater continues to grow in a way that reflects the community's values and priorities.

## 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. The department takes considerable care in producing this report for all the City of Atwater's stakeholders. Appreciation is extended to the Finance Department and to the service, professionalism and expertise 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 collaborative 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, while maintaining financial integrity as steward of public resources.

Respectfully submitted,



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Christopher Hoem,  
City Manager



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Anna Nicholas,  
Finance Director

**City of Atwater**  
**For the year ended June 30, 2025**

**List of City Officials**

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**Elected:**

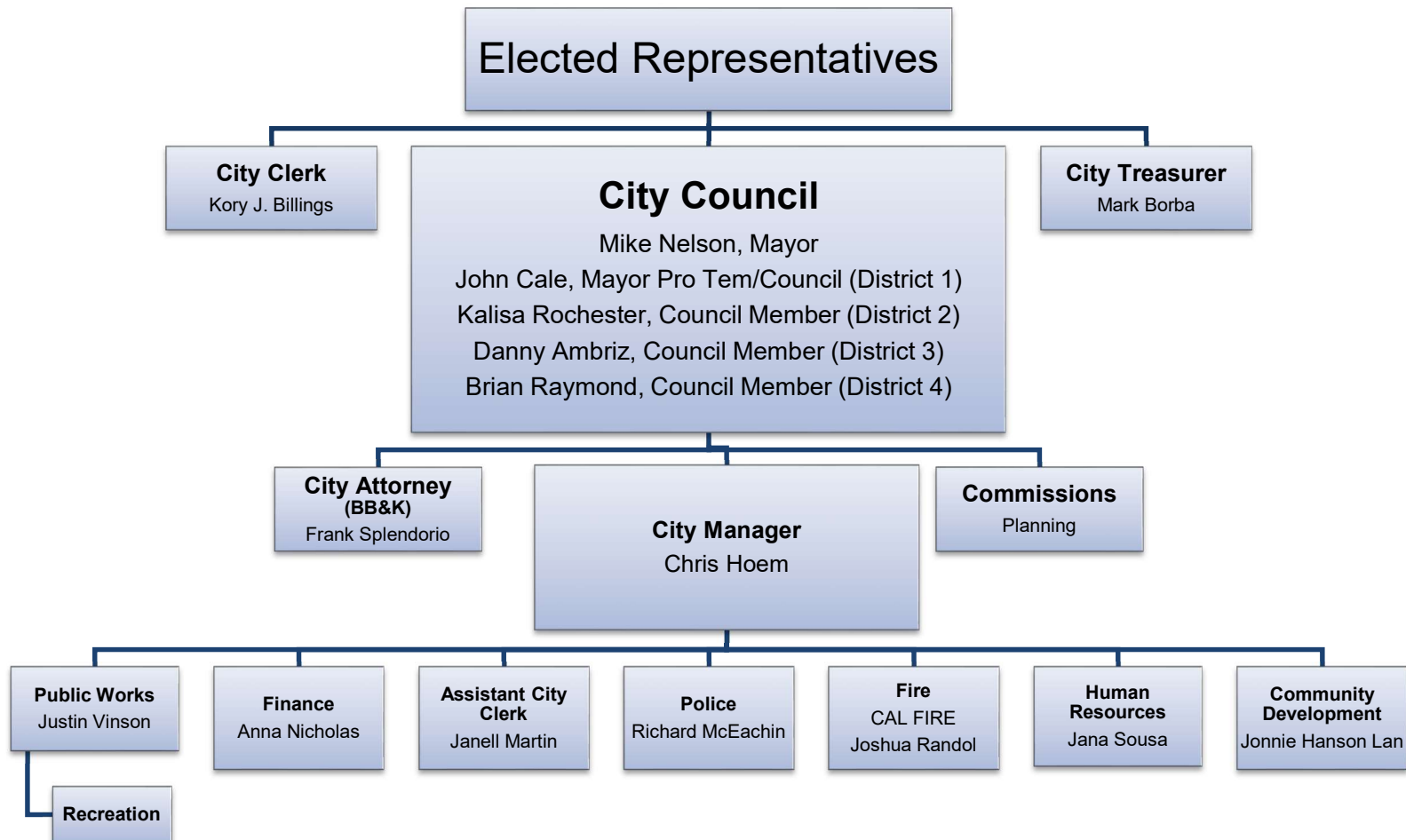
- Mike Nelson, Mayor
- John Cale, Mayor Pro Term
- Danny Ambriz, Council Member
- Brian Raymond, Council Member
- Kalisa Rochester, Council Member
- Kory J. Billings, City Clerk
- Mark Borba, City Treasurer

**Appointed:**

- Christopher Hoem, City Manager
- Jonnie Hanson Lan, Community Development Director
- Richard McEachin, Police Chief
- Anna Nicholas, Finance Director
- Joshua Randol, Battalion Chief, CAL FIRE
- Jana Sousa, Human Resources Director
- Frank Splendorio, contracted City Attorney, Best Best & Krieger, LLP
- Justin Vinson, Public Works Director



# CITY OF ATWATER ORGANIZATIONAL CHART 2025



**Council Committees:** Audit & Finance,  
Citizens Oversight for Public Safety Transaction and Use Tax

## 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, 2025, 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information for major funds, and required pension and other post-employment benefit (OPEB) information on pages 5-19 and 88-94 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.

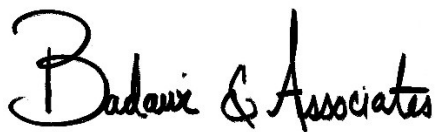
### *Other Information*

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.

To the Honorable Mayor and Members  
of the City Council of the City of Atwater  
Atwater, California  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2026, 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 written in a cursive, flowing style.

Badawi & Associates, CPAs  
Emeryville, California  
May 12, 2026

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

**Management's Discussion and Analysis**

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This section provides a narrative overview and analysis of the financial activities of the City of Atwater (City) for the fiscal year ended June 30, 2025. 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, 2025, totaled \$136.0 million. Governmental activities the net position was \$39.5 million, while the business-type activities net position was \$96.5 million.
- ◆ Total City revenues, including program and general revenues, and business-type activities were \$62.5 million, while total expenses were \$50.8 million.
- ◆ Governmental program and general revenues were \$33.5 million compared to governmental program expenses of \$26.5 million.
- ◆ Program revenues from business-type activities were \$25.8 million, while expenses for business-type activities were \$24.2 million.
- ◆ The City's total net capital asset balance for governmental activities was \$35.6 million and \$39.2 million for business-type activities.

***Fund Highlights***

- ◆ Net General Fund revenues and other financing sources (uses) exceeded expenditures by \$2.6 million as compared to the prior year when revenues and other financing sources (uses) exceeded expenditures by \$1.6 million.
- ◆ At June 30, 2024, the General Fund has a positive fund balance of \$19.9 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, 2025**

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

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

**The Basic Financial Statements**

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

**Government-wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

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

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

**Fund Financial Statements, Continued**

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

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

For the fiscal year ended June 30, 2025, 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, 2025**

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

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

**Fund Financial Statements, Continued**

For the fiscal year ended June 30, 2025, 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 45–84 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 88–146 of this report.

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

**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 \$136.0 million as of June 30, 2025. The Summary of net position as of June 30, 2024, and 2025 follows:

	<b>Summary of Net Position</b>					
	<b>2024</b>			<b>2025</b>		
	<b>Govern- mental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>	<b>Govern- mental Activities</b>	<b>Business- type Activities</b>	<b>Total</b>
Current and other assets	\$ 54,729,192	\$ 56,499,694	\$ 111,228,886	\$ 54,680,627	\$ 60,275,789	\$ 114,956,416
Noncurrent assets	28,228,225	104,582,890	132,811,115	\$ 36,791,179	\$ 103,167,393	\$ 139,958,572
Deferred outflows of resources	15,350,383	-	15,350,383	\$ 11,149,431	\$ -	\$ 11,149,431
<b>Total assets and deferred outflows of resources</b>	<b>98,307,800</b>	<b>161,082,584</b>	<b>259,390,384</b>	<b>\$ 102,621,237</b>	<b>\$ 163,443,182</b>	<b>\$ 266,064,419</b>
Current and other liabilities	7,230,264	5,084,696	12,341,960	\$ 7,881,242	\$ 4,826,363	\$ 12,707,605
Long-term liabilities	50,318,880	64,232,273	114,551,153	\$ 49,574,413	\$ 62,062,566	\$ 111,636,979
Deferred inflows of resources	8,144,089	-	8,144,089	\$ 5,639,505	\$ -	\$ 5,639,505
<b>Total liabilities and deferred inflows of resources</b>	<b>65,693,233</b>	<b>69,316,969</b>	<b>135,010,202</b>	<b>\$ 63,095,160</b>	<b>\$ 66,888,929</b>	<b>\$ 129,984,089</b>
<b>Net position:</b>						
Net investment in capital assets	27,836,092	36,668,554	66,504,646	\$ 35,624,096	\$ 39,288,066	\$ 74,912,162
Restricted	26,722,990	1,130,742	27,853,732	\$ 23,794,368	\$ 1,219,541	\$ 25,013,909
Unrestricted (deficit)	(21,944,515)	51,966,319	30,021,804	\$ (19,982,387)	\$ 56,046,646	\$ 36,154,259
<b>Total net position</b>	<b>\$ 32,614,567</b>	<b>\$ 91,765,615</b>	<b>\$ 124,380,182</b>	<b>\$ 39,526,077</b>	<b>\$ 96,554,253</b>	<b>\$ 136,080,330</b>

Overall, the total net position increased by \$11.7 million. The total net position of governmental activities increased by \$6.9 million and total net position for business-type activities increased by \$4.8 million.

The total restricted net position decreased by \$2.8 million, and the unrestricted net position experienced a increase of \$6.1 million over the previous year.

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

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

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Revenues**

The City's total revenues for governmental and business-type activities were \$62.5 million for the fiscal year ended June 30, 2025. Significant revenues for the City for fiscal year 2024-25 were derived from charges for services 46.6%, sales and use tax 18.1%, operating/capital grants and contributions 9.9%, property taxes and assessments 11.4%.

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 decreased by \$108,834 or less than 1% over previous 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 2% of overall total revenues for the City.
3. **Property Taxes and Assessments.** Property tax revenue increased by \$288,486 or 4.2% 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, 2025**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

The change in net position for the fiscal years ended June 30, 2024, and 2025, follows

	Changes in Net Position					
	2024			2025		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$4,688,984	\$24,271,014	\$28,959,988	4,573,557	24,606,210	\$ 29,179,767
Grants and contributions:						
Operating	3,839,414	1,314,149	5,153,563	3,640,819	1,275,417	\$ 4,916,236
Capital	2,137,575	-	2,137,575	1,327,243	-	\$ 1,327,243
General revenues:						
Property taxes and assessments	6,851,539	-	6,851,539	7,140,025	-	\$ 7,140,025
Transient occupancy taxes	51,276	-	51,276	42,983	-	\$ 42,983
Sales and use tax	11,478,891	-	11,478,891	11,370,057	-	\$ 11,478,891
Franchise taxes	714,781	-	714,781	727,049	-	\$ 714,781
Other taxes	1,848,083	-	1,848,083	1,646,656	-	\$ 1,848,083
Intergovernmental	1,773,427	-	1,773,427	927,973	-	\$ 1,773,427
Use of money and property	1,820,613	2,976,846	4,797,459	1,761,446	3,237,012	\$ 4,797,459
Other	202,249	-	202,249	265,764	-	\$ 202,249
Sale of real property	80,000	-	80,000	-	-	\$ 80,000
Total revenues	<u>35,486,832</u>	<u>28,562,009</u>	<u>64,048,841</u>	<u>33,423,572</u>	<u>29,118,639</u>	<u>62,542,211</u>
Expenses:						
Governmental activities:						
General government	6,453,064	-	6,453,064	\$ 6,208,941	-	\$ 6,208,941
Public safety	12,370,822	-	12,370,822	14,146,062	-	\$ 14,146,062
Highways and streets	3,760,276	-	3,760,276	3,941,656	-	\$ 3,941,656
Urban redevelopment and housing	988,150	-	988,150	1,141,978	-	\$ 1,141,978
Community services	1,134,604	-	1,134,604	1,105,771	-	\$ 1,105,771
Interest on long-term debt	126,142	-	126,142	42,878	-	\$ 42,878
Business-type activities:						
Water	-	6,153,078	6,153,078	-	7,256,120	\$ 7,256,120
Sewer	-	12,761,785	12,761,785	-	12,326,913	\$ 12,326,913
Sanitation	-	5,605,016	5,605,016	-	4,698,987	\$ 4,698,987
Total expenses	<u>24,833,058</u>	<u>24,519,879</u>	<u>49,352,937</u>	<u>26,587,286</u>	<u>24,282,020</u>	<u>50,869,306</u>
Change in net position before transfers	<u>10,653,774</u>	<u>4,042,130</u>	<u>14,695,904</u>	<u>6,836,286</u>	<u>4,531,869</u>	<u>11,672,905</u>
Transfers	<u>152,375</u>	<u>(152,375)</u>	<u>-</u>	<u>152,375</u>	<u>(152,375)</u>	<u>-</u>
Change in net position	<u>10,806,149</u>	<u>3,889,755</u>	<u>14,695,904</u>	<u>6,988,661</u>	<u>4,684,244</u>	<u>11,672,905</u>

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

**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 \$50.8 million. Governmental activity expenses totaled \$26.5 million or 52% of total expenses. Business-type activities incurred \$24.2 million or 48% of total expenses during the fiscal year. Public safety costs represented 53% 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, 2024, and 2025, are as follows:

	2024		2025	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 6,453,064	\$ (2,715,091)	\$ 6,208,941	\$ (2,383,962)
Public Safety	12,370,822	(9,165,603)	14,146,062	(11,558,588)
Highway and streets	3,760,276	(549,042)	3,941,656	(1,026,794)
Urban redevelopment and housing	988,150	(829,941)	1,141,978	(1,141,978)
Community services	1,134,604	(781,266)	1,105,771	(891,467)
Interest on long-term debt	126,142	(126,142)	42,878	(42,878)
<b>Total</b>	<b>\$ 24,833,058</b>	<b>\$ (14,167,085)</b>	<b>\$ 26,587,286</b>	<b>\$ (17,045,667)</b>

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.

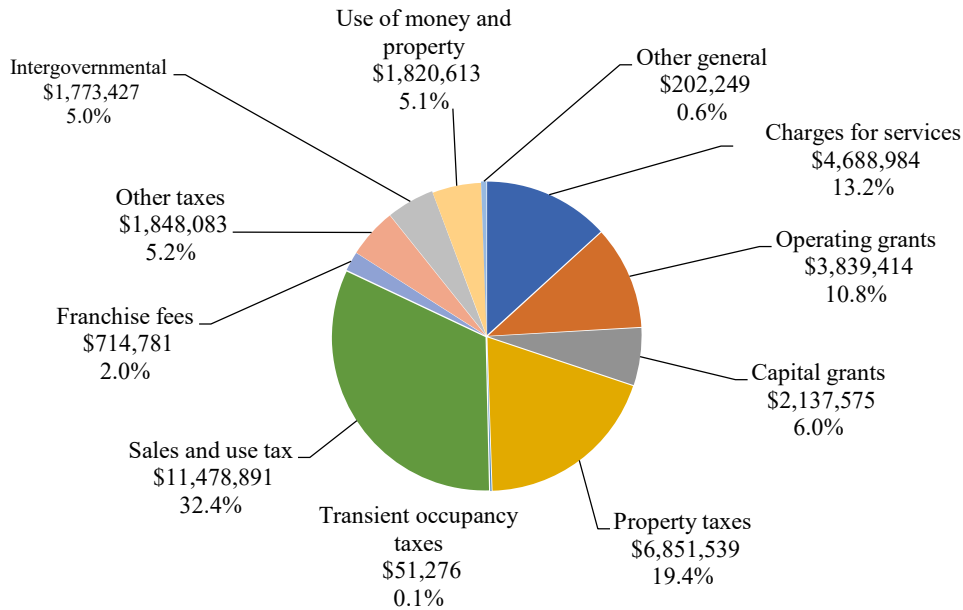
**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

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

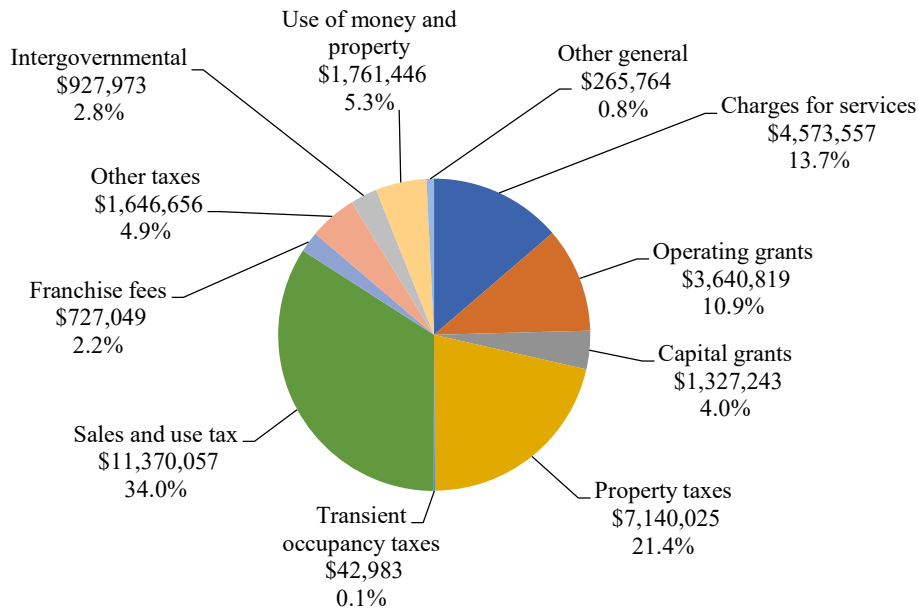
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**  
**Governmental Activities, Continued**

Revenues by source for the fiscal years ended June 30, 2024, and 2025, are as follows:

**Revenues by Source - Governmental Activities 2024**



**Revenues by Source - Governmental Activities 2025**



**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

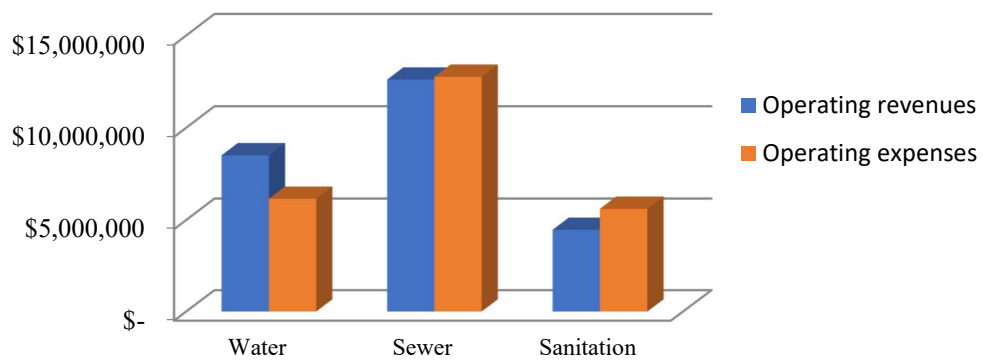
**Management’s Discussion and Analysis, Continued**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

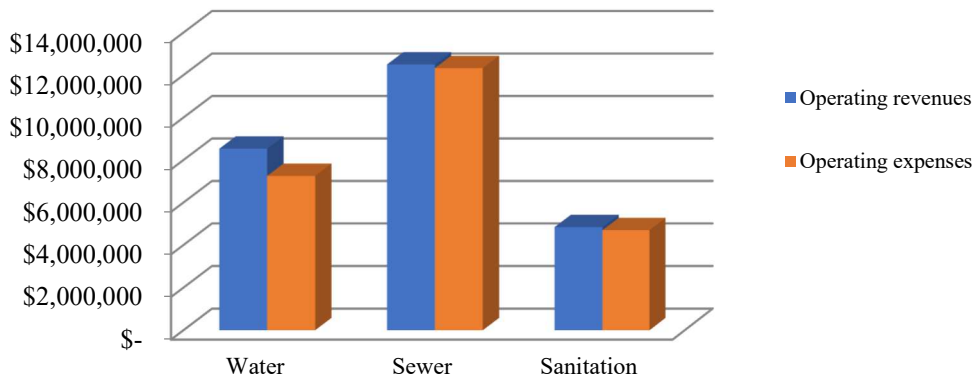
**Business-type Activities**

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, 2024 and 2025 are as follows:

**Operating Revenues & Expenditures  
 Business-type 2024**



**Operating Revenues and Expenses  
 Business-type Activities  
 2025**



**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

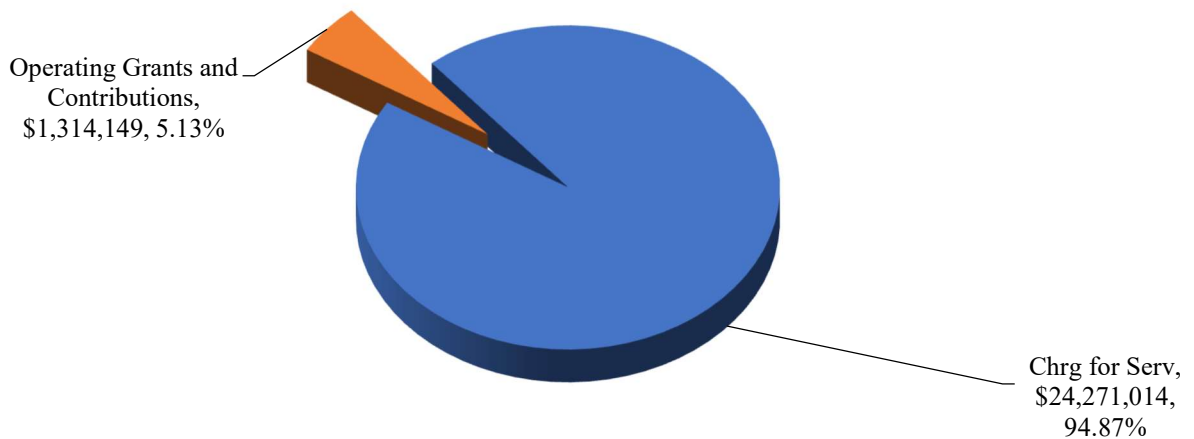
**Management's Discussion and Analysis, Continued**

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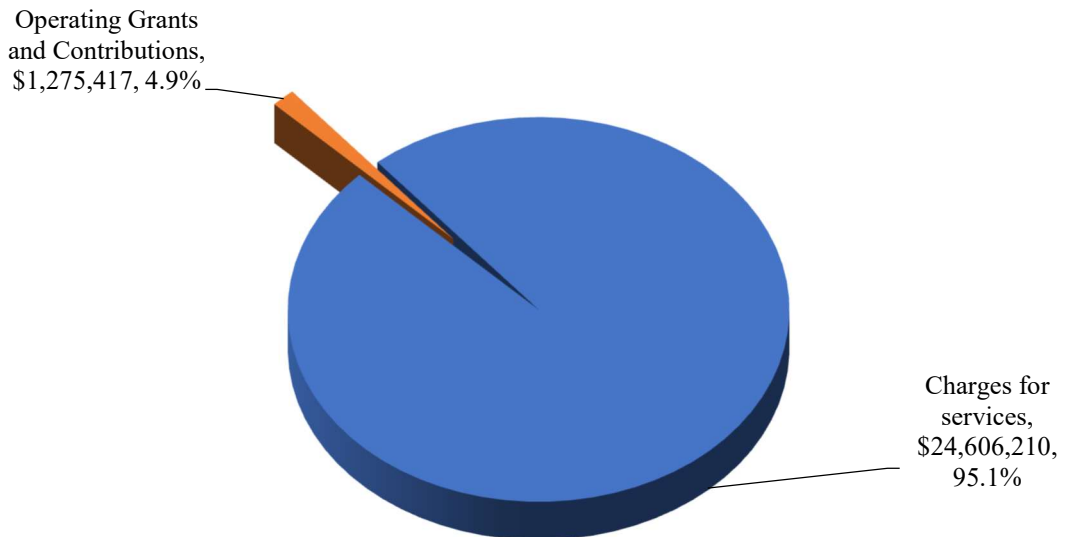
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**  
**Business-type Activities, Continued**

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 2024**



**Revenues by Source - Business-type Activities 2025**



**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

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

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

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

**Governmental Funds.** The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2025, the City's governmental funds reported combined fund balances of \$43.3 million. The increase is due mainly to departments not expending the approved appropriations contained within the adopted/amended budget.

The General Fund is the primary operating fund of the City. At the fiscal year ended June 30, 2025, the General Fund had a fund balance of \$19.9 million. The General Fund balance improved by \$2.6 million from the prior fiscal year end balance of \$17.3 million and is the sixth consecutive fiscal year with positive fund balance. The increase of \$2.6 million is due to revenues coming in higher than anticipated and outgoing expenses were less than anticipated.

The Public Safety Transactions and Use Tax Fund is defined as a major fund of the City and had a fund balance of \$3.2 million as of June 30, 2025. The Public Safety Transactions and Use Tax Fund balance improved by \$200,000 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 \$4.6 million for enterprise funds and increased by \$634,810 for internal service funds in the fiscal year ended June 30, 2025.

**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, 2025**

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

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

**General Fund Budgetary Highlights**

General Fund actual revenues totaled \$20.4 million which was 105.6 percent of the amended budget estimate. General Fund expenditures totaled \$17.1 million or 87.8 percent of the approved amended budget. The General Fund balance increased by \$2.6 million to a balance of \$19.9 million.

**CAPITAL ASSETS**

The City’s net investment in capital assets for its governmental and business-type activities as of June 30, 2025 amounted to \$139.7 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	
	2024	2025	2024	2025	2024	2025
Land	\$ 299,384	\$ 299,384	\$ 1,064,902	\$ 1,064,902	\$ 1,364,286	\$ 1,364,286
Construction in progress	6,420,451	14,599,244	11,715,195	7,638,762	\$ 18,135,646	\$ 22,238,006
Buildings and improvements	18,160,380	18,914,317	139,740,024	146,553,183	\$ 157,900,404	\$ 165,467,500
Infrastructure	1,214,625	1,214,625	-	-	\$ 1,214,625	\$ 1,214,625
Roads	50,012,085	50,527,682	-	-	\$ 50,012,085	\$ 50,527,682
Equipment	12,316,355	12,303,901	11,977,249	12,255,048	\$ 24,293,604	\$ 24,558,949
Total	\$ 88,423,280	\$ 97,859,153	\$ 164,497,370	\$ 167,511,895	\$ 252,920,650	\$ 265,371,048

The June 30, 2025, total balance reflects addition to construction in progress of \$4.1 million. Total depreciation for the year amounted to \$6.8 million.

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 49 for significant accounting policies and Note 3 on pages 60 and 61 for other capital asset information.

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

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

**LONG-TERM LIABILITIES**

At June 30, 2025, the City had \$65.7 million in debt outstanding consisting of compensated absences, lease obligations and revenue bonds.

	<b>2025</b>		
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
Compensated absences	\$ 670,405	\$ 157,630	\$ 828,035
Lease Obligations (includes lease purchases)	1,007,719	-	1,007,719
2017A Wastewater Revenue Refunding Bonds	-	48,000,000	48,000,000
2018A Wastewater Revenue Refunding Bonds	-	11,805,000	11,805,000
Unamortized bond premium	-	4,074,327	4,074,327
Unamortized underwriting discount	-	-	-
<b>Total</b>	<b>\$ 1,678,124</b>	<b>\$ 64,036,957</b>	<b>\$ 65,715,081</b>

During the current fiscal year, the City’s net debt increased by \$432,024. The net increase was due to lease obligations the City entered into during the fiscal year. 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 66.

**NEXT YEARS BUDGET AND THE ECONOMY**

The budget for Fiscal Year (FY) 2025-26 was developed with expense and revenue estimates based on known data factors and historical trends. The City’s total FY 2025-26 adopted budget approves appropriations at \$85.1 million. The budget provides funding for staffing of 113 positions. The budget approves a dedicated contribution to a Section 115 Trust for Pension and OPEB funding. Revenue increases were calculated with a conservative and likely approach as there are no identified new revenue streams coming online during FY 2025-26 and sales tax estimates are rather flat. Expense estimates were calculated with cost escalation of both known data and estimates where needed.

The City’s General Fund is projected to maintain a positive fund balance during FY 2025-26. Per General Fund Reserve Policy, the General Fund will maintain a positive fund balance of the required ten (10) % of estimated operating expenses. In addition, the fund balance is expected to maintain the target goal of twenty-five (25) % of estimated operating expenses.

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 2025-26 due to varying geopolitical uncertainties. In addition, primary sources of General Fund revenue, such

**City of Atwater, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2025**

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

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as sales tax, have slowed in recent quarters. For FY 2025-26, 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 2025-26 budget. The City budget ensures debt service obligations will be met during the fiscal year.

The City of Atwater is located in Merced County, which lies in the great Central Valley of California. The City is situated in an ideal location for a variety of industries, with railroad service and a major freeway nearby. The City continues to pursue viable economic development activities that will advantageously position the City 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](http://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, 2025**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 50,310,039	\$ 56,311,858	\$ 106,621,897
Restricted cash and investments	-	1,219,541	1,219,541
Receivables:			
Accounts	4,316,690	2,736,265	7,052,955
Prepaid items	53,898	8,125	62,023
Total current assets	54,680,627	60,275,789	114,956,416
Noncurrent assets:			
Land held for resale	159,364	-	159,364
Capital assets:			
Nondepreciable	14,898,628	8,703,664	23,602,292
Depreciable	82,960,525	158,808,231	241,768,756
Lease assets	249,376	-	249,376
Subscription assets	1,105,850	-	1,105,850
Less accumulated amortization	(373,516)	-	(373,516)
Less accumulated depreciation	(62,209,048)	(64,344,502)	(126,553,550)
Total capital assets	36,631,815	103,167,393	139,799,208
Total noncurrent assets	36,791,179	103,167,393	139,958,572
<b>Total assets</b>	<b>91,471,806</b>	<b>163,443,182</b>	<b>254,914,988</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - pension	8,839,677	-	8,839,677
Deferred outflows - OPEB	2,309,754	-	2,309,754
<b>Total deferred outflows of resources</b>	<b>11,149,431</b>	<b>-</b>	<b>11,149,431</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	5,007,112	1,736,570	6,743,682
Interest payable	-	422,309	422,309
Deposits payable	534,323	606,155	1,140,478
Other liabilities	349,217	30,000	379,217
Unearned revenue	869,488	56,938	926,426
Compensated absences - current portion	287,378	59,391	346,769
Lease liabilities - current portion	1,869	-	1,869
SBITA liabilities - current portion	112,133	-	112,133
Long-term debt - current portion	-	1,915,000	1,915,000
Net OPEB liability - current portion	719,722	-	719,722
Total current liabilities	7,881,242	4,826,363	12,707,605
Noncurrent liabilities:			
Compensated absences	383,027	98,239	481,266
Net pension liability	28,249,398	-	28,249,398
Net OPEB liability	20,048,271	-	20,048,271
SBITA liabilities	893,717	-	893,717
Long-term debt	-	61,964,327	61,964,327
Total noncurrent liabilities	49,574,413	62,062,566	111,636,979
<b>Total liabilities</b>	<b>57,455,655</b>	<b>66,888,929</b>	<b>124,344,584</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources - pension	1,820,858	-	1,820,858
Deferred inflows of resources - OPEB	3,818,647	-	3,818,647
<b>Total deferred inflows of resources</b>	<b>5,639,505</b>	<b>-</b>	<b>5,639,505</b>
<b>NET POSITION</b>			
Net investment in capital assets	35,624,096	39,288,066	74,912,162
Restricted	23,794,368	1,219,541	25,013,909
Unrestricted	(19,892,387)	56,046,646	36,154,259
<b>Total net position</b>	<b>\$ 39,526,077</b>	<b>\$ 96,554,253</b>	<b>\$ 136,080,330</b>

See accompanying Notes to Basic Financial Statements

**City of Atwater**  
**Statement of Activities**  
**For the year ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
General government	\$ 6,208,941	\$ 3,565,688	\$ 259,291	\$ -	\$ 3,824,979
Public safety	14,146,062	158,943	2,428,531	-	2,587,474
Highways and streets	3,941,656	635,095	952,997	1,326,770	2,914,862
Urban redevelopment and housing	1,141,978	-	-	-	-
Community services	1,105,771	213,831	-	473	214,304
Interest on long-term debt	42,878	-	-	-	-
Total governmental activities	26,587,286	4,573,557	3,640,819	1,327,243	9,541,619
<b>Business-type Activities:</b>					
Water	7,256,120	8,431,389	103,959	-	8,535,348
Sewer	12,326,913	12,058,971	441,053	-	12,500,024
Sanitation	4,698,987	4,115,850	730,405	-	4,846,255
Total Business-Type activities	24,282,020	24,606,210	1,275,417	-	25,881,627
<b>Total primary government</b>	<b>\$ 50,869,306</b>	<b>\$ 29,179,767</b>	<b>\$ 4,916,236</b>	<b>\$ 1,327,243</b>	<b>\$ 35,423,246</b>

**General Revenues:**

Taxes:

- Property taxes, levied for general purposes
- Transient occupancy tax
- Sales taxes
- Franchise fes
- Other taxes

Total taxes

Intergovernmental

Use of money and property

Other general revenues

Total general revenues

Transfers

Total general revenues and transfers

**Change in net position**

**Net position - beginning of year**

**Restatement**

**Net position - beginning of year, as restated**

**Net position - end of year**

Net (Expense) Revenue  
and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (2,383,962)	\$ -	\$ (2,383,962)
(11,558,588)	-	(11,558,588)
(1,026,794)	-	(1,026,794)
(1,141,978)	-	(1,141,978)
(891,467)	-	(891,467)
(42,878)	-	(42,878)
(17,045,667)	-	(17,045,667)
-	1,279,228	1,279,228
-	173,111	173,111
-	147,268	147,268
-	1,599,607	1,599,607
(17,045,667)	1,599,607	(15,446,060)
7,140,025	-	7,140,025
42,983	-	42,983
11,370,057	-	11,370,057
727,049	-	727,049
1,646,656	-	1,646,656
20,926,770	-	20,926,770
927,973	-	927,973
1,761,446	3,237,012	4,998,458
265,764	-	265,764
2,955,183	3,237,012	6,192,195
152,375	(152,375)	-
3,107,558	3,084,637	6,192,195
6,988,661	4,684,244	11,672,905
32,614,567	91,765,615	124,380,182
(77,151)	104,394	27,243
32,537,416	91,870,009	124,407,425
\$ 39,526,077	\$ 96,554,253	\$ 136,080,330

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# FUND FINANCIAL STATEMENTS

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*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, 2025**

	Major Funds			Total Governmental Funds
	General Fund	Public Safety Transaction & Use Special Tax Revenue Fund	Nonmajor Governmental Funds	
<b>ASSETS</b>				
Cash and investments	\$ 19,513,063	\$ 2,473,786	\$ 24,226,191	\$ 46,213,040
Receivables:				
Taxes	840,321	-	13,230	853,551
Interest	129,734	22,804	163,349	315,887
Intergovernmental	12,370	-	436,649	449,019
Other receivable	1,466,020	1,016,911	191,719	2,674,650
Prepaid items	41,688	-	331	42,019
Due from other funds	649,191	-	-	649,191
Land held for resale	-	-	159,364	159,364
<b>Total assets</b>	<b>\$ 22,652,387</b>	<b>\$ 3,513,501</b>	<b>\$ 25,190,833</b>	<b>\$ 51,356,721</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,442,907	\$ 177,598	\$ 2,878,583	\$ 4,499,088
Accrued liabilities	322,121	38,823	20,901	381,845
Deposits payable	422,657	-	111,666	534,323
Other liabilities	-	-	349,217	349,217
Unearned revenue	-	-	869,488	869,488
<b>Total liabilities</b>	<b>2,187,685</b>	<b>216,421</b>	<b>4,879,046</b>	<b>7,283,152</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	534,132	-	218,307	752,439
<b>Total deferred inflows of resources</b>	<b>534,132</b>	<b>-</b>	<b>218,307</b>	<b>752,439</b>
<b>Fund Balances:</b>				
Nonspendable				
Prepaid items	41,688	-	331	42,019
Land held for resale	-	-	159,364	159,364
Restricted	-	3,297,080	20,497,288	23,794,368
Assigned	-	-	123,919	123,919
Unassigned	19,888,882	-	(687,422)	19,201,460
<b>Total fund balances</b>	<b>19,930,570</b>	<b>3,297,080</b>	<b>20,093,480</b>	<b>43,321,130</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 22,652,387</b>	<b>\$ 3,513,501</b>	<b>\$ 25,190,833</b>	<b>\$ 51,356,721</b>

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, 2025**

**Total Fund Balances - Total Governmental Funds** \$ 43,321,130

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	\$ 14,898,628	\$ -	\$ 14,898,628
Depreciable, net	21,733,187	(682,854)	21,050,333
<b>Total capital assets</b>	<b>\$ 36,631,815</b>	<b>\$ (682,854)</b>	<b>35,948,961</b>

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.

4,659,109

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.

752,439

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	8,839,677
Deferred outflows of resources related to OPEB	2,309,754
Deferred inflows of resources related to pension	(1,820,858)
Deferred inflows of resources related to OPEB	(3,818,647)

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	\$ (287,378)	\$ 10,810	\$ (276,568)
SBITA liability -due within one year	(112,133)	-	(112,133)
Lease liability -due within one year	(1,869)		(1,869)
Compensated absences - due in more than one year	(383,027)	19,217	(363,810)
Net pension liability	(28,249,398)	-	(28,249,398)
Net OPEB liability	(20,767,993)	-	(20,767,993)
SBITA liability - due in more than one year	(893,717)	-	(893,717)
<b>Total long-term liabilities</b>	<b>\$ (50,695,515)</b>	<b>\$ 30,027</b>	<b>(50,665,488)</b>

**Net Position of Governmental Activities**

**\$ 39,526,077**

# City of Atwater

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

For the year ended June 30, 2025

	Major Funds			Total Governmental Funds
	General Fund	Public Safety Transaction & Use Special Tax Revenue	Nonmajor Governmental Funds	
<b>REVENUES:</b>				
Taxes and assessments	\$ 9,301,323	\$ 5,595,919	\$ 1,969,368	\$ 16,866,610
Licenses and permits	327,923	-	-	327,923
Fines and forfeitures	104,796	-	-	104,796
Intergovernmental	5,859,489	-	4,321,292	10,180,781
Use of money and property	782,948	79,957	780,722	1,643,627
Charges for services	3,995,170	-	214,070	4,209,240
Other revenues	107,751	-	185,321	293,072
<b>Total revenues</b>	<b>20,479,400</b>	<b>5,675,876</b>	<b>7,470,773</b>	<b>33,626,049</b>
<b>EXPENDITURES:</b>				
Current:				
General government	5,713,115	6,990	453,421	6,173,526
Public safety	8,264,357	4,807,337	41,506	13,113,200
Highways and streets	1,819,785	-	1,275,152	3,094,937
Urban redevelopment and housing	-	-	1,129,569	1,129,569
Community services	1,095,339	1,124	-	1,096,463
Capital outlay	-	1,479,667	9,091,507	10,571,174
Debt service				
Principal	270,061	95,831	-	365,892
Interest and fiscal charges	-	7,886	-	7,886
<b>Total expenditures</b>	<b>17,162,657</b>	<b>6,398,835</b>	<b>11,991,155</b>	<b>35,552,647</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,316,743</b>	<b>(722,959)</b>	<b>(4,520,382)</b>	<b>(1,926,598)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	152,375	-	711,656	864,031
Transfers out	(818,950)	-	(42,706)	(861,656)
Proceeds from SBITA lease	-	946,843	-	946,843
<b>Total other financing sources (uses)</b>	<b>(666,575)</b>	<b>946,843</b>	<b>668,950</b>	<b>949,218</b>
<b>Net change in fund balances</b>	<b>2,650,168</b>	<b>223,884</b>	<b>(3,851,432)</b>	<b>(977,380)</b>
<b>FUND BALANCES:</b>				
Beginning of year	17,334,750	3,073,196	23,890,564	44,298,510
Restatements	(54,348)	-	54,348	-
Beginning of year, as restated	17,280,402	3,073,196	23,944,912	44,298,510
End of year	\$ 19,930,570	\$ 3,297,080	\$ 20,093,480	\$ 43,321,130

See accompanying Notes to Basic Financial Statements

# City of Atwater

## Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities For the year ended June 30, 2025

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ (977,380)
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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.	10,571,174
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.	(2,120,856)
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.	127,060
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Long-term debt repayments	330,900
Issuance of Debt	(946,843)
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.	(1,178,601)
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.	868,366
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.	(319,969)
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.	634,810
<b>Change in Net Position of Governmental Activities</b>	<u>\$ 6,988,661</u>

# City of Atwater

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

### General Fund

For the year ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ 9,133,834	\$ 9,133,834	\$ 9,301,323	\$ 167,489
Licenses and permits	315,400	315,400	327,923	12,523
Fines and forfeitures	167,750	167,750	104,796	(62,954)
Intergovernmental	5,014,716	5,014,716	5,859,489	844,773
Use of money and property	173,033	173,033	782,948	609,915
Charges for services	4,408,241	4,408,241	3,995,170	(413,071)
Other revenues	175,500	175,500	107,751	(67,749)
<b>Total revenues</b>	<b>19,388,474</b>	<b>19,388,474</b>	<b>20,479,400</b>	<b>1,090,926</b>
<b>EXPENDITURES:</b>				
Current:				
General government	6,098,894	6,098,894	5,713,115	385,779
Public safety	9,612,947	9,612,947	8,264,357	1,348,590
Public works	2,495,136	2,495,136	1,819,785	675,351
Community services	1,336,420	1,336,420	1,095,339	241,081
Debt Service				
Principal	-	-	270,061	(270,061)
<b>Total expenditures</b>	<b>19,543,397</b>	<b>19,543,397</b>	<b>17,162,657</b>	<b>2,380,740</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(154,923)</b>	<b>(154,923)</b>	<b>3,316,743</b>	<b>3,471,666</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	202,375	202,375	152,375	(50,000)
Transfers out	(867,640)	(867,640)	(818,950)	48,690
<b>Total other financing sources (uses)</b>	<b>(665,265)</b>	<b>(665,265)</b>	<b>(666,575)</b>	<b>(1,310)</b>
<b>Net change in fund balances</b>	<b>\$ (820,188)</b>	<b>\$ (820,188)</b>	<b>2,650,168</b>	<b>\$ 3,470,356</b>
<b>FUND BALANCES:</b>				
Beginning of year			17,334,750	
Restatements			(54,348)	
Beginning of year, as restated			17,280,402	
End of year			<u>\$ 19,930,570</u>	

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 Revenue Fund

For the year ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Taxes and assessments	\$ 5,114,700	\$ 5,114,700	\$ 5,595,919	\$ 481,219
Use of money and property	1,000	1,000	79,957	78,957
<b>Total revenues</b>	<u>5,115,700</u>	<u>5,115,700</u>	<u>5,675,876</u>	<u>560,176</u>
<b>EXPENDITURES:</b>				
Current:				
General government	7,200	7,200	6,990	210
Public safety	4,913,001	4,913,001	4,807,337	105,664
Non-departmental	17,000	17,000	1,124	15,876
Capital outlay:				
General capital outlay	757,000	757,000	1,479,667	(722,667)
Debt service				
Principal	162,500	162,500	95,831	66,669
<b>Total expenditures</b>	<u>5,856,701</u>	<u>5,856,701</u>	<u>6,398,835</u>	<u>(542,134)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(741,001)</u>	<u>(741,001)</u>	<u>(722,959)</u>	<u>18,042</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from leases	-	-	946,843	946,843
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>946,843</u>	<u>946,843</u>
<b>Net change in fund balances</b>	<u>\$ (741,001)</u>	<u>\$ (741,001)</u>	<u>223,884</u>	<u>\$ 964,885</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>3,073,196</u>	
End of year			<u>\$ 3,297,080</u>	

**City of Atwater**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Sanitation	Totals	Internal Service Funds
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$ 33,149,780	\$ 20,258,030	\$ 2,904,048	\$ 56,311,858	\$ 4,096,999
Restricted cash and investments	-	1,219,541	-	1,219,541	-
Receivables:					
Accounts	774,701	995,076	558,978	2,328,755	3,956
Interest	244,298	143,474	19,738	407,510	19,627
Prepaid expenses	8,125	-	-	8,125	11,879
<b>Total current assets</b>	<b>34,176,904</b>	<b>22,616,121</b>	<b>3,482,764</b>	<b>60,275,789</b>	<b>4,132,461</b>
Noncurrent:					
Capital assets:					
Nondepreciable	5,406,826	3,211,494	85,344	8,703,664	-
Depreciable	54,054,659	104,186,901	566,671	158,808,231	2,796,185
Less accumulated depreciation	(19,174,648)	(44,668,365)	(501,489)	(64,344,502)	(2,113,331)
<b>Net capital assets</b>	<b>40,286,837</b>	<b>62,730,030</b>	<b>150,526</b>	<b>103,167,393</b>	<b>682,854</b>
<b>Total noncurrent assets</b>	<b>40,286,837</b>	<b>62,730,030</b>	<b>150,526</b>	<b>103,167,393</b>	<b>682,854</b>
<b>Total assets</b>	<b>74,463,741</b>	<b>85,346,151</b>	<b>3,633,290</b>	<b>163,443,182</b>	<b>4,815,315</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	1,011,832	202,113	461,984	1,675,929	115,906
Accrued payroll	17,068	43,573	-	60,641	10,273
Interest payable	-	422,309	-	422,309	-
Deposits payable	606,155	-	-	606,155	-
Other liabilities	30,000	-	-	30,000	-
Unearned revenue	-	56,938	-	56,938	-
Compensated absences - current	11,338	48,053	-	59,391	10,810
Long-term debt - current	-	1,915,000	-	1,915,000	-
<b>Total current liabilities</b>	<b>1,676,393</b>	<b>2,687,986</b>	<b>461,984</b>	<b>4,826,363</b>	<b>136,989</b>
Noncurrent liabilities:					
Compensated absences	9,312	88,927	-	98,239	19,217
Long-term debt	-	61,964,327	-	61,964,327	-
<b>Total noncurrent liabilities</b>	<b>9,312</b>	<b>62,053,254</b>	<b>-</b>	<b>62,062,566</b>	<b>19,217</b>
<b>Total liabilities</b>	<b>1,685,705</b>	<b>64,741,240</b>	<b>461,984</b>	<b>66,888,929</b>	<b>156,206</b>
<b>NET POSITION</b>					
Net investment in capital assets	40,286,837	(1,149,297)	150,526	39,288,066	682,854
Restricted for capital projects	-	1,219,541	-	1,219,541	-
Unrestricted	32,491,199	20,534,667	3,020,780	56,046,646	3,976,255
<b>Total net position</b>	<b>\$ 72,778,036</b>	<b>\$ 20,604,911</b>	<b>\$ 3,171,306</b>	<b>\$ 96,554,253</b>	<b>\$ 4,659,109</b>

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, 2025**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Sanitation	Totals	Internal Service Funds
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 8,431,389	\$ 12,058,971	\$ 4,115,850	\$ 24,606,210	\$ 6,090,752
Other operating revenue	103,959	441,053	730,405	1,275,417	58,715
<b>Total operating revenues</b>	<b>8,535,348</b>	<b>12,500,024</b>	<b>4,846,255</b>	<b>25,881,627</b>	<b>6,149,467</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	707,772	1,431,279	-	2,139,051	470,529
Contractual services	1,123,431	2,596,646	3,598,619	7,318,696	748,333
Materials and supplies	229,577	195,391	70,683	495,651	1,538
Repairs and maintenance	-	-	-	-	765,787
Utilities	1,645,706	838,654	-	2,484,360	202,457
Insurance	-	-	-	-	3,100,216
Other operating costs	1,929,011	1,868,195	1,015,632	4,812,838	400,112
Depreciation	1,620,623	2,997,609	14,053	4,632,285	93,177
<b>Total operating expenses</b>	<b>7,256,120</b>	<b>9,927,774</b>	<b>4,698,987</b>	<b>21,882,881</b>	<b>5,782,149</b>
<b>Operating income (loss)</b>	<b>1,279,228</b>	<b>2,572,250</b>	<b>147,268</b>	<b>3,998,746</b>	<b>367,318</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Intergovernmental revenues (expenses)	-	-	-	-	3,570
Interest revenue	2,405,904	738,950	92,158	3,237,012	113,922
Interest expense	-	(2,399,139)	-	(2,399,139)	-
<b>Total nonoperating revenues (expenses)</b>	<b>2,405,904</b>	<b>(1,660,189)</b>	<b>92,158</b>	<b>837,873</b>	<b>117,492</b>
<b>Income before contributions and transfers</b>	<b>3,685,132</b>	<b>912,061</b>	<b>239,426</b>	<b>4,836,619</b>	<b>484,810</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>					
Transfers in	-	-	-	-	200,000
Transfers out	(152,375)	-	-	(152,375)	(50,000)
<b>Total contributions and transfers</b>	<b>(152,375)</b>	<b>-</b>	<b>-</b>	<b>(152,375)</b>	<b>150,000</b>
<b>Change in net position</b>	<b>3,532,757</b>	<b>912,061</b>	<b>239,426</b>	<b>4,684,244</b>	<b>634,810</b>
<b>NET POSITION:</b>					
Beginning of year	69,141,581	19,692,154	2,931,880	91,765,615	4,027,060
Restatement	103,698	696	-	104,394	(2,761)
Beginning of year, as restated	69,245,279	19,692,850	2,931,880	91,870,009	4,024,299
End of year	\$ 72,778,036	\$ 20,604,911	\$ 3,171,306	\$ 96,554,253	\$ 4,659,109

See accompanying Notes to Basic Financial Statements.

**City of Atwater**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2025**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Sewer	Sanitation	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	\$ 8,527,361	\$ 12,533,219	\$ 4,811,713	\$ 25,872,293	\$ 6,185,312
Cash paid to suppliers for goods and services	(4,829,248)	(6,168,938)	(4,498,466)	(15,496,652)	(5,388,402)
Cash paid to employees for services	(729,722)	(1,405,140)	-	(2,134,862)	(469,947)
<b>Net cash provided by (used in) operating activities</b>	<b>2,968,391</b>	<b>4,959,141</b>	<b>313,247</b>	<b>8,240,779</b>	<b>326,963</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash transfers in	-	-	-	-	200,000
Cash transfers out	(152,375)	-	-	(152,375)	(50,000)
Subsidy from grants	-	-	-	-	3,570
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(152,375)</b>	<b>-</b>	<b>-</b>	<b>(152,375)</b>	<b>153,570</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Note principal payments	-	(1,830,000)	-	(1,830,000)	-
Interest paid on capital debt	-	(2,618,207)	-	(2,618,207)	-
Purchase of capital assets	(2,519,242)	(591,206)	-	(3,110,448)	(31,757)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(2,519,242)</b>	<b>(5,039,413)</b>	<b>-</b>	<b>(7,558,655)</b>	<b>(31,757)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	2,388,647	733,974	91,346	3,213,967	113,922
<b>Net cash provided by (used in) investing activities</b>	<b>2,388,647</b>	<b>733,974</b>	<b>91,346</b>	<b>3,213,967</b>	<b>113,922</b>
<b>Net cash flows</b>	<b>2,685,421</b>	<b>653,702</b>	<b>404,593</b>	<b>3,743,716</b>	<b>562,698</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>30,464,359</b>	<b>20,823,869</b>	<b>2,499,455</b>	<b>53,787,683</b>	<b>3,534,301</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 33,149,780</b>	<b>\$ 21,477,571</b>	<b>\$ 2,904,048</b>	<b>\$ 57,531,399</b>	<b>\$ 4,096,999</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 1,279,228	\$ 2,572,250	\$ 147,268	\$ 3,998,746	367,318
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	1,620,623	2,997,609	14,053	4,632,285	93,177
(Increase) decrease in accounts receivable	(3,448)	33,195	(34,542)	(4,795)	30,512
(Increase) decrease in prepaid expense	(4,539)	-	-	(4,539)	5,333
Increase (decrease) in accounts payable	296,246	(670,052)	186,468	(187,338)	(169,959)
Increase (decrease) in accrued payroll	1,006	9,651	-	10,657	-
Increase (decrease) in accrued liabilities	(226,820)	-	-	(226,820)	498
Increase (decrease) in deposits payable	29,051	-	-	29,051	-
Increase (decrease) in compensated absences	(22,956)	16,488	-	(6,468)	84
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,968,391</b>	<b>\$ 4,959,141</b>	<b>\$ 313,247</b>	<b>\$ 8,240,779</b>	<b>\$ 326,963</b>

See accompanying Notes to Basic Financial Statements.

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**City of Atwater**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

	RDA	
	Successor Agency	
	Private Purpose	
	Trust Fund	Custodial Funds
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 300,198	\$ 141,180
Interest receivable	5,986	1,031
Total current assets	<u>306,184</u>	<u>142,211</u>
Land	706,256	
Property, plant and equipment	8,670,932	-
Less accumulated depreciation	(7,042,860)	-
Property, plant and equipment	<u>1,628,072</u>	<u>-</u>
<b>Total assets</b>	<u>2,640,512</u>	<u>142,211</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	588	-
Due to others	-	1,738
Due within one year	<u>1,005,000</u>	<u>-</u>
Total current liabilities	<u>1,005,588</u>	<u>1,738</u>
<b>Total liabilities</b>	<u>1,005,588</u>	<u>1,738</u>
<b>NET POSITION</b>		
Held in trust for dissolution of RDA	1,634,924	-
Held for the CFD Bond holders	<u>-</u>	<u>140,473</u>
<b>Total Net Position</b>	<u>\$ 1,634,924</u>	<u>\$ 140,473</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, 2025**

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	RDA	
	Successor Agency	
	Private Purpose	
	Trust Fund	Custodial Funds
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS:</b>		
Property taxes	\$ 730,958	\$ -
Investment income	28,961	4,611
Other additions	1,055,277	-
<b>Total additions</b>	<u>1,815,196</u>	<u>4,611</u>
<b>DEDUCTIONS:</b>		
Depreciation expense	143,990	-
Urban redevelopment and housing	1,085,697	-
Interest expense	52,055	-
<b>Total deductions</b>	<u>1,281,742</u>	<u>-</u>
<b>Change in net position</b>	533,454	4,611
<b>NET POSITION:</b>		
Beginning of year	778,782	135,862
Restatement - correction of error	322,688	-
Beginning of year, as restated	1,101,470	-
End of year	<u>\$ 1,634,924</u>	<u>\$ 140,473</u>

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# NOTES TO BASIC FINANCIAL STATEMENTS

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**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

**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, 2025**

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**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, 2025**

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**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, 2025**

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**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, 2025**

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**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
Subscription Assets	5-9 years*		

\* Over the life of the lease liability

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

**H. *Compensated Absences- GASB 101-FIFO Approach***

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.

City implemented GASB 101 during the year which require liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. Under GASB 101, Compensated absences convertible to CalPERS's service credits is excluded from liability. City adopted FIFO flow assumption for sick leaves for recording current liability related to Sick leaves and liability for sick leaves to be paid out in cash, when an employee is retired or being laid off by the city. A current liability is accrued in the governmental funds and proprietary funds using the three-year average of annual usage for each group of employee.

**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.

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

**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, 2024
Measurement Period	July 1, 2023 to June 30, 2024

**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).

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

**L. Net Position and Fund Balance, Continued**

*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

*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.

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

***M. Revenues, Expenditures, and Expenses, Continued***

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

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

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

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

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

***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.

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

*N. Budgetary Accounting, Continued*

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, 2025. 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.

*P. New Accounting Pronouncements*

In 2025, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- GASB Statement No. 101, *Compensated Absences* – The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Following the requirements of this statement, City restated its Fund balance for Government wide, Sewer and Water Fund balances to reflect changes in compensated absences liability this year.
- GASB Statement No. 102, *Certain Risk Disclosures* – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The City had no adjustments or new disclosures as a result of this Statement.

**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	\$ 50,310,039	\$ 56,311,858	\$ 441,378	\$ 107,063,275
Restricted cash and investments	-	1,219,541	-	1,219,541
Total cash and investments	<u>\$ 50,310,039</u>	<u>\$ 57,531,399</u>	<u>\$ 441,378</u>	<u>\$ 108,282,816</u>

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**2. CASH AND INVESTMENTS, Continued**

Summary of Cash and Investments

At June 30, 2025, the City's pooled cash and investments consist of the following:

Cash on hand	\$ 550
Deposits with financial institutions	12,275,214
Total cash on hand and deposits	<u>12,275,764</u>
Local Agency Investment Funds (LAIF)	68,541,318
CSJVRMA Investment Pool	1,262,643
Government bonds	5,345,821
Corporate bonds	3,250,028
Asset-backed securities	167,541
Suprational obligation	1,001,522
Money Market Fund	11,040,788
Agency Obligation	3,561,190
Total investments	<u>94,170,851</u>
Total City Treasury	<u>106,446,615</u>
Cash and investments held by fiscal agents	1,219,541
Restricted for PARS pension Trust	616,660
Total cash and investments	<u><u>\$ 108,282,816</u></u>

Deposits

The carrying amount of the City's cash deposit was \$12,275,214 at June 30, 2025.

Bank balances before reconciling items were a positive amount of \$10,057,319 at June 30, 2025. 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, 2025**

**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, 2025, 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	5 years	N/A	20%	\$1m per institution
Negotiable Certificates of Deposit	5 years	A, A-1	30%	5%
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 and 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, 2025**

**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, 2025, 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, 2025, the City had \$68,541,318 invested in LAIF, which had invested 3.81% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.00% in the previous year. The LAIF fair value factor of 1.001198310 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	\$ 5,345,821	\$ 325,299	\$ 5,020,522	\$ -
Corporate bonds	3,250,028	1,053,689	2,003,199	193,140
Asset-backed securities	167,541	7,332	160,209	-
Suprational obligation	1,001,522	641,738	-	359,784
Money Market Fund	11,040,788	11,040,788	-	-
Agency Obligation	3,561,190	2,311,102	1,250,088	-
Subtotal	24,366,890	15,379,948	8,434,018	552,924
Joint investment pools:				
Local Agency Investment Fund	68,541,318	68,541,318	-	-
CSJVRMA Investment Pool	1,262,643	1,262,643	-	-
Total	\$ 94,170,851	\$ 85,183,909	\$ 8,434,018	\$ 552,924

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

**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, 2025 for each investment type:

*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.

Investment	Total	Rating as of June 30, 2025					
		A3	A2	A1	Aa2	Aa1	Aaa
Government bonds	\$ 5,345,821	\$ -	\$ -	\$ -	\$ -	\$ 5,345,821	\$ -
Corporate bonds	3,250,028	271,221	966,369	1,440,851	571,587	-	-
Suprational obligation	1,001,522	-	-	-	-	-	1,001,522
Money Market Fund	11,040,788	-	-	-	-	-	11,040,788
Asset Backed Securities	129,263	-	-	-	-	-	129,263
Agency Obligation	3,561,190	-	-	-	-	3,166,821	394,369
Subtotal	<u>\$ 24,328,612</u>	<u>\$ 271,221</u>	<u>\$ 966,369</u>	<u>\$ 1,440,851</u>	<u>\$ 571,587</u>	<u>\$ 8,512,642</u>	<u>\$ 12,565,942</u>

**Not Rated:**

Joint Investment Pool:

Local Agency Investment Fund	\$ 68,541,318
CSJVRMA Investment Pool	1,262,643
Asset-backed securities	38,278
Total Investments	<u>\$ 94,170,851</u>

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

**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, 2025:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Government bonds	\$ 5,345,821	\$ -	\$ 5,345,821	\$ -
Corporate bonds	3,250,028	-	3,250,028	-
Asset-backed securities	167,541	-	167,541	-
Suprational obligation	1,001,522	-	1,001,522	-
Agency Obligation	3,561,190	-	3,561,190	-
Total investments subject to fair value	13,326,102	\$ -	\$ 13,326,102	\$ -
Investments not subject to levelling:				
Money Market Funds	11,040,788			
CSJVRMA Investment Pool	1,262,643			
California Local Agency Investment Fund	68,541,318			
Total Investments	\$ 94,170,851			

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

**3. CAPITAL ASSETS**

Governmental capital asset activity for the year ended June 30, 2025, was as follows:

	Restated Balance at July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
<b>Governmental activities</b>					
<b>Nondepreciable assets:</b>					
Land	\$ 299,384	\$ -	\$ -	\$ -	\$ 299,384
Construction in Progress	6,420,451	9,375,267	-	(1,196,474)	14,599,244
<b>Total nondepreciable assets</b>	<b>6,719,835</b>	<b>9,375,267</b>	<b>-</b>	<b>(1,196,474)</b>	<b>14,898,628</b>
<b>Depreciable assets:</b>					
Buildings and improvements	18,160,380	55,656	-	698,281	18,914,317
Infrastructure	1,214,625	-	-	-	1,214,625
Roads	50,012,085	17,404	-	498,193	50,527,682
Equipment	12,316,355	207,763	(220,217)	-	12,303,901
<b>Total depreciable assets</b>	<b>81,703,445</b>	<b>280,823</b>	<b>(220,217)</b>	<b>1,196,474</b>	<b>82,960,525</b>
<b>Total</b>	<b>88,423,280</b>	<b>9,656,090</b>	<b>(220,217)</b>	<b>-</b>	<b>97,859,153</b>
<b>Accumulated depreciation:</b>					
Buildings and improvements	(11,121,001)	(471,004)	-	-	(11,592,005)
Infrastructure	(1,001,437)	(9,991)	-	-	(1,011,428)
Roads	(40,253,428)	(809,491)	-	-	(41,062,919)
Equipment	(8,020,500)	(757,464)	235,267	-	(8,542,697)
<b>Total accumulated depreciation</b>	<b>(60,396,365)</b>	<b>(2,047,950)</b>	<b>235,267</b>	<b>-</b>	<b>(62,209,048)</b>
<b>Net depreciable assets</b>	<b>21,307,080</b>	<b>(1,767,127)</b>	<b>15,050</b>	<b>1,196,474</b>	<b>20,751,477</b>
<b>Amortizable assets:</b>					
Right of use - lease asset	249,376	-	-	-	249,376
Subscription Asset	159,007	946,843	-	-	1,105,850
<b>Accumulated amortization</b>	<b>(207,430)</b>	<b>(166,086)</b>	<b>-</b>	<b>-</b>	<b>(373,516)</b>
<b>Net amortizable assets</b>	<b>41,946</b>	<b>780,757</b>	<b>-</b>	<b>-</b>	<b>981,710</b>
<b>Total net capital assets</b>	<b>\$ 28,068,861</b>	<b>\$ 8,388,897</b>	<b>\$ 15,050</b>	<b>\$ -</b>	<b>\$ 36,631,815</b>

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

General government	\$ 480,996
Public safety	923,550
Highways and streets	809,490
<b>Total</b>	<b>\$ 2,214,036</b>

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

**3. CAPITAL ASSETS, Continued**

Business-type capital asset activity for the year ended June 30, 2025, was as follows:

	Restated balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
<b>Business-type activities</b>					
<b>Nondepreciable assets:</b>					
Land	\$ 1,064,902	\$ -	\$ -	\$ -	\$ 1,064,902
Construction in Progress	11,715,195	2,220,599	-	(6,297,032)	7,638,762
<b>Total nondepreciable assets</b>	<u>12,780,097</u>	<u>2,220,599</u>	<u>-</u>	<u>(6,297,032)</u>	<u>8,703,664</u>
<b>Depreciable assets:</b>					
Buildings and improvements	139,740,024	625,844	(95,925)	6,283,240	146,553,183
Equipment	11,977,249	264,007	-	13,792	12,255,048
<b>Total depreciable assets</b>	<u>151,717,273</u>	<u>889,851</u>	<u>(95,925)</u>	<u>6,297,032</u>	<u>158,808,231</u>
<b>Total</b>	<u>164,497,370</u>	<u>3,110,450</u>	<u>(95,925)</u>	<u>-</u>	<u>167,511,895</u>
<b>Accumulated depreciation:</b>					
Buildings and improvements	(50,165,332)	(4,225,697)	95,925	-	(54,295,104)
Equipment	(9,642,808)	(406,590)	-	-	(10,049,398)
<b>Total accumulated depreciation</b>	<u>(59,808,140)</u>	<u>(4,632,287)</u>	<u>95,925</u>	<u>-</u>	<u>(64,344,502)</u>
<b>Net depreciable assets</b>	<u>91,909,133</u>	<u>(3,742,436)</u>	<u>-</u>	<u>6,297,032</u>	<u>94,463,729</u>
<b>Total net capital assets</b>	<u>\$ 104,689,230</u>	<u>\$ (1,521,837)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,167,393</u>

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

Water	\$ 1,620,623
Sewer	2,997,611
Sanitation	14,053
<b>Total</b>	<u>\$ 4,632,287</u>

**4. LOAN RECEIVABLE**

City has given out loans under different housing programs. City has 100% allowance against these loans. At June 30, 2025, the City's loans receivable consisted of the following:

Program	Loan Amount
CDBG	\$ 1,978,781
Home	2,141,705
CalHome	358,000
NSP	91,513
RDA	179,112
	<u>\$ 4,749,111</u>

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

**5. LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2025:

	Restated Balance July 1, 2024	Additions	Retirements	Adjustments	Balance June 30, 2025	Due Within One Year
<u>Governmental Activities:</u>						
Lease liability	\$ 48,366	\$ -	\$ (46,497)	\$ -	\$ 1,869	\$ 1,869
SBITA Liability	159,007	946,843	(100,000)	-	1,005,850	112,133
Financed Purchase	184,403	-	(71,774)	(112,629)	-	-
Total governmental activities	\$ 391,776	\$ -	\$ (218,271)	\$ (112,629)	\$ 1,007,719	\$ 114,002

The following is a summary of changes in long-term liabilities for business-type activities for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Retirements	Adjustments	Balance June 30, 2025	Due Within One Year
<u>Business-type Activities</u>						
2017A Wastewater Revenue						
Refunding Bonds	\$ 49,115,000	\$ -	\$ (1,115,000)	\$ -	\$ 48,000,000	\$ 1,175,000
Unamortized bond premium	4,227,695	-	(201,320)	-	4,026,375	-
2018A Wastewater Revenue						
Refunding Bonds	12,520,000	-	(715,000)	-	11,805,000	740,000
Unamortized bond premium	51,641	-	(3,689)	-	47,952	-
Total governmental activities	\$ 65,914,336	\$ -	\$ (2,035,009)	\$ -	\$ 63,879,327	\$ 1,915,000

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

*Governmental Activities:*

Lease-Purchase financing:

In fiscal year 2019, City of Atwater entered into agreement with Sun Ridge systems for lease RMIS system and US Bank equipment finance for purchase of radios. City paid off the lease purchase liability in FY 2025.

Subscription Based Information Technology Arrangements (SBITAs) Liability:

In fiscal year 2024, the City of Atwater entered into a lease agreement as lessee for financing the acquisition of Kenwood radios and its related software. The remaining liability as of June 30, 2025 amounted to \$159,007. The radios have an estimated useful life of 5 years. Amortization expense for the Asset was \$31,804 for FY2025.

Year Ending June 30,	Principal	Interest
2026	\$ 34,992	\$ 11,526
2027	38,899	7,619
2028	41,289	5,229
2029	43,827	2,692
Total	<u>\$ 159,007</u>	<u>\$ 27,066</u>

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

In fiscal year 2021, the City of Atwater entered into a 5-year lease agreement with Axon Enterprises as lessee for the acquisition of police bodycam equipment and related software license. The remaining liability as of June 30, 2024, amounted to \$112,629 but in fiscal year 2025, the City of Atwater entered into a new lease agreement with Axon as lessee for the acquisition of police bodycam equipment and related software licensing for 10 years rescinding the old agreement. The new liability as of June 30, 2025 amounted to \$846,843. The bodycams have 10-year estimated useful life. Amortization expense for the Asset was \$94,684 for FY2025.

Year Ending June 30,	Principal	Interest
2026	\$ 79,010	\$ 36,499
2027	82,415	33,093
2028	85,967	29,542
2029	89,673	25,836
2030-2034	509,778	67,767
Total	<u>\$ 846,843</u>	<u>\$ 192,737</u>

Lease liabilities

Pursuant to the GASB 87, the City has the 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. The vehicle has 4-year estimated useful life. As of June 30, 2025, City has paid off the lease liability. Right to use asset as of June 30, 2025 is fully amortized and is included in the intangible assets on the capital assets activities table found in Note 3 above.

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. In FY 2025, city paid off the liability and purchased the vehicle. The vehicle has 4-year estimated useful life.

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, 2025, the value of the lease liability is \$929. 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, 2025 of \$782 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2026	\$ 929	\$ 7
Total	<u>\$ 929</u>	<u>\$ 7</u>

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

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, 2025, the value of the lease liability is \$940. 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, 2025 of \$782 is included in the intangible assets on the capital assets activities table found in Note 3 above.

Year Ending June 30,	Principal	Interest
2026	\$ 940	\$ 7
Total	\$ 940	\$ 7

***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.

2017A Wastewater Revenue Refunding Bonds (Sewer), Continued

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

Year Ending June 30,	<u>Business-type Activities</u>	
	2017A Wastewater Revenue Refunding Bonds	
	<u>Principal</u>	<u>Interest</u>
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>\$ 48,000,000</u>	<u>\$ 27,666,136</u>

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

2018A Wastewater Revenue Refunding Bonds (Sewer)

In April 2019, the City issued the 2019A Wastewater Revenue Refunding Bonds in the amount of \$16,255,000 to defease the 2011 Wastewater Revenue Bonds by placing funds in an escrow account to prepay the obligation. Each payment includes interest at an annual rate between 2.75% to 4.00%. Interest on the bonds is payable on May 1 and November 1 of each year. Principal of the bonds is payable on May 1 of each year beginning 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
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>\$ 11,805,000</u>	<u>\$ 3,032,681</u>

**6. COMPENSATED ABSENCES**

The City's compensated absences payable activity for the year ended June 30, 2025 was as follows:

	Restated Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences payable	\$ 648,601	(21,804)*	\$ -	\$ 670,405	\$ 287,378
<b>Business-Type Activities:</b>					
Compensated absences payable	164,097	(6,467)*	-	157,630	59,391
	<u>\$ 812,698</u>	<u>\$ (28,271)</u>	<u>\$ -</u>	<u>\$ 625,844</u>	<u>\$ 346,769</u>

\* The change in the compensated absences liability is presented as a net change.

**City of Atwater**  
**Notes to Basic Financial Statements**  
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**7. NET POSITION/ FUND BALANCES**

Net position

	Governmental Activities	Business Activities	Total
Net investment in capital assets	\$ 35,624,096	\$ 39,288,066	\$ 74,912,162
Restricted	23,794,368	1,219,541	25,013,909
Unrestricted (deficit)	(19,892,387)	56,046,646	36,154,259
Total	<u>\$ 39,526,077</u>	<u>\$ 96,554,253</u>	<u>\$136,080,330</u>

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

Fund Balance

Non-spendable and Restricted fund balance consisted of the following at June 30, 2025:

Nonspendable:	
Prepaid items	\$ 42,019
Investment in land held for resale	159,364
Total Nonspendable	<u>\$ 201,383</u>
Restricted:	
Governmental Funds:	
Public Safety Transaction & Use Special Revenue	\$ 3,297,080
General Plan Update	1,754,449
Measure V Special Revenue	4,525,630
Gas Tax	373,489
Facility Impact Fee	5,770,729
HOME Investment Partnership Program	604,928
Neighborhood Stabilization	236,979
Pension Rate Stabilization	616,660
Police Grant	88,977
Local Transportation	608,981
CDBG Program Income	263,316
Housing Authority	1,286,757
Narcotics Program	2,225
Applegate Exchange	827,504
ARPA Fund	157,523
Reginal Surface Transportation Program	1,588,888
PLHA-Perm Local Housing Allocation	360,387
Maintenance Districts	1,429,866
Total Restricted	<u>\$ 23,794,368</u>
Assigned:	
Performance Bond	\$ 123,919
Total Assigned	<u>\$ 123,919</u>

**City of Atwater**  
**Notes to Basic Financial Statements**  
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**7. NET POSITION/FUND BALANCES, Continued**

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

**Nonspendable**

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

**Restricted**

- **Public Safety Transaction & Use Special Revenue** - A voter approved one cent sales & use tax dedicated to public safety and use is restricted for the approved spending plan.
- **Measure V Special Revenue** - A voter approved ½-cent sales & use tax dedicated to transportation maintenance and improvement projects in Merced County and use is restricted for approved spending plans.
- **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.
- **Pension rate Stabilization Fund** - represents Section 115 Trust dedicated to addressing long-term pension liabilities and costs and stabilizing contribution rates. Funds are restricted for use on pension costs.
- **Police Grant** - This fund tracks Police grant revenue that is restricted for use per each grant, and related expenses.
- **Local Transportation**- represents Capital project costs associated with traffic safety improvements are funded from the Local Transportation Fund and funds are restricted for use for approved eligible activities.
- **CDBG Program Income** - CDBG provides federal funding to support community development projects that benefit low- and moderate-income neighborhoods. The use of funds is restricted to the criteria set forth in the grant requirements.

**City of Atwater**  
**Notes to Basic Financial Statements**  
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**7. NET POSITION/FUND BALANCES, Continued**

- **Housing Authority** - Low- & Moderate-Income Fund represents in part the Successor Agency to the Atwater Redevelopment Agency. Funds are restricted to eligible expenses with the purpose of the successor agency to wind down the operations, complete projects, and pay the outstanding debt obligations of the former agency.
- **Narcotics Program - Trust** is a fund to hold Asset Forfeiture moneys collected from Narcotics Cases.
- **Applegate Exchange** - represents Fee charged for restricted use to fund Applegate Road Interchange upgrade.
- **ARPA Fund** - represents ARPA funds from the federal government to address the economic impact of the COVID-19 pandemic.
- **Regional Surface Transportation program** - RSTP is a federally funded program that apportions federal gas tax dollars to states. The funds are restricted for use on roads, transit, non-motorized and other transportation needs
- **PHLA Fund** - represents state funding to help local governments address unmet housing needs and increase affordable housing supply. Use of funds are restricted per state guidelines for eligible activities.
- **Maintenance District** - represents special assessment districts. The revenues received are from assessments levied on real property and are restricted for use only to provide maintenance and improvements in the districts that are assessed.

**City of Atwater**  
**Notes to Basic Financial Statements**  
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**7. NET POSITION/ FUND BALANCES, Continued**

Deficit fund balances consisted of the following:

	As of June 30, 2025
Nonmajor Capital Project Funds:	
General Capital Projects	\$ (674,880)
Maintenance District Funds:	
Northwood Village	(248)
Woodview Garland	(10)
Price Annexation	(6,970)
Bell Crossing	(827)
CFD District	(4,487)
Total Governmental Funds	<u>\$ (687,422)</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.

**8. 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, 2025:

Transfers Out	Transfers In			Total
	General Fund	Nonmajor Governmental Funds	Internal Service Funds	
General Fund	\$ -	\$ 618,950	\$ 200,000	\$ 818,950
Nonmajor Governmental Funds	-	42,706	-	42,706
Water Fund	152,375	-	-	152,375
Internal Service Fund	-	50,000	-	50,000
<b>Total</b>	<u>\$ 152,375</u>	<u>\$ 711,656</u>	<u>\$ 200,000</u>	<u>\$ 1,064,031</u>

The \$152,375 transfer from Water Funds 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. The transfers from the Internal Service Fund to Nonmajor Governmental funds are for unfunded OPEB Liabilities. The transfers from the Nonmajor Governmental funds to Nonmajor Governmental funds are for the contributions to the Gas Tax Fund for road maintenance.

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**9. RISK MANAGEMENT**

The City participates with other public entities in a joint venture under a joint powers agreement which establishes the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes. The City is covered for the first \$1,000,000 of each general liability claim and \$500,000 of each worker’s compensation claim through the CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula which, among other expenses, charges the City’s account for liability losses under \$50,000 and worker’s compensation losses under \$100,000. The CSJVRMA participates in an excess pool which provides worker’s compensation coverage from \$500,000 to \$4,500,000 and purchases excess insurance above the \$5,000,000 to the statutory limit.

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

At the termination of the joint venture agreement and after all claims has been settled, any excess or deficit will be divided among the cities in proportion to the aggregate amount of contribution made by each. The financial position results of operations of CSJVRMA are as follows for June 30, 2025, the most recent available:

Total assets	\$ 206,777,744
Total liabilities	157,063,998
Total equities	49,713,746
Total revenues	94,036,144
Total expenses	86,877,199
Revenues over (under) expenses	7,158,945

**10. PUBLIC EMPLOYEES’ RETIREMENT SYSTEM**

General Information about the Pension Plans

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

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

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

Benefits Provided

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous PEPRA	Miscellaneous Classic	Miscellaneous - Tier 2
	Prior to	Prior to	Prior to
	January 1, 2013	January 1, 2013	January 1, 2013
Hire date	5 years of service	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life	monthly for life
Benefit payments	62	55-60	60
Retirement age	2.00%	2.00%-3.00%	2.00%
Monthly benefits, as a % of eligible compensation	6.75%	8.00%	7%
Required employee contribution rates	7.87%	18.03%	10.15%
Required employer contribution rates			

	Safety - Classic	Safety - PEPRA
	Prior to	Prior to
	January 1, 2013	January 1, 2013
Hire date	5 years of service	5 years of service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50	57
Retirement age	3.00%	2.70%
Monthly benefits, as a % of eligible compensation	9.00%	13.75%
Required employee contribution rates	28.52%	13.76%
Required employer contribution rates		

**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.

The Agency's contributions to the Plan for year ended June 30, 2025 for each Plan were as follows:

	Miscellaneous	Safety
Contributions - employer	\$ 1,713,412	\$ 1,670,498

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

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

As of June 30, 2025, the City reported net pension liabilities for its proportionate shares of the net pension liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 13,449,014
Safety	14,800,384
Total Net Pension Liability	<u>\$ 28,249,398</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, 2024, 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, 2024 rolled forward to June 30, 2023 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, 2024 and 2023 was as follows:

Proportion - June 30, 2023	0.23414%
Proportion - June 30, 2024	<u>0.23294%</u>
Change - Increase (Decrease)	(0.00120%)

For the year ended June 30, 2025, the City recognized pension expense of \$(4,562,511). At June 30, 2025, 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	\$ 710,319	\$ -
Differences between actual and expected experience	2,370,634	84,643
Differences between projected and actual investment	1,489,626	-
Differences between employers contributions and proportionate share of contributions	885,188	-
Change in employer's proportion	-	1,736,215
Pension contributions made subsequent to measurement date	3,383,910	-
Total	<u>\$ 8,839,677</u>	<u>\$ 1,820,858</u>

**City of Atwater**  
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**10. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued**

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

\$3,383,910 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, 2026. 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,		
2026	\$	930,173
2027		3,234,574
2028		(19,743)
2029		(510,095)

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 Funs
	Contract COLA up to 2.3% until purchasing power protection
Post-retirement benefit increase	Protection Allowance Floor on Purchasing Power applies

The mortality table was developed based on CalPERS-specific data. The rate incorporates Generational mortality improvements to capture ongoing mortality improvement using 80% of Scale MP 2020 published by society of Actuaries. For more details, please refer to the 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, 2024 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.

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

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

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

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

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>1,2</sup>
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	0.5
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 2021-22 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, 2025**

**10. 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, 2025			
Net Pension Liability (Asset)	\$ 41,853,935	\$ 28,249,398	\$ 17,089,577
Total	\$ 41,853,935	\$ 28,249,398	\$ 17,089,577

Payable to the Pension Plan

At June 30, 2025 the City reported a payable of \$0 outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

Pension Plan Fiduciary Net Position

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

**11. OTHER POSTEMPLOYMENT BENEFITS**

Plan Description

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

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2025, the City contributed \$890,854 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, 2025**

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**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

Funding Policy, Continued

At June 30, 2025, the following employees were covered by the benefit terms:

Active employees	98
Inactive employees or beneficiaries currently receiving benefits	72
Inactive employees entitled to, but not yet receiving benefits	29
Total number of participants	<u>199</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, 2025, the City's cash contributions were \$753,545 cash benefit payments.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 that was rolled forward to determine the June 30, 2024 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	3.93% at June 30, 2024 3.65% at June 30, 2023
	Current trust assets insufficient to finance current benefit payments
General Inflation	2.50% per annum
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 experience study
Salary Increases	Aggregate - 2.75% annually Merit - Table from CalPERS 2000-2019 Experience Study
Medical Trend	7.90% for 2026 decreasing to 3.45% in 2076
Participation at Retirement	Active & surviving spouse: Participating & Waived: - Percentage of premium - 100% - PEMHCA minimum - 60% Retirees & surviving spouse: Participating - 100% Waived - 0%

**City of Atwater**  
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**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

Net OPEB Liability, Continued

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

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

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93 percent. The projection of cash flows used to determine the discount rate assumed that Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**City of Atwater**  
**Notes to Basic Financial Statements**  
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**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

Changes in the OPEB Liability

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at 6/30/2024 (6/30/23 measurement date)	\$ 21,560,545	\$ 367,084	\$ 21,193,461
Changes for the year			
Service Cost	482,512	-	482,512
Interest	791,437	-	791,437
Difference between actual and expected experience	-	-	-
Assumption changes	(832,347)	-	(832,347)
Contributions - employer	-	822,226	(822,226)
Contributions - employee	-	-	-
Net investment income	-	48,302	(48,302)
Benefit payments	(719,722)	(719,722)	-
Administrative expenses	-	(3,458)	3,458
Net Changes	(278,120)	147,348	(425,468)
Balance at 6/30/2025 (6/30/24 measurement date)	\$ 21,282,425	\$ 514,432	\$ 20,767,993

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

The discount rate used for the fiscal year end 2024 is 3.93%. 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, 2024:

Change in Discount Rate	1% Decrease 2.93%	Current Rate 3.93%	1% Increase 4.93%
Net OPEB Liability	\$ 23,989,946	\$ 20,767,993	\$ 18,165,090

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, 2024 (Healthcare Cost Trend Rate was assumed to start at 7% and grade down to 4% for years 2076 and thereafter):

Change in Healthcare Cost Trend Rate	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	\$ 17,825,204	\$ 20,767,993	\$ 24,456,307

**City of Atwater**  
**Notes to Basic Financial Statements**  
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**11. OTHER POSTEMPLOYMENT BENEFITS, Continued**

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

Net difference between projected and actual earnings on OPEB plan investment	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (7.8 Years at June 30, 2024)

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of \$22,488. As of fiscal year ended June 30, 2025, 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	\$ 219,950	\$ 479,228
Changes in assumptions	1,198,950	3,325,877
Net difference between projected and actual earnings on plan investments	-	13,542
Employer contributions made subsequent to the measurement date	890,854	-
Total	<u>\$ 2,309,754</u>	<u>\$ 3,818,647</u>

The \$890,854 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026. 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
2026	\$ (381,442)
2027	(843,804)
2028	(775,647)
2029	(221,834)
2030	3,990
Thereafter	(181,010)

**City of Atwater**  
**Notes to Basic Financial Statements**  
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**12. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

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

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

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

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

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

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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

**Long-term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Due Within One Year
Trust Activities					
Refunding Bonds	\$ 1,984,000	\$ -	\$ (979,000)	\$ 1,005,000	\$ 1,005,000
Total trust fund debt	<u>\$ 1,984,000</u>	<u>\$ -</u>	<u>\$ (979,000)</u>	<u>\$ 1,005,000</u>	<u>\$ 1,005,000</u>

**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, 2025, is as follows:

Year Ending June 30,	Fiduciary Activities	
	2017 Series A & B	
	Tax Allocation Refunding Bonds	
	Principal	Interest
2026	\$ 1,005,000	\$ 25,928
Total	<u>\$ 1,005,000</u>	<u>\$ 25,928</u>

**13. COMMITMENTS AND CONTINGENCIES**

*Litigation*

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

*Grants and Allocations*

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

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

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**13. COMMITMENTS AND CONTINGENCIES, Continued**

*Trichloro propane (TCP) Contamination, Settlement and Remediation Efforts*

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

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

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

Currently the annual cost of maintenance is approximately \$1000,000 based upon once a month testing requirements and filter replacements. The cost of testing can fluctuate depending upon levels of TCP present in the monthly samples. Should the levels of TCP increase, more frequent testing would be required, therefore resulting in higher costs.

**14. DEFERRED COMPENSATION PLAN**

The City has two 457 Deferred Compensation Plans implemented. Effective January 2015, the City established a 457(b) Deferred Compensation Plan with Orion Portfolio Solutions. Approximately 106 employees were eligible to participate in this plan. In calendar year 2025, the employees were able to contribute to the plan up to a maximum \$23,500. The City did not match or provide any employer paid contributions to the plan during fiscal year 2025. Effective October 2024, the City established another 457(b) Deferred Compensation Plan with the California Public Employees' Retirement System (CalPERS). Approximately 106 employees were eligible to participate in this plan. In calendar year 2025, the employees were able to contribute to the plan up to a maximum \$23,500. The City did not match or provide any employer paid contributions to the plan during fiscal year 2025.

**City of Atwater**  
**Notes to Basic Financial Statements**  
**For the Year Ended June 30, 2025**

**15. RESTATEMENTS**

Restatements recorded by the City for the current year were as follows:

	Restatements					Net Position/ Fund Balance Net Position
	Net Position/ Fund Balance as Previously	Capital Assets Restatements	Error Correction	GASB 96 implementation	GASB 101 implementation	
<i>Government-wide</i>						
Governmental activities	\$ 32,614,567	\$ 159,007	\$ -	\$ (159,007)	\$ (77,151)	\$ 32,537,416
Business-type activities	91,765,615	517,072	(410,732)	-	(1,946)	91,870,009
<i>Fund Financials</i>						
General Fund	17,334,750	-	(54,348)	-	-	17,280,402
Non major governmental Fund	23,890,564	-	54,348	-	-	23,944,912
<i>Enterprise Funds</i>						
Sewer Fund	19,692,154	410,732	(410,732)	-	696	19,692,850
Water Fund	69,141,581	106,340	-	-	(2,642)	69,245,279
Internal Service Fund	4,027,060	-	-	-	(2,761)	4,024,299
<i>Fiduciary Funds</i>						
Private Purpose Trust Fund	778,782	-	322,688	-	-	1,101,470

The City recorded restatements for the following:

**1) Capital Assets Restatements:**

- City restated SBITA asset to reflect asset leased last year for \$159,007.
- City restated Sewer fund to record intrafund transfer of asset from one sewer fund to another.
- City restated Water fund to record a CIP expense erroneously missed in prior year resulting in restatement of construction in progress of Business-Type Activities and the Water Fund to correct the beginning balances.

**2) Error Correction:**

- City corrected classification of project expenses incorrectly recorded in Facility Impact fee fund in FY 2017 to 2024 to General fund and General Capital Project fund.
- Correction of fund balance in Private Purpose Trust fund caused by duplicate posting of FY23 audit adjusting entry resulting in duplicate recording of expenses in FY24. Hence corrected in FY25.

**3) Implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements:**

- City recorded SBITA liability for Kenwood radios in the amount of \$159,007 as restatement of liability as the contract was executed in FY2024 with no effect on total fund balance.

**4) Implementation of GASB Statement No. 101, Compensated Absences:**

- The City recorded restatements in accrued compensated absences in Governmental Activities, Business-Type Activities, Enterprise Funds, and Internal Service Funds to implement GASB Statement No. 101, Compensated Absences.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**City of Atwater**  
**Required Supplementary Information**  
**For the year ended June 30, 2025**

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

Fiscal year	2025	2024	2023	2022	2021
Measurement date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Proportion share of the net pension liability / (asset)	0.23294%	0.23414%	0.24936%	0.34025%	0.25529%
Proportionate share of the net pension liability / (asset)	\$ 28,249,398	\$ 29,210,063	\$ 28,802,661	\$ 18,401,458	\$ 27,776,819
Covered payroll	\$ 7,065,729	\$ 5,904,114	\$ 5,228,523	\$ 4,635,875	\$ 4,869,106
Proportionate share of the net pension liability / (asset) as a percentage of its covered-employee payroll	25.01%	20.21%	18.15%	25.19%	17.53%
Proportionate share of the fiduciary net position as a percentage of the City's net pension liability	78.08%	76.21%	76.68%	88.29%	75.10%

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 and 2024.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

**City of Atwater**  
**Required Supplementary Information**  
**For the year ended June 30, 2025**

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

Fiscal year	2020	2019	2018	2017	2016
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Proportion share of the net pension liability / (asset)	0.26482%	0.27549%	0.27768%	0.29319%	0.32718%
Proportionate share of the net pension liability / (asset)	\$ 27,135,766	\$ 26,546,855	\$ 27,538,451	\$ 25,370,399	\$ 22,457,323
Covered payroll	\$ 4,301,273	\$ 4,352,437	\$ 4,645,102	\$ 4,645,102	\$ 4,635,102
Proportionate share of the net pension liability / (asset) as a percentage of its covered-employee payroll	15.85%	16.40%	16.87%	18.31%	20.64%
Proportionate share of the fiduciary net position as a percentage of the City's net pension liability	75.26%	75.26%	73.31%	74.06%	78.40%

**City of Atwater**  
**Required Supplementary Information**  
**For the year ended June 30, 2025**

*Schedule of Pension Contributions - Last 10 Years*

Fiscal year	2025	2024	2023	2022
Actuarially determined contribution	\$ 3,383,910	\$ 3,374,118	\$ 3,273,604	\$ 3,715,339
Contributions in relation to actuarially deemed contributions	(3,383,910)	(3,374,118)	(3,273,604)	(3,715,339)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,208,445	\$ 7,065,729	\$ 5,904,114	\$ 5,228,523
Contributions as a percentage of covered payroll	46.94%	47.75%	55.45%	71.06%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

Valuation date (for contractually required contribution):	6/30/2022	6/30/2021	6/30/2020	6/30/2019
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:	2.30%	2.30%	2.50%	2.50%
Salary increases:	(2)	(2)	(2)	(2)
Investment rate of return:	6.900%	6.900%	7.000%	7.000%
Retirement age:	(3)	(3)	(3)	(3)
Mortality:	(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) Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80% of the Society of Actuaries' Scale MP-2020

**City of Atwater**  
**Required Supplementary Information**  
**For the year ended June 30, 2025**

*Schedule of Pension Contributions - Last 10 Years (Continued)*

2021	2020	2019	2018	2017	2016
\$ 3,689,231	\$ 3,671,000	\$ 3,103,630	\$ 2,892,846	\$ 2,734,672	\$ -
(3,689,231)	(3,671,000)	(3,103,630)	(2,892,846)	(2,734,672)	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 4,635,875	\$ 4,869,106	\$ 4,301,273	\$ 4,352,437	\$ 4,645,102	\$ 4,635,102
79.58%	75.39%	72.16%	66.46%	58.87%	0.00%

6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013
Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
(1)	(1)	(1)	(1)	(1)	(1)
Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
2.50%	2.63%	2.75%	2.75%	2.75%	2.75%
(2)	(2)	(2)	(2)	(2)	(2)
7.000%	7.250%	7.375%	7.500%	7.500%	7.500%
(3)	(3)	(3)	(3)	(3)	(3)
(4)	(4)	(4)	(4)	(4)	(4)

**City of Atwater**  
**Required Supplementary Information**  
**For the year ended June 30, 2025**

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

<b>For the Measurement Period Ended:</b>	<b>6/30/2024</b>	<b>6/30/2023</b>	<b>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>
<b>Total OPEB Liability</b>					
Service cost	\$ 482,512	\$ 566,446	\$ 830,650	1,052,679	\$ 737,612
Interest	791,437	721,815	531,096	552,930	678,894
Assumption changes	(832,347)	479,774	(4,628,232)	(495,797)	4,517,566
Differences between expected and actual experience	-	306,204	-	(674,772)	-
Benefit payments	(719,722)	(674,989)	(658,695)	(630,738)	(622,521)
<b>Net change in the total OPEB liability</b>	<b>(278,120)</b>	<b>1,399,250</b>	<b>(3,925,181)</b>	<b>(195,698)</b>	<b>5,311,551</b>
<b>Total OPEB liability - beginning</b>	<b>21,560,545</b>	<b>20,161,295</b>	<b>24,086,476</b>	<b>24,282,174</b>	<b>18,970,623</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 21,282,425</b>	<b>\$ 21,560,545</b>	<b>\$ 20,161,295</b>	<b>24,086,476</b>	<b>\$ 24,282,174</b>
<b>Plan Fiduciary Net Position</b>					
Contributions - employer	\$ 822,226	\$ 777,122	\$ 710,265	\$ 732,277	\$ 724,186
Net investment income	48,302	23,047	(31,120)	26,549	76
Administrative expense	(3,458)	(2,763)	(2,126)	(1,821)	(1,665)
Benefit payments	(719,722)	(674,989)	(658,695)	(630,738)	(622,521)
<b>Net change in the total OPEB liability</b>	<b>147,348</b>	<b>122,417</b>	<b>18,324</b>	<b>126,267</b>	<b>100,076</b>
<b>Plan fiduciary net position - beginning</b>	<b>367,084</b>	<b>244,667</b>	<b>226,343</b>	<b>100,076</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 514,432</b>	<b>\$ 367,084</b>	<b>\$ 244,667</b>	<b>\$ 226,343</b>	<b>\$ 100,076</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 20,767,993</b>	<b>\$ 21,193,461</b>	<b>\$ 19,916,628</b>	<b>\$ 23,860,133</b>	<b>\$ 24,182,098</b>
Plan fiduciary net position as a percentage of the total OPEB liability	2.42%	1.70%	1.21%	0.94%	0.41%
Covered employee payroll	\$ 7,487,307	\$ 7,061,135	\$ 7,061,135	\$ 7,055,218	\$ 4,869,106
Net OPEB liability as a percentage of covered employee payroll	277.4%	300.1%	282.1%	338.19%	496.64%

\* Fiscal year 20217 was the 1st year of implementation.

**City of Atwater**  
**Required Supplementary Information**  
**For the year ended June 30, 2025**

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

<b>For the Measurement Period Ended:</b>	<b>6/30/2019</b>	<b>6/30/2018</b>	<b>6/30/2017</b>
<b>Total OPEB Liability</b>			
Service cost	\$ 986,349	\$ 1,028,487	\$ 1,200,000
Interest	949,529	872,785	746,000
Assumption changes	1,230,191	(1,089,852)	(2,981,000)
Differences between expected and actual experience	(7,433,570)	-	-
Benefit payments	(622,296)	(604,000)	(627,000)
<b>Net change in the total OPEB liability</b>	<b>(4,889,797)</b>	<b>207,420</b>	<b>(1,662,000)</b>
<b>Total OPEB liability - beginning</b>	<b>23,860,420</b>	<b>23,653,000</b>	<b>25,315,000</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 18,970,623</b>	<b>\$ 23,860,420</b>	<b>\$ 23,653,000</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - employer	\$ -	\$ -	\$ -
Net investment income	-	-	-
Administrative expense	-	-	-
Benefit payments	-	-	-
<b>Net change in the total OPEB liability</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Net OPEB liability - ending (a) - (b)</b>	<b>\$ 18,970,623</b>	<b>\$ 23,860,420</b>	<b>\$ 23,653,000</b>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered employee payroll	N/A	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A

**City of Atwater**  
**Required Supplementary Information**  
**For the year ended June 30, 2025**

*Schedule of OPEB Contributions - Last 10 Years\**

<u>Fiscal Year Ended:</u>	<u>6/30/2025</u>	<u>6/30/2024</u>	<u>6/30/2023</u>	<u>6/30/2022</u>	<u>6/30/2021</u>
Actuarially determined contribution	\$ 890,854	\$ 822,226	\$ 777,122	\$ 710,265	\$ 732,277
Contributions in relation to the actuarially determined contribution	<u>(890,854)</u>	<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>	<u>\$ -</u>
Covered - employee payroll	\$ 7,169,417	\$ 7,487,307	\$ 7,061,135	\$ 7,055,218	\$ 5,925,878
Contribution as a percentage of covered-employee payroll	12%	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	3.93% at June 30, 2024
Long-term Expected Rate of Return on Assets	5.75% at June 30, 2024
General Inflation	2.5% annually
Mortality, Retirement, Disability, Termination	CalPERS 2000-2019 Experience Study
Salary Increases	Aggregate - 2.75% annually Merit - Table from CalPERS 2000-2019 Experience Study
Medical Trend	7.90% -3.45%
Participation at Retirement	Active & surviving spouse: Participating & Waived: - Percentage of premium 100% - PEMHCA minimum - 60% Retirees & surviving spouse: Participating - 100% Waived - 0%

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# SUPPLEMENTARY INFORMATION

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**City of Atwater**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Special Revenue Funds	Capital Projects Funds		Total Nonmajor Governmental Funds
		General	Performance Bond	
<b>ASSETS</b>				
Cash and investments	\$ 23,992,335	\$ -	\$ 233,856	\$ 24,226,191
Receivables:				
Taxes	13,230	-	-	13,230
Interest	161,620	-	1,729	163,349
Intergovernmental	436,649	-	-	436,649
Other receivable	147,580	44,139	-	191,719
Prepaid items	331	-	-	331
Land held for resale	159,364	-	-	159,364
<b>Total assets</b>	<b>24,911,109</b>	<b>44,139</b>	<b>235,585</b>	<b>25,190,833</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	2,840,153	38,430	-	2,878,583
Accrued liabilities	20,901	-	-	20,901
Deposits payable	-	-	111,666	111,666
Other liabilities	348,057	1,160	-	349,217
Unearned revenue	869,488	-	-	869,488
<b>Total liabilities</b>	<b>4,078,599</b>	<b>688,781</b>	<b>111,666</b>	<b>4,879,046</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	188,069	30,238	-	218,307
<b>Total deferred inflows of resources</b>	<b>188,069</b>	<b>30,238</b>	<b>-</b>	<b>218,307</b>
<b>Fund Balances:</b>				
Nonspendable				
Prepaid items	331	-	-	331
Land held for resale	159,364	-	-	159,364
Restricted	20,497,288	-	-	20,497,288
Assigned	-	-	123,919	123,919
Unassigned	(12,542)	(674,880)	-	(687,422)
<b>Total fund balances</b>	<b>20,644,441</b>	<b>(674,880)</b>	<b>123,919</b>	<b>20,093,480</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 24,911,109</b>	<b>\$ 44,139</b>	<b>\$ 235,585</b>	<b>\$ 25,190,833</b>

# City of Atwater

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

### Nonmajor Governmental Funds

For the year ended June 30, 2025

	Special Revenue Funds	Capital Projects Funds		Total Nonmajor Governmental Funds
		General	Performance Bond	
<b>REVENUES:</b>				
Taxes and assessments	\$ 1,969,368	\$ -	\$ -	\$ 1,969,368
Intergovernmental	4,160,988	160,304	-	4,321,292
Use of money and property	772,991	-	7,731	780,722
Charges for services	214,070	-	-	214,070
Other revenues	185,321	-	-	185,321
<b>Total revenues</b>	<b>7,302,738</b>	<b>160,304</b>	<b>7,731</b>	<b>7,470,773</b>
<b>EXPENDITURES:</b>				
Current:				
General government	453,421	-	-	453,421
Public safety	41,506	-	-	41,506
Highways and streets	1,275,152	-	-	1,275,152
Urban redevelopment and housing	1,129,569	-	-	1,129,569
Capital outlay	8,942,877	148,630	-	9,091,507
<b>Total expenditures</b>	<b>11,842,525</b>	<b>148,630</b>	<b>-</b>	<b>11,991,155</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,539,787)</b>	<b>11,674</b>	<b>7,731</b>	<b>(4,520,382)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	711,656	-	-	711,656
Transfers out	(42,706)	-	-	(42,706)
<b>Total other financing sources (uses)</b>	<b>668,950</b>	<b>-</b>	<b>-</b>	<b>668,950</b>
<b>Net change in fund balances</b>	<b>(3,870,837)</b>	<b>11,674</b>	<b>7,731</b>	<b>(3,851,432)</b>
<b>FUND BALANCES:</b>				
Beginning of year	23,809,214	(34,838)	116,188	23,890,564
Restatement	706,064	(651,716)	-	54,348
Beginning of year, as restated	24,515,278	(686,554)	116,188	23,944,912
End of year	\$ 19,938,377	\$ (674,880)	\$ 123,919	\$ 20,093,480

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**City of Atwater**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**June 30, 2025**

	Special Revenue Funds			
	Measure V Special Revenue Fund	Police Grants	Gas Tax	Local Transportation
<b>ASSETS</b>				
Cash and investments	\$ 5,411,368	\$ 88,977	\$ 382,489	\$ 604,512
Receivables:				
Taxes	-	-	-	-
Interest	47,531	-	-	4,469
Intergovernmental	283,933	-	-	-
Other receivable	-	-	121,368	-
Prepaid items	-	-	331	-
Land held for resale	-	-	-	-
<b>Total assets</b>	<u>5,742,832</u>	<u>88,977</u>	<u>504,188</u>	<u>608,981</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	1,003,941	-	70,212	-
Accrued liabilities	-	-	12,294	-
Other liabilities	98,737	-	-	-
Unearned revenue	-	-	-	-
<b>Total liabilities</b>	<u>1,102,678</u>	<u>-</u>	<u>82,506</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	114,524	-	47,862	-
<b>Total deferred inflows of resources</b>	<u>114,524</u>	<u>-</u>	<u>47,862</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable				
Prepaid items	-	-	331	-
Land held for resale	-	-	-	-
Restricted	4,525,630	88,977	373,489	608,981
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>4,525,630</u>	<u>88,977</u>	<u>373,820</u>	<u>608,981</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 5,742,832</u>	<u>\$ 88,977</u>	<u>\$ 504,188</u>	<u>\$ 608,981</u>

Special Revenue Funds

Facility Impact Fee	CDBG Program Income	HOME Investment Partnership Program	Housing Authority	Narcotics Program
\$ 5,779,583	\$ 395,460	\$ 601,205	\$ 1,277,337	\$ 2,209
-	-	-	-	-
37,135	2,642	4,058	9,470	16
152,716	-	-	-	-
-	500	-	-	-
-	-	-	-	-
-	-	-	159,364	-
<u>5,969,434</u>	<u>398,602</u>	<u>605,263</u>	<u>1,446,171</u>	<u>2,225</u>
76,526	135,315	335	50	-
-	-	-	-	-
122,179	-	-	-	-
-	-	-	-	-
<u>198,705</u>	<u>135,315</u>	<u>335</u>	<u>50</u>	<u>-</u>
-	(29)	-	-	-
-	(29)	-	-	-
-	-	-	-	-
-	-	-	159,364	-
5,770,729	263,316	604,928	1,286,757	2,225
-	-	-	-	-
<u>5,770,729</u>	<u>263,316</u>	<u>604,928</u>	<u>1,446,121</u>	<u>2,225</u>
<u>\$ 5,969,434</u>	<u>\$ 398,602</u>	<u>\$ 605,263</u>	<u>\$ 1,446,171</u>	<u>\$ 2,225</u>

**City of Atwater**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds (Continued)**  
**June 30, 2025**

	Special Revenue Funds			
	Neighborhood Stabilization	Applegate Exchange	Regional Surface Transportation Program	ARPA Fund
<b>ASSETS</b>				
Cash and investments	\$ 235,240	\$ 821,430	\$ 3,026,062	\$ 1,077,811
Receivables:				
Taxes	-	-	-	-
Interest	1,739	6,074	22,824	-
Intergovernmental	-	-	-	-
Other receivable	-	-	25,712	-
Prepaid items	-	-	-	-
Investment in land held for resale	-	-	-	-
<b>Total assets</b>	<u>236,979</u>	<u>827,504</u>	<u>3,074,598</u>	<u>1,077,811</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	-	-	1,377,897	5,760
Accrued liabilities	-	-	-	-
Other liabilities	-	-	82,101	45,040
Unearned revenue	-	-	-	869,488
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>1,459,998</u>	<u>920,288</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenues	-	-	25,712	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>25,712</u>	<u>-</u>
<b>Fund Balances:</b>				
Nonspendable				
Prepaid items	-	-	-	-
Investment in land held for resale	-	-	-	-
Restricted	236,979	827,504	1,588,888	157,523
Unassigned	-	-	-	-
<b>Total fund balances</b>	<u>236,979</u>	<u>827,504</u>	<u>1,588,888</u>	<u>157,523</u>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<u>\$ 236,979</u>	<u>\$ 827,504</u>	<u>\$ 3,074,598</u>	<u>\$ 1,077,811</u>

Special Revenue Funds

Pension Rate Stablization 115 Trust	General Plan Update Fund	PLHA-Perm Local Housing Allocation Fund	Maintenance District Funds	Total Nonmajor Special Revenue Funds
\$ 616,660	\$ 1,747,857	\$ 393,138	\$ 1,530,997	\$ 23,992,335
-	-	-	13,230	13,230
-	14,151	1,206	10,305	161,620
-	-	-	-	436,649
-	-	-	-	147,580
-	-	-	-	331
-	-	-	-	159,364
<u>616,660</u>	<u>1,762,008</u>	<u>394,344</u>	<u>1,554,532</u>	<u>24,911,109</u>
-	7,559	33,957	128,601	2,840,153
-	-	-	8,607	20,901
-	-	-	-	348,057
-	-	-	-	869,488
<u>-</u>	<u>7,559</u>	<u>33,957</u>	<u>137,208</u>	<u>4,078,599</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,069</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>188,069</u>
-	-	-	-	331
-	-	-	-	159,364
616,660	1,754,449	360,387	1,429,866	20,497,288
-	-	-	(12,542)	(12,542)
<u>616,660</u>	<u>1,754,449</u>	<u>360,387</u>	<u>1,417,324</u>	<u>20,644,441</u>
<u>\$ 616,660</u>	<u>\$ 1,762,008</u>	<u>\$ 394,344</u>	<u>\$ 1,554,532</u>	<u>\$ 24,911,109</u>

# City of Atwater

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

### Nonmajor Special Revenue Funds

For the year ended June 30, 2025

	Special Revenue Funds			
	Measure V Special Revenue	Police Grants	Gas Tax	Local Transportation
<b>REVENUES:</b>				
Taxes and assessments	\$ 1,022,817	\$ -	\$ -	\$ 213
Intergovernmental	-	24,139	864,109	-
Use of money and property	205,314	363	3,718	19,918
Charges for services	117,196	-	96,874	-
Other revenues	-	-	3,963	-
<b>Total revenues</b>	<b>1,345,327</b>	<b>24,502</b>	<b>968,664</b>	<b>20,131</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	37,406	-	-
Highways and streets	-	-	1,275,152	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	2,848,202	-	45,614	-
<b>Total expenditures</b>	<b>2,848,202</b>	<b>37,406</b>	<b>1,320,766</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,502,875)</b>	<b>(12,904)</b>	<b>(352,102)</b>	<b>20,131</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	569,281	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>569,281</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(1,502,875)</b>	<b>(12,904)</b>	<b>217,179</b>	<b>20,131</b>
<b>FUND BALANCES:</b>				
Beginning of year	6,028,505	101,881	156,641	588,850
Restatement	-	-	-	-
Beginning of year, as restated	6,028,505	101,881	156,641	588,850
End of year	\$ 4,525,630	\$ 88,977	\$ 373,820	\$ 608,981

Special Revenue Funds

Facility Impact Fee	CDBG Program Income	HOME Investment Partnership Program	Housing Authority	Narcotics Program
\$ 50,935	\$ -	\$ -	\$ -	\$ -
867,093	-	-	-	-
157,142	12,335	18,591	42,457	73
-	-	-	-	-
806	121,700	58,000	-	-
<u>1,075,976</u>	<u>134,035</u>	<u>76,591</u>	<u>42,457</u>	<u>73</u>
(1,455)	174,761	6,329	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	3,396	-
<u>2,678,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,676,796</u>	<u>174,761</u>	<u>6,329</u>	<u>3,396</u>	<u>-</u>
<u>(1,600,820)</u>	<u>(40,726)</u>	<u>70,262</u>	<u>39,061</u>	<u>73</u>
-	-	-	-	-
<u>(42,706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(42,706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,643,526)</u>	<u>(40,726)</u>	<u>70,262</u>	<u>39,061</u>	<u>73</u>
6,708,191	304,042	534,666	1,407,060	2,152
706,064	-	-	-	-
<u>7,414,255</u>	<u>304,042</u>	<u>534,666</u>	<u>1,407,060</u>	<u>2,152</u>
<u>\$ 5,770,729</u>	<u>\$ 263,316</u>	<u>\$ 604,928</u>	<u>\$ 1,446,121</u>	<u>\$ 2,225</u>

# City of Atwater

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

### Nonmajor Special Revenue Funds (Continued)

For the year ended June 30, 2025

	Special Revenue Funds			
	Neighborhood Stabilization	Applegate Exchange	Regional Surface Transportation Program	ARPA Fund
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	444,743	1,713,369
Use of money and property	7,778	27,158	106,390	-
Charges for services	-	-	-	-
Other revenues	-	-	-	852
<b>Total revenues</b>	<b>7,778</b>	<b>27,158</b>	<b>551,133</b>	<b>1,714,221</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	26,668
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Urban redevelopment and housing	-	-	-	-
Capital outlay	-	-	1,672,653	1,687,553
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>1,672,653</b>	<b>1,714,221</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>7,778</b>	<b>27,158</b>	<b>(1,121,520)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>7,778</b>	<b>27,158</b>	<b>(1,121,520)</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of year	229,201	800,346	2,710,408	157,523
Restatement	-	-	-	-
Beginning of year, as restated	229,201	800,346	2,710,408	157,523
End of year	\$ 236,979	\$ 827,504	\$ 1,588,888	\$ 157,523

Special Revenue Funds

Pension Rate Stablization 115 Trust	General Plan Update Fund	PLHA-Perm Local Housing Allocation Fund	Maintenance District Funds	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 895,403	\$ 1,969,368
-	-	247,535	-	4,160,988
52,228	59,611	12,378	47,537	772,991
-	-	-	-	214,070
-	-	-	-	185,321
52,228	59,611	259,913	942,940	7,302,738
-	188,999	58,119	-	453,421
-	-	-	4,100	41,506
-	-	-	-	1,275,152
-	-	-	1,126,173	1,129,569
-	10,604	-	-	8,942,877
-	199,603	58,119	1,130,273	11,842,525
52,228	(139,992)	201,794	(187,333)	(4,539,787)
50,000	-	-	92,375	711,656
-	-	-	-	(42,706)
50,000	-	-	92,375	668,950
102,228	(139,992)	201,794	(94,958)	(3,870,837)
514,432	1,894,441	158,593	1,512,282	23,809,214
-	-	-	-	706,064
514,432	1,894,441	158,593	1,512,282	24,515,278
\$ 616,660	\$ 1,754,449	\$ 360,387	\$ 1,417,324	\$ 20,644,441

**City of Atwater**

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

**Measure V Fund**

**For the year ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 995,000	\$ 995,000	\$ 1,022,817	\$ 27,817
Use of money and property	2,000	2,000	205,314	203,314
Charges for services	2,379,834	2,379,834	117,196	(2,262,638)
<b>Total revenues</b>	<b>3,376,834</b>	<b>3,376,834</b>	<b>1,345,327</b>	<b>(2,031,507)</b>
<b>EXPENDITURES:</b>				
Capital outlay:				
General capital outlay	6,841,406	6,841,406	2,848,202	3,993,204
<b>Total expenditures</b>	<b>6,841,406</b>	<b>6,841,406</b>	<b>2,848,202</b>	<b>3,993,204</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,464,572)</b>	<b>(3,464,572)</b>	<b>(1,502,875)</b>	<b>1,961,697</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
<b>Net change in fund balances</b>	<b>\$ (3,464,572)</b>	<b>\$ (3,464,572)</b>	<b>(1,502,875)</b>	<b>\$ 1,961,697</b>
<b>FUND BALANCES:</b>				
Beginning of year			6,028,505	
End of year			<u>\$ 4,525,630</u>	

**City of Atwater**

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

**Police Grants Fund**

**For the year ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 24,682	\$ 24,682	\$ 24,139	\$ (543)
Fines, forfeitures and assessments	-	-	363	363
<b>Total revenues</b>	<b>24,682</b>	<b>24,682</b>	<b>24,502</b>	<b>(180)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	24,682	24,682	37,406	(12,724)
<b>Total expenditures</b>	<b>24,682</b>	<b>24,682</b>	<b>37,406</b>	<b>(12,724)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(12,904)</b>	<b>(12,904)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(12,904)</b>	<b>\$ (12,904)</b>
<b>FUND BALANCES:</b>				
Beginning of year			101,881	
End of year			\$ 88,977	

# City of Atwater

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

### Gas Tax Fund

For the year ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 868,248	\$ 868,248	\$ 864,109	\$ (4,139)
Fines, forfeitures and assessments	-	-	3,718	3,718
Use of money and property	95,494	95,494	96,874	1,380
Miscellaneous	-	-	3,963	3,963
<b>Total revenues</b>	<b>963,742</b>	<b>963,742</b>	<b>968,664</b>	<b>4,922</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	1,442,965	1,442,965	1,275,152	167,813
Capital outlay:				
General capital outlay	47,000	47,000	45,614	1,386
<b>Total expenditures</b>	<b>1,489,965</b>	<b>1,489,965</b>	<b>1,320,766</b>	<b>169,199</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(526,223)</b>	<b>(526,223)</b>	<b>(352,102)</b>	<b>174,121</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	526,575	526,575	569,281	42,706
<b>Total other financing sources (uses)</b>	<b>526,575</b>	<b>526,575</b>	<b>569,281</b>	<b>42,706</b>
<b>Net change in fund balances</b>	<b>\$ 352</b>	<b>\$ 352</b>	<b>217,179</b>	<b>\$ 216,827</b>
<b>FUND BALANCES:</b>				
Beginning of year			156,641	
End of year			<u>\$ 373,820</u>	

# City of Atwater

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

### Local Transportation Fund

For the year ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 213	\$ 213
Fines, forfeitures and assessments	-	-	19,918	19,918
<b>Total revenues</b>	-	-	20,131	20,131
<b>EXPENDITURES:</b>				
Capital outlay:				
General capital outlay	394,828	394,828	-	394,828
<b>Total expenditures</b>	394,828	394,828	-	394,828
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(394,828)	(394,828)	20,131	414,959
<b>Net change in fund balances</b>	\$ (394,828)	\$ (394,828)	20,131	\$ 414,959
<b>FUND BALANCES:</b>				
Beginning of year			588,850	
End of year			\$ 608,981	

# 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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 50,935	\$ 50,935
Charges for services	801,841	801,841	867,093	65,252
Fines, forfeitures and assessments	2,700	2,700	157,142	154,442
Miscellaneous	-	-	806	806
<b>Total revenues</b>	<b>804,541</b>	<b>804,541</b>	<b>1,075,976</b>	<b>271,435</b>
<b>EXPENDITURES:</b>				
Current:				
General government	170	170	(1,455)	1,625
Capital outlay:				
General capital outlay	3,720,236	3,720,236	2,678,251	1,041,985
<b>Total expenditures</b>	<b>3,720,406</b>	<b>3,720,406</b>	<b>2,676,796</b>	<b>1,043,610</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,915,865)</b>	<b>(2,915,865)</b>	<b>(1,600,820)</b>	<b>1,315,045</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(42,706)	(42,706)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(42,706)</b>	<b>(42,706)</b>
<b>Net change in fund balances</b>	<b>\$ (2,915,865)</b>	<b>\$ (2,915,865)</b>	<b>(1,643,526)</b>	<b>\$ 1,272,339</b>
<b>FUND BALANCES:</b>				
Beginning of year			6,708,191	
Restatement			706,064	
Beginning of year, as restated			7,414,255	
End of year			<u>\$ 5,770,729</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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures and assessments	\$ 500	\$ 500	\$ 12,335	\$ 11,835
Miscellaneous	-	-	121,700	121,700
<b>Total revenues</b>	<b>500</b>	<b>500</b>	<b>134,035</b>	<b>133,535</b>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	174,761	(174,761)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>174,761</b>	<b>(174,761)</b>
<b>Net change in fund balances</b>	<b>\$ 500</b>	<b>\$ 500</b>	<b>(40,726)</b>	<b>\$ (41,226)</b>
<b>FUND BALANCES:</b>				
Beginning of year			304,042	
End of year			\$ 263,316	

# 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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 18,591	\$ 18,591
Miscellaneous	-	-	58,000	58,000
<b>Total revenues</b>	-	-	76,591	76,591
<b>EXPENDITURES:</b>				
Current:				
General government	75,926	75,926	6,329	69,597
<b>Total expenditures</b>	75,926	75,926	6,329	69,597
<b>Net change in fund balances</b>	<u>\$ (75,926)</u>	<u>\$ (75,926)</u>	70,262	<u>\$ 146,188</u>
<b>FUND BALANCES:</b>				
Beginning of year			534,666	
End of year			<u>\$ 604,928</u>	

# City of Atwater

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

### Housing Authority Fund

For the year ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures and assessments	\$ 3,000	\$ 3,000	\$ 42,457	\$ 39,457
Miscellaneous	1,000	1,000	-	(1,000)
<b>Total revenues</b>	<b>4,000</b>	<b>4,000</b>	<b>42,457</b>	<b>38,457</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	20,000	20,000	3,396	16,604
<b>Total expenditures</b>	<b>20,000</b>	<b>20,000</b>	<b>3,396</b>	<b>16,604</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(16,000)</b>	<b>(16,000)</b>	<b>39,061</b>	<b>55,061</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(50,000)	(50,000)	-	50,000
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(50,000)</b>	<b>-</b>	<b>50,000</b>
<b>Net change in fund balances</b>	<b>\$ (66,000)</b>	<b>\$ (66,000)</b>	<b>39,061</b>	<b>\$ 105,061</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,407,060	
End of year			<u>\$ 1,446,121</u>	

**City of Atwater**

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

**Narcotics Program Fund**

**For the year ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 73	\$ 73
<b>Total revenues</b>	-	-	73	73
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	73	<u>\$ 73</u>
 <b>FUND BALANCES:</b>				
Beginning of year			<u>2,152</u>	
End of year			<u>\$ 2,225</u>	

**City of Atwater**

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

**Neighborhood Stabilization Fund**

**For the year ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures and assessments	\$ -	\$ -	\$ 7,778	\$ 7,778
<b>Total revenues</b>	-	-	7,778	7,778
<b>Net change in fund balances</b>	\$ -	\$ -	7,778	\$ 7,778
<b>FUND BALANCES:</b>				
Beginning of year			229,201	
End of year			\$ 236,979	

**City of Atwater**

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

**Applegate Interchange Fund**

**For the year ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fines, forfeitures and assessments	\$ -	\$ -	27,158	27,158
<b>Total revenues</b>	-	-	27,158	27,158
<b>Net change in fund balances</b>	\$ -	\$ -	27,158	\$ 27,158
<b>FUND BALANCES:</b>				
Beginning of year			800,346	
End of year			\$ 827,504	

**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, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 444,743	\$ 444,743	\$ 444,743	\$ -
Fines, forfeitures and assessments	5,000	5,000	106,390	101,390
<b>Total revenues</b>	<b>449,743</b>	<b>449,743</b>	<b>551,133</b>	<b>101,390</b>
<b>EXPENDITURES:</b>				
Capital outlay:				
General capital outlay	2,944,011	2,944,011	1,672,653	1,271,358
<b>Total expenditures</b>	<b>2,944,011</b>	<b>2,944,011</b>	<b>1,672,653</b>	<b>1,271,358</b>
<b>Net change in fund balances</b>	<b>\$ (2,494,268)</b>	<b>\$ (2,494,268)</b>	<b>(1,121,520)</b>	<b>\$ 1,372,748</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,710,408	
End of year			\$ 1,588,888	

**City of Atwater**

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

**ARPA Grant**

**For the year ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 1,713,369	\$ 1,713,369
Miscellaneous	-	-	852	852
<b>Total revenues</b>	-	-	1,714,221	1,714,221
<b>EXPENDITURES:</b>				
Current:				
General government	102,625	102,625	26,668	75,957
Capital outlay:				
General capital outlay	1,692,938	1,692,938	1,687,553	5,385
<b>Total expenditures</b>	1,795,563	1,795,563	1,714,221	81,342
<b>Net change in fund balances</b>	\$ (1,795,563)	\$ (1,795,563)	-	\$ 1,795,563
<b>FUND BALANCES:</b>				
Beginning of year			157,523	
End of year			\$ 157,523	

**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, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 52,228	\$ 52,228
<b>Total revenues</b>	-	-	52,228	52,228
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	50,000	50,000	50,000	-
<b>Total other financing sources (uses)</b>	50,000	50,000	50,000	-
<b>Net change in fund balances</b>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	102,228	<u>\$ 52,228</u>
<b>FUND BALANCES:</b>				
Beginning of year			514,432	
End of year			<u>\$ 616,660</u>	

# 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, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 59,611	\$ 59,611
Miscellaneous	75,394	75,394	-	(75,394)
<b>Total revenues</b>	<b>75,394</b>	<b>75,394</b>	<b>59,611</b>	<b>(15,783)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,810,719	2,810,719	188,999	2,621,720
Capital outlay:				
General capital outlay	353,840	353,840	10,604	343,236
<b>Total expenditures</b>	<b>3,164,559</b>	<b>3,164,559</b>	<b>199,603</b>	<b>2,964,956</b>
<b>Net change in fund balances</b>	<b>\$ (3,089,165)</b>	<b>\$ (3,089,165)</b>	<b>(139,992)</b>	<b>\$ 2,949,173</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,894,441	
End of year			\$ 1,754,449	

**City of Atwater**

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

**Permanent Housing Local Allocation Fund**

**For the year ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 247,535	\$ 247,535
Charges for services	949,257	949,257	-	(949,257)
Use of money and property	-	-	12,378	12,378
<b>Total revenues</b>	<b>949,257</b>	<b>949,257</b>	<b>259,913</b>	<b>(689,344)</b>
<b>EXPENDITURES:</b>				
Current:				
General government	949,257	949,257	58,119	891,138
<b>Total expenditures</b>	<b>949,257</b>	<b>949,257</b>	<b>58,119</b>	<b>891,138</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>201,794</b>	<b>\$ 201,794</b>
<b>FUND BALANCES:</b>				
Beginning of year			158,593	
End of year			\$ 360,387	

**City of Atwater**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds**  
**June 30, 2025**

	Special Revenue Funds			
	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 99,496	\$ 31,816	\$ -
Receivables:				
Taxes	128	331	70	8
Interest	-	707	174	-
<b>Total assets</b>	<b>128</b>	<b>100,534</b>	<b>32,060</b>	<b>8</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	376	164	44	18
Accrued liabilities	-	-	-	-
<b>Total liabilities</b>	<b>376</b>	<b>164</b>	<b>44</b>	<b>18</b>
<b>Fund Balances:</b>				
Nonspendable				
Restricted		100,370	32,016	
Unassigned	(248)	-	-	(10)
<b>Total fund balances</b>	<b>(248)</b>	<b>100,370</b>	<b>32,016</b>	<b>(10)</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 128</b>	<b>\$ 100,534</b>	<b>\$ 32,060</b>	<b>\$ 8</b>

Special Revenue Funds

Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square
\$ 27,854	\$ 16,855	\$ 1,372	\$ 132,410	\$ 1,255	\$ 21,280
112	16	175	218	1,398	175
197	118	-	903	-	141
<u>28,163</u>	<u>16,989</u>	<u>1,547</u>	<u>133,531</u>	<u>2,653</u>	<u>21,596</u>
59	20	29	239	9,623	785
-	-	-	-	-	-
<u>59</u>	<u>20</u>	<u>29</u>	<u>239</u>	<u>9,623</u>	<u>785</u>
28,104	16,969	1,518	133,292	-	20,811
-	-	-	-	(6,970)	-
<u>28,104</u>	<u>16,969</u>	<u>1,518</u>	<u>133,292</u>	<u>(6,970)</u>	<u>20,811</u>
\$ 28,163	\$ 16,989	\$ 1,547	\$ 133,531	\$ 2,653	\$ 21,596

**City of Atwater**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds (Continued)**  
**June 30, 2025**

	Special Revenue Funds			
	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
<b>ASSETS</b>				
Cash and investments	\$ 42,303	\$ 67,413	\$ 23,092	\$ 21,470
Receivables:				
Taxes	4	249	-	390
Interest	318	487	179	109
<b>Total assets</b>	<b>42,625</b>	<b>68,149</b>	<b>23,271</b>	<b>21,969</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	491	465	337	109
Accrued liabilities	-	-	-	-
<b>Total liabilities</b>	<b>491</b>	<b>465</b>	<b>337</b>	<b>109</b>
<b>Fund Balances:</b>				
Nonspendable				
Restricted	42,134	67,684	22,934	21,860
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>42,134</b>	<b>67,684</b>	<b>22,934</b>	<b>21,860</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 42,625</b>	<b>\$ 68,149</b>	<b>\$ 23,271</b>	<b>\$ 21,969</b>

Special Revenue Funds

Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Stone Creek
\$ 54,781	\$ 72,145	\$ 20,350	\$ 23,198	\$ 41,406	\$ 136,278
30	230	1	2	291	97
408	510	146	138	287	1,033
<u>55,219</u>	<u>72,885</u>	<u>20,497</u>	<u>23,338</u>	<u>41,984</u>	<u>137,408</u>
1,024	1,321	71	313	649	3,318
-	-	-	-	-	-
<u>1,024</u>	<u>1,321</u>	<u>71</u>	<u>313</u>	<u>649</u>	<u>3,318</u>
54,195	71,564	20,426	23,025	41,335	134,090
-	-	-	-	-	-
<u>54,195</u>	<u>71,564</u>	<u>20,426</u>	<u>23,025</u>	<u>41,335</u>	<u>134,090</u>
<u>\$ 55,219</u>	<u>\$ 72,885</u>	<u>\$ 20,497</u>	<u>\$ 23,338</u>	<u>\$ 41,984</u>	<u>\$ 137,408</u>

**City of Atwater**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds (Continued)**  
**June 30, 2025**

	Special Revenue Funds			
	America West	Bell Crossing	Atwater South	Beluga Court
<b>ASSETS</b>				
Cash and investments	\$ 55,973	\$ -	\$ 86,919	\$ 7,462
Receivables:				
Taxes	-	6	249	-
Interest	422	-	609	56
<b>Total assets</b>	<b>56,395</b>	<b>6</b>	<b>87,777</b>	<b>7,518</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	157	833	2,654	-
Accrued liabilities	-	-	-	-
<b>Total liabilities</b>	<b>157</b>	<b>833</b>	<b>2,654</b>	<b>-</b>
<b>Fund Balances:</b>				
Nonspendable				
Restricted	56,238		85,123	7,518
Unassigned	-	(827)	-	-
<b>Total fund balances</b>	<b>56,238</b>	<b>(827)</b>	<b>85,123</b>	<b>7,518</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 56,395</b>	<b>\$ 6</b>	<b>\$ 87,777</b>	<b>\$ 7,518</b>

Special Revenue Funds

Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	CFD District
\$ 184,415	\$ 84,465	\$ 96,720	\$ 22,152	\$ 13,824	\$ 95,237
10	112	-	45	-	8,883
1,371	636	751	173	101	-
<u>185,796</u>	<u>85,213</u>	<u>97,471</u>	<u>22,370</u>	<u>13,925</u>	<u>104,120</u>
1,856	1,355	1,044	1,247	-	100,000
-	-	-	-	-	8,607
<u>1,856</u>	<u>1,355</u>	<u>1,044</u>	<u>1,247</u>	<u>-</u>	<u>108,607</u>
183,940	83,858	96,427	21,123	13,925	
-	-	-	-	-	(4,487)
<u>183,940</u>	<u>83,858</u>	<u>96,427</u>	<u>21,123</u>	<u>13,925</u>	<u>(4,487)</u>
<u>\$ 185,796</u>	<u>\$ 85,213</u>	<u>\$ 97,471</u>	<u>\$ 22,370</u>	<u>\$ 13,925</u>	<u>\$ 104,120</u>

**City of Atwater**  
**Combining Balance Sheet**  
**Maintenance District Special Revenue Funds (Continued)**  
**June 30, 2025**

	Special Revenue Funds			Total Maintenance District Special Revenue Funds
	Simon Annexation Lighting District	Simon Annexation Landscape District	Juniper Meadows 2 Lighting District	
<b>ASSETS</b>				
Cash and investments	\$ 16,637	\$ 6,602	\$ 25,817	\$ 1,530,997
Receivables:				
Taxes	-	-	-	13,230
Interest	115	49	167	10,305
<b>Total assets</b>	<b>16,752</b>	<b>6,651</b>	<b>25,984</b>	<b>1,554,532</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	-	-	-	128,601
Accrued liabilities	-	-	-	8,607
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,208</b>
<b>Fund Balances:</b>				
Nonspendable				
Restricted	16,752	6,651	25,984	1,429,866
Unassigned	-	-	-	(12,542)
<b>Total fund balances</b>	<b>16,752</b>	<b>6,651</b>	<b>25,984</b>	<b>1,417,324</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 16,752</b>	<b>\$ 6,651</b>	<b>\$ 25,984</b>	<b>\$ 1,554,532</b>

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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, 2025

	Special Revenue Funds			
	Northwood Village	Orchard Parks Estates	Wildwood Estates	Woodview Garland
<b>REVENUES:</b>				
Taxes and assessments	\$ 4,550	\$ 6,576	\$ 3,504	\$ 392
Use of money and property	-	3,235	910	-
<b>Total revenues</b>	<b>4,550</b>	<b>9,811</b>	<b>4,414</b>	<b>392</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	8,768	4,892	1,655	882
<b>Total expenditures</b>	<b>8,768</b>	<b>4,892</b>	<b>1,655</b>	<b>882</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,218)</b>	<b>4,919</b>	<b>2,759</b>	<b>(490)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,215	350	5,688	500
<b>Total other financing sources (uses)</b>	<b>4,215</b>	<b>350</b>	<b>5,688</b>	<b>500</b>
<b>Net change in fund balances</b>	<b>(3)</b>	<b>5,269</b>	<b>8,447</b>	<b>10</b>
<b>FUND BALANCES:</b>				
Beginning of year	(245)	95,101	23,569	(20)
End of year	\$ (248)	\$ 100,370	\$ 32,016	\$ (10)

Special Revenue Funds

Shaffer Lakes West	Woodhaven	Sierra Parks	Shaffer Lakes East	Price Annexation	Sandlewood Square
\$ 2,291	\$ 1,440	\$ 2,028	\$ 14,254	\$ 55,743	\$ 7,099
902	540	25	4,235	(8)	670
3,193	1,980	2,053	18,489	55,735	7,769
-	-	-	-	-	-
2,311	1,327	1,093	9,553	111,551	9,552
2,311	1,327	1,093	9,553	111,551	9,552
882	653	960	8,936	(55,816)	(1,783)
280	279	221	1,460	47,722	3,429
280	279	221	1,460	47,722	3,429
1,162	932	1,181	10,396	(8,094)	1,646
26,942	16,037	337	122,896	1,124	19,165
\$ 28,104	\$ 16,969	\$ 1,518	\$ 133,292	\$ (6,970)	\$ 20,811

# City of Atwater

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

### Maintenance District Special Revenue Funds (Continued)

For the year ended June 30, 2025

	Special Revenue Funds			
	Pajaro Dunes	Redwood Estates	Cottage Gardens	Airport Business Park
<b>REVENUES:</b>				
Taxes and assessments	\$ 3,452	\$ 6,187	\$ 403	\$ 5,396
Use of money and property	1,398	2,208	771	613
<b>Total revenues</b>	<b>4,850</b>	<b>8,395</b>	<b>1,174</b>	<b>6,009</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	5,669	7,792	2,689	3,148
<b>Total expenditures</b>	<b>5,669</b>	<b>7,792</b>	<b>2,689</b>	<b>3,148</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(819)</b>	<b>603</b>	<b>(1,515)</b>	<b>2,861</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	867	2,106	204	3,369
<b>Total other financing sources (uses)</b>	<b>867</b>	<b>2,106</b>	<b>204</b>	<b>3,369</b>
<b>Net change in fund balances</b>	<b>48</b>	<b>2,709</b>	<b>(1,311)</b>	<b>6,230</b>
<b>FUND BALANCES:</b>				
Beginning of year	42,086	64,975	24,245	15,630
End of year	\$ 42,134	\$ 67,684	\$ 22,934	\$ 21,860

Special Revenue Funds

Silva Ranch	Mello Ranch	Camelia Estates	Juniper Meadows	Camelia Meadows	Stone Creek
\$ 8,895	\$ 13,035	\$ 1,220	\$ 2,994	\$ 5,899	\$ 8,282
1,785	2,307	662	693	1,357	4,493
10,680	15,342	1,882	3,687	7,256	12,775
-	-	-	-	-	-
12,841	18,582	1,704	2,535	5,709	23,771
12,841	18,582	1,704	2,535	5,709	23,771
(2,161)	(3,240)	178	1,152	1,547	(10,996)
543	1,031	312	2,845	405	937
543	1,031	312	2,845	405	937
(1,618)	(2,209)	490	3,997	1,952	(10,059)
55,813	73,773	19,936	19,028	39,383	144,149
\$ 54,195	\$ 71,564	\$ 20,426	\$ 23,025	\$ 41,335	\$ 134,090

# City of Atwater

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

### Maintenance District Special Revenue Funds (Continued)

For the year ended June 30, 2025

	Special Revenue Funds			
	America West	Bell Crossing	Atwater South	Beluga Court
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ 6,399	\$ 17,429	\$ 2
Use of money and property	1,853	-	2,781	249
<b>Total revenues</b>	<b>1,853</b>	<b>6,399</b>	<b>20,210</b>	<b>251</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
Urban redevelopment and housing	2,622	15,628	25,591	113
<b>Total expenditures</b>	<b>2,622</b>	<b>15,628</b>	<b>25,591</b>	<b>113</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(769)</b>	<b>(9,229)</b>	<b>(5,381)</b>	<b>138</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	444	6,743	1,440	18
<b>Total other financing sources (uses)</b>	<b>444</b>	<b>6,743</b>	<b>1,440</b>	<b>18</b>
<b>Net change in fund balances</b>	<b>(325)</b>	<b>(2,486)</b>	<b>(3,941)</b>	<b>156</b>
<b>FUND BALANCES:</b>				
Beginning of year	56,563	1,659	89,064	7,362
End of year	\$ 56,238	\$ (827)	\$ 85,123	\$ 7,518

Special Revenue Funds

Mello Ranch 2	Meadow View	Aspenwood	Applegate Ranch	Reserve	CFD District
\$ 9,727	\$ 8,847	\$ 5	\$ 4,092	\$ -	\$ 694,660
6,062	2,784	3,239	739	454	1,035
15,789	11,631	3,244	4,831	454	695,695
-	-	-	-	-	4,100
21,024	17,304	9,492	10,451	166	787,475
21,024	17,304	9,492	10,451	166	791,575
(5,235)	(5,673)	(6,248)	(5,620)	288	(95,880)
1,126	819	516	579	128	-
1,126	819	516	579	128	-
(4,109)	(4,854)	(5,732)	(5,041)	416	(95,880)
188,049	88,712	102,159	26,164	13,509	91,393
\$ 183,940	\$ 83,858	\$ 96,427	\$ 21,123	\$ 13,925	\$ (4,487)

# City of Atwater

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

### Maintenance District Special Revenue Funds (Continued)

For the year ended June 30, 2025

	Special Revenue Funds			Total Maintenance District Special Revenue Funds
	Simon Annexation Lighting District	Simon Annexation Landscape District	Juniper Meadows 2 Lighting District	
<b>REVENUES:</b>				
Taxes and assessments	\$ -	\$ -	\$ 602	\$ 895,403
Use of money and property	529	218	798	47,537
<b>Total revenues</b>	<b>529</b>	<b>218</b>	<b>1,400</b>	<b>942,940</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	4,100
Urban redevelopment and housing	31	32	220	1,126,173
<b>Total expenditures</b>	<b>31</b>	<b>32</b>	<b>220</b>	<b>1,130,273</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>498</b>	<b>186</b>	<b>1,180</b>	<b>(187,333)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,045	5	2,749	92,375
<b>Total other financing sources (uses)</b>	<b>1,045</b>	<b>5</b>	<b>2,749</b>	<b>92,375</b>
<b>Net change in fund balances</b>	<b>1,543</b>	<b>191</b>	<b>3,929</b>	<b>(94,958)</b>
<b>FUND BALANCES:</b>				
Beginning of year	15,209	6,460	22,055	1,512,282
End of year	\$ 16,752	\$ 6,651	\$ 25,984	\$ 1,417,324

**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, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 694,660	\$ 694,660
Fines, forfeitures and assessments	-	-	1,035	1,035
<b>Total revenues</b>	-	-	695,695	695,695
<b>EXPENDITURES:</b>				
Current:				
Public safety	4,200	4,200	4,100	100
Community development	796,079	796,079	787,475	8,604
<b>Total expenditures</b>	800,279	800,279	791,575	8,704
<b>Net change in fund balances</b>	<u>\$ (800,279)</u>	<u>\$ (800,279)</u>	(95,880)	<u>\$ 704,399</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>91,393</u>	
End of year			<u>\$ (4,487)</u>	

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**City of Atwater**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2025**

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
<b>ASSETS</b>					
Current Assets:					
Cash and investments	\$ 1,381,325	\$ 705,827	\$ 1,242,003	\$ 767,844	\$ 4,096,999
Receivables:					
Interest	7,855	5,429	1,775	4,568	19,627
Other	-	3,956	-	-	3,956
Prepaid expenses	-	-	-	11,879	11,879
Total current assets	1,389,180	715,212	1,243,778	784,291	4,132,461
Noncurrent:					
Capital assets:					
Depreciable	2,091,743	-	103,094	601,348	2,796,185
Less accumulated depreciation	(1,470,055)	-	(48,089)	(595,187)	(2,113,331)
Net capital assets	621,688	-	55,005	6,161	682,854
Total noncurrent assets	621,688	-	55,005	6,161	682,854
<b>Total assets</b>	<b>2,010,868</b>	<b>715,212</b>	<b>1,298,783</b>	<b>790,452</b>	<b>4,815,315</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	72,685	17,587	21,653	3,981	115,906
Accrued payroll	7,824	-	-	2,449	10,273
Compensated absences - current	9,544	-	-	1,266	10,810
Total current liabilities	90,053	17,587	21,653	7,696	136,989
Noncurrent liabilities:					
Compensated absences	16,772	-	-	2,445	19,217
Total noncurrent liabilities	16,772	-	-	2,445	19,217
<b>Total liabilities</b>	<b>106,825</b>	<b>17,587</b>	<b>21,653</b>	<b>10,141</b>	<b>156,206</b>
<b>NET POSITION</b>					
Net investment in capital assets	621,688	-	55,005	6,161	682,854
Unrestricted	1,282,355	697,625	1,222,125	774,150	3,976,255
<b>Total net position</b>	<b>\$ 1,904,043</b>	<b>\$ 697,625</b>	<b>\$ 1,277,130</b>	<b>\$ 780,311</b>	<b>\$ 4,659,109</b>

# City of Atwater

## Combining Statement of Revenues, Expenses and Changes in Net Position

### Internal Service Funds

For the year ended June 30, 2025

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
<b>OPERATING REVENUES:</b>					
Interdepartmental charges	\$ 1,939,885	\$ 851,596	\$ 2,516,953	\$ 782,318	\$ 6,090,752
Other operating revenue	185	58,530	-	-	58,715
<b>Total operating revenues</b>	<b>1,940,070</b>	<b>910,126</b>	<b>2,516,953</b>	<b>782,318</b>	<b>6,149,467</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	321,804	50,000	-	98,725	470,529
Contractual services	411,896	2,237	123,714	210,486	748,333
Materials and supplies	1,538	-	-	-	1,538
Repairs and maintenance	765,787	-	-	-	765,787
Utilities	202,457	-	-	-	202,457
Insurance	-	1,025,528	2,074,688	-	3,100,216
Other operating costs	-	-	7,861	392,251	400,112
Depreciation	81,074	-	3,142	8,961	93,177
<b>Total operating expenses</b>	<b>1,784,556</b>	<b>1,077,765</b>	<b>2,209,405</b>	<b>710,423</b>	<b>5,782,149</b>
<b>Operating income (loss)</b>	<b>155,514</b>	<b>(167,639)</b>	<b>307,548</b>	<b>71,895</b>	<b>367,318</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Intergovernmental revenues (expenses)	3,570	-	-	-	3,570
Interest revenue	39,757	24,745	24,896	24,524	113,922
<b>Total nonoperating revenues (expenses)</b>	<b>43,327</b>	<b>24,745</b>	<b>24,896</b>	<b>24,524</b>	<b>117,492</b>
<b>Income before contributions and transfers</b>	<b>198,841</b>	<b>(142,894)</b>	<b>332,444</b>	<b>96,419</b>	<b>484,810</b>
<b>CONTRIBUTIONS AND TRANSFERS:</b>					
Transfers in	100,000	100,000	-	-	200,000
Transfers out	-	(50,000)	-	-	(50,000)
<b>Total contributions and transfers</b>	<b>100,000</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>150,000</b>
<b>Change in net position</b>	<b>298,841</b>	<b>(92,894)</b>	<b>332,444</b>	<b>96,419</b>	<b>634,810</b>
<b>NET POSITION:</b>					
Beginning of year	1,608,152	790,519	944,686	683,703	4,027,060
Restatement	(2,950)	-	-	189	(2,761)
Beginning of year, as restated	1,605,202	790,519	944,686	683,892	4,024,299
End of year	\$ 1,904,043	\$ 697,625	\$ 1,277,130	\$ 780,311	\$ 4,659,109

**City of Atwater**  
**Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2025**

	Building Maintenance	Employee Benefits	Risk Management	Information Technology	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers and users	\$ 1,969,244	\$ 915,464	\$ 2,519,354	\$ 781,250	\$ 6,185,312
Cash paid to suppliers for goods and services	(1,570,416)	(1,032,402)	(2,186,149)	(599,435)	(5,388,402)
Cash paid to employees for services	(322,152)	(50,000)	-	(97,795)	(469,947)
<b>Net cash provided by (used in) operating activities</b>	<b>76,676</b>	<b>(166,938)</b>	<b>333,205</b>	<b>84,020</b>	<b>326,963</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Cash transfers in	100,000	100,000	-	-	200,000
Cash transfers out		(50,000)	-	-	(50,000)
Subsidy from grants	3,570	-	-	-	3,570
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>103,570</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>153,570</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of capital assets	(31,759)	-	-	2	(31,757)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(31,759)</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>(31,757)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest received	39,757	24,745	24,896	24,524	113,922
<b>Net cash provided by (used in) investing activities</b>	<b>39,757</b>	<b>24,745</b>	<b>24,896</b>	<b>24,524</b>	<b>113,922</b>
<b>Net cash flows</b>	<b>188,244</b>	<b>(92,193)</b>	<b>358,101</b>	<b>108,546</b>	<b>562,698</b>
<b>CASH AND INVESTMENTS - Beginning of year</b>	<b>1,193,081</b>	<b>798,020</b>	<b>883,902</b>	<b>659,298</b>	<b>3,534,301</b>
<b>CASH AND INVESTMENTS - End of year</b>	<b>\$ 1,381,325</b>	<b>\$ 705,827</b>	<b>\$ 1,242,003</b>	<b>\$ 767,844</b>	<b>\$ 4,096,999</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 155,514	\$ (167,639)	\$ 307,548	\$ 71,895	\$ 367,318
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation	81,074	-	3,142	8,961	93,177
(Increase) decrease in accounts receivable	29,174	(582)	2,401	(481)	30,512
(Increase) decrease in prepaid expense	-	5,920	-	(587)	5,333
Increase (decrease) in accounts payable	(188,738)	(4,637)	20,114	3,302	(169,959)
Increase (decrease) in accrued payroll	133	-	-	365	498
Increase (decrease) in compensated absences	(481)	-	-	565	84
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 76,676</b>	<b>\$ (166,938)</b>	<b>\$ 333,205</b>	<b>\$ 84,020</b>	<b>\$ 326,963</b>

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**City of Atwater**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2025**

	Section 125 Medical	Section 125 Dependent Care	Community Facility District No.1	Total Custodial Funds
<b>ASSETS</b>				
Cash and investments held for others, restricted	\$ 1,738	\$ -	\$ 139,442	\$ 141,180
Interest receivables	-	-	1,031	1,031
<b>Total assets</b>	<b>1,738</b>	<b>-</b>	<b>140,473</b>	<b>142,211</b>
<b>LIABILITIES</b>				
Other Liabilities	1,738	-	-	1,738
<b>Total liabilities</b>	<b>1,738</b>	<b>-</b>	<b>-</b>	<b>1,738</b>
<b>NET POSITION</b>				
<b>Restricted for</b>				
Bondholders	-	-	140,473	140,473
<b>Total net position</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 140,473</b>	<b>\$ 140,473</b>

**City of Atwater**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the year ended June 30, 2025**

	Section 125 Medical	Section 125 Dependent Care	Community Facility District No.1	Total Custodial Funds
<b>ADDITIONS</b>				
Interest income	\$ -	\$ -	\$ 4,611	\$ 4,611
<b>Total additions</b>	<b>-</b>	<b>-</b>	<b>4,611</b>	<b>4,611</b>
<b>Changes in net position</b>	<b>-</b>	<b>-</b>	<b>4,611</b>	<b>4,611</b>
<b>NET POSITION</b>				
Beginning of the year	-	-	135,862	135,862
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,473</u>	<u>\$ 140,473</u>

**City of Atwater**  
**Schedule of Debt Service Coverage**  
**June 30, 2025 and 2024**

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.

	2025	2024
Service charges	\$ 11,991,737	\$ 12,095,786
Connection fees	67,234	66,659
Total service charges	<u>12,058,971</u>	<u>12,162,445</u>
Investment income	665,599	599,678
Other income	2,535	16,247
Total miscellaneous revenue	<u>668,134</u>	<u>615,925</u>
<b>Total Revenue</b>	<u>12,727,105</u>	<u>12,778,370</u>
Personnel costs	1,431,947	1,511,909
Supplies (1)	195,189	157,010
Professional Services (2)	892,344	1,134,475
Wastewater Treatment Plant Mgmt. Service (3)	2,596,646	2,609,926
Other Charges (1), (4)	319,995	321,838
<b>Total Operations and Maintenance</b>	<u>5,436,121</u>	<u>5,734,483</u>
<b>Net Revenue Available For Debt Service</b>	<u>\$ 7,290,984</u>	<u>\$ 7,043,887</u>
Debt service:		
2017A Wastewater Revenue Refunding Bonds	\$ 3,306,838	\$ 3,310,088
2018A Wastewater Revenue Refunding Bonds	1,141,369	1,141,969
Total debt service	<u>\$ 4,448,207</u>	<u>\$ 4,451,457</u>
<b>Net Revenue After Debt Service</b>		
Calculated coverage	<u>1.64</u>	<u>1.58</u>
<b>Meets covenant restrictions</b>	<b>Yes</b>	<b>Yes</b>

**Notes:**

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