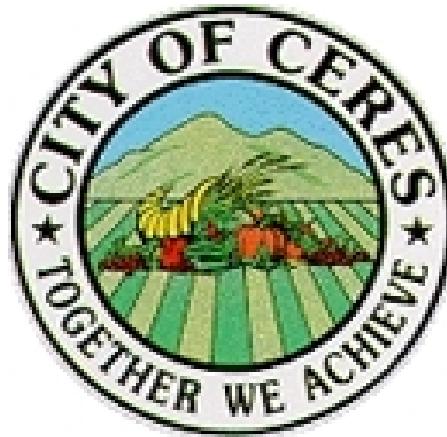


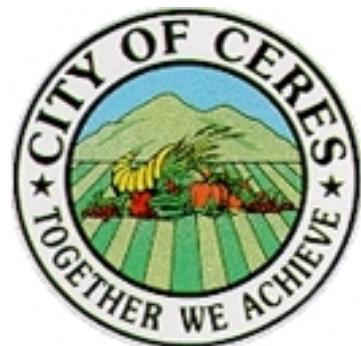
CITY OF CERES, CALIFORNIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2020



Prepared by:

Leticia Dias
Finance Director

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

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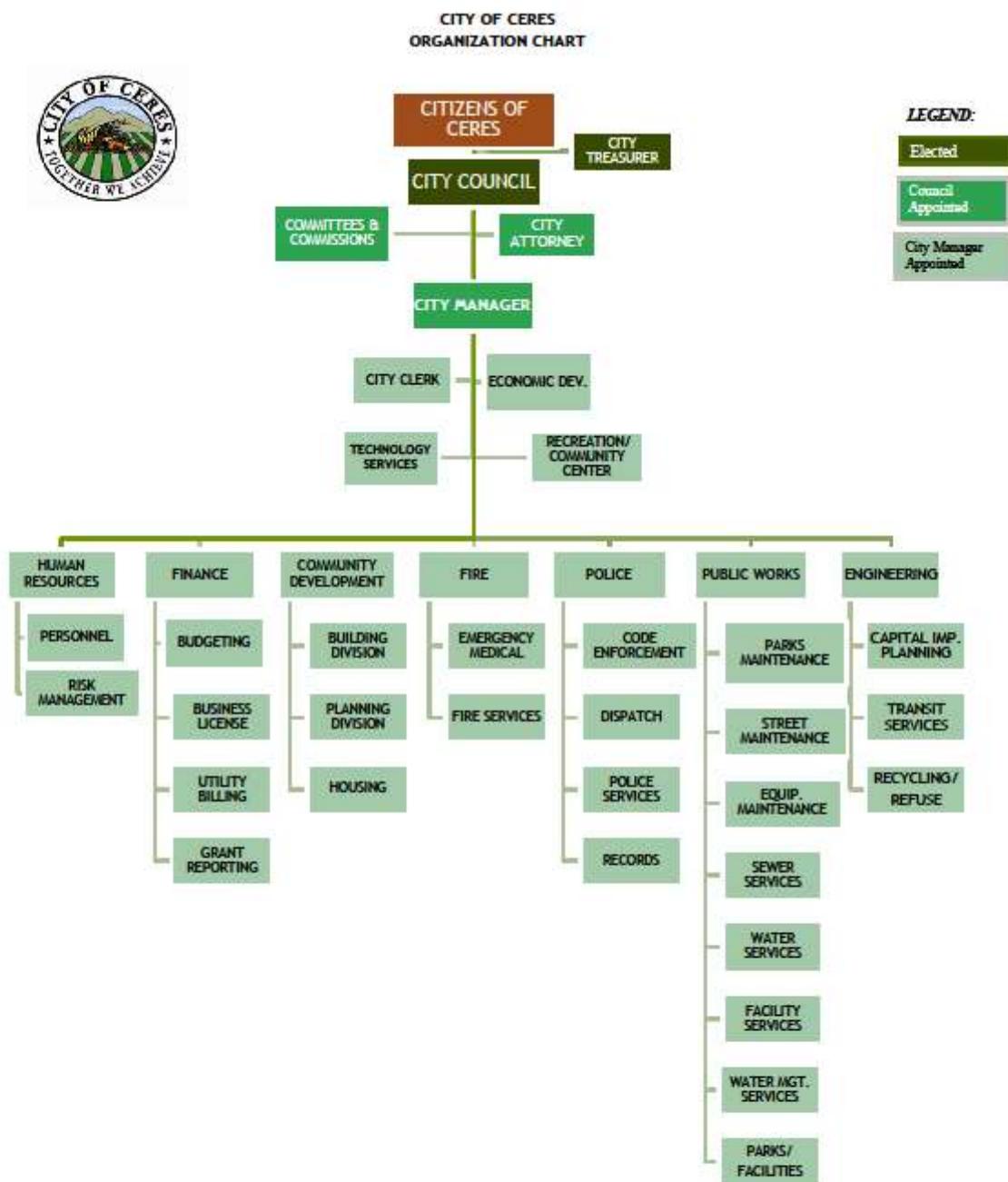
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Basic Financial Statements
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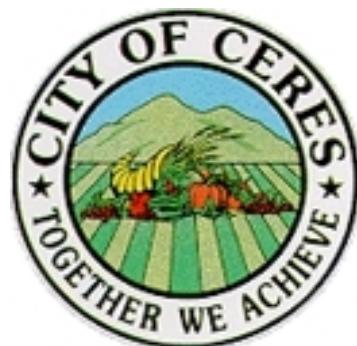
**City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2020**

Organization Chart



For the year ended June 30, 2017

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

List of Officials

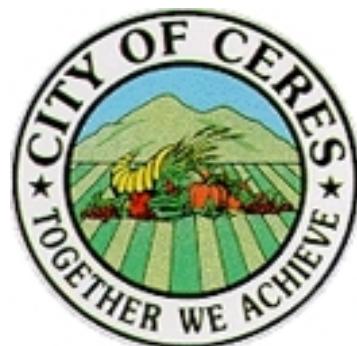
CITY COUNCIL

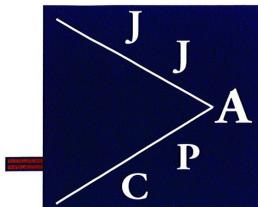
- Chris Vierra, Mayor
- Linda Ryno, Vice Mayor
- Bret Durossette
- Channce Condit
- Mike Kline

CITY OFFICIALS

- Tom Westbrook, City Manager
- Leticia Dias, Finance Director
- Harry Herbert, City Treasurer
- Diane Nayares-Perez, City Clerk
- Tom Hallinan, City Attorney

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance and is included in the City's Single Audit Report.

May 25, 2021

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

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

Management's Discussion and Analysis

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

FINANCIAL HIGHLIGHTS

- ◆ As of June 30, 2020, total assets of the City exceeded its liabilities by \$141,753,739 (net position). The portion of net position that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position) is \$27,593,769. There are currently \$7,582,952 of net position that are restricted and may only be used for a specific purpose. The remaining \$106,577,018 is the net investment in capital assets.
- ◆ As of June 30, 2020, the City's Governmental Activities reported combined net position of \$86,508,416 of that, (\$5,793,680) is unrestricted.
- ◆ As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$16,781,761. Approximately 79% of this total amount (\$13.2 million) is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been set aside for a specific purpose due to a law, regulation, or Council action or it is not part of available, spendable resources. Of the remaining balance, \$6,128,425 is committed as a "general fund reserve" for economic uncertainties and anticipated future short-term structural deficits.
- ◆ Capital assets in the governmental activities, net of depreciation, decreased to \$85,813,273 from \$87,813,273, which includes \$104,077,459 of infrastructure per the requirements of GASB 34. This decrease is attributed to the disposal of city vehicles and the completion of several infrastructure projects.

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

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report is in two major parts:

- 1) Introductory section**, which includes general information;
- 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 supplementary information, which includes Combining and Individual Fund Financial Statements and Schedules.

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.

The 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, community development, economic development, public safety, animal control, engineering, community events, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general City revenues such as taxes and by specific program revenues such as developer fees.

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

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

The Government-wide Financial Statements, Continued

- ◆ ***Business-type activities*** – All the City's enterprise activities are reported here, including Water, Sewer, and STANCOG. 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.

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.

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

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements, Continued

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

GOVERNMENTAL FUNDS:

- ◆ General Fund
- ◆ Street Expansion Special Revenue Fund
- ◆ HOME Program Grants Special Revenue Fund
- ◆ CDBG Grants Special Revenue Fund

PROPRIETARY FUNDS:

- ◆ Water Enterprise Fund
- ◆ Sewer Enterprise Fund
- ◆ STANCOG Enterprise Fund

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 STANCOG activities. Proprietary funds provide the same type of information as the Government-wide Financial Statements, only in more detail. Internal service funds present operations for services provided within the government. Internal service funds are maintained for equipment, information technology, risk management, and building maintenance activities. The proprietary fund financial statements provide separate information for the all of the enterprise operations and a combined total for the internal service funds, which are consolidated into governmental activities at the government-wide statement level.

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 45–92 of this report.

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

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Combining and Individual Fund Financial Statements and Schedules

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements can be found on pages 102-157 of this report.

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, assets exceeded liabilities by \$141,753,739 as of June 30, 2020.

The Summary of Net Position as of June 30, 2020, and 2019, follows:

Summary of Net Position

	2020			2019		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Current and other assets	\$ 27,900,616	\$ 36,176,891	\$ 64,077,507	\$ 28,505,787	\$ 26,706,194	\$ 55,211,981
Noncurrent assets	92,882,470	33,632,934	126,515,404	95,040,804	34,640,602	129,681,406
Total assets	120,783,086	69,809,825	190,592,911	123,546,591	61,346,796	184,893,387
Deferred outflows: Pension Plan	11,627,091	1,927,256	13,554,347	11,226,326	1,850,059	13,076,385
Total assets and deferred outflows	132,410,177	71,737,081	204,147,258	134,772,917	63,196,855	197,969,772
Current and other liabilities	5,202,473	1,175,889	6,378,362	5,645,767	1,889,967	7,535,734
Long-term liabilities	37,169,730	14,723,553	51,893,283	34,600,590	15,071,006	49,671,596
Total liabilities	42,372,203	15,899,442	58,271,645	40,246,357	16,960,973	57,207,330
Deferred inflows: Pension Plan	3,529,558	592,316	4,121,874	2,690,156	430,628	3,120,784
Total liabilities and deferred inflows	45,901,761	16,491,758	62,393,519	42,936,513	17,391,601	60,328,114
Net position:						
Net investment in capital assets	84,719,144	21,857,874	106,577,018	86,719,136	21,810,010	108,529,146
Restricted	7,582,952	-	7,582,952	6,558,514	-	6,558,514
Unrestricted	(5,793,680)	33,387,449	27,593,769	(1,441,246)	23,995,244	22,553,998
Total net position	\$ 86,508,416	\$ 55,245,323	\$ 141,753,739	\$ 91,836,404	\$ 45,805,254	\$ 137,641,658

Restricted net position increased by \$1,024,438 due to increased revenue from CMAQ funding. The increased revenues are committed to projects by the City Council.

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

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

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

	2020			2019		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 2,457,594	\$ 26,604,981	\$ 29,062,575	\$ 3,264,388	\$ 24,050,734	\$ 27,315,122
Grants and contributions:						
Operating	12,810,230	-	12,810,230	13,758,443	-	13,758,443
Capital	4,058,158	-	4,058,158	3,333,479	-	3,333,479
General revenues:						
Property taxes and assessments	2,414,984	-	2,414,984	2,314,612	-	2,314,612
Sales and use tax	8,565,962	-	8,565,962	8,465,453	-	8,465,453
Utility users tax	812,497	-	812,497	804,203	-	804,203
Other taxes	834,820	-	834,820	825,894	-	825,894
State motor vehicle in-lieu tax	3,902,381	-	3,902,381	3,713,407	-	3,713,407
Use of money and property	339,304	206,300	545,604	226,290	320,506	546,796
Other general	150,999	14,455	165,454	123,319	11,341	134,660
Total revenues	36,346,929	26,825,736	63,172,665	36,829,488	24,382,581	61,212,069
Expenses:						
Governmental activities:						
General government	3,837,617	-	3,837,617	4,118,389	-	4,118,389
Public safety	24,468,903	-	24,468,903	23,028,824	-	23,028,824
Engineering and transportation	4,339,268	-	4,339,268	1,437,315	-	1,437,315
Public works	4,766,551	-	4,766,551	2,630,476	-	2,630,476
Community services	3,810,916	-	3,810,916	3,045,511	-	3,045,511
Economic development	88,022	-	88,022	345,156	-	345,156
Interest and fiscal charges	15,732	-	15,732	18,721	-	18,721
Business-type activities:						
Water	-	8,542,513	8,542,513	-	8,575,003	8,575,003
Sewer	-	8,507,699	8,507,699	-	8,834,190	8,834,190
STANCOG	-	683,363	683,363	-	844,737	844,737
Total expenses	41,327,009	17,733,575	59,060,584	34,624,392	18,253,930	52,878,322
Excess (Deficiency) of revenues over expenditures before transfers	(4,980,080)	9,092,161	4,112,081	2,205,096	6,128,651	8,333,747
Transfers	(347,908)	347,908	-	2,815,759	(2,815,759)	-
Change in net position	(5,327,988)	9,440,069	4,112,081	5,020,855	3,312,892	8,333,747
Net position:						
Beginning of year	91,836,404	45,805,254	137,641,658	86,815,549	42,492,362	129,307,911
End of year	\$ 86,508,416	\$ 55,245,323	\$ 141,753,739	\$ 91,836,404	\$ 45,805,254	\$ 137,641,658

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

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues

The City's total revenues for governmental and business-type activities were \$63,172,665 for the fiscal year ended June 30, 2020. Approximately 44% of the City's key revenues are generated from four major sources.

The following discusses variances in key revenues from the prior fiscal year:

- 1. Sales Tax.** Annual receipts increased by 1.2%. This increase is mainly attributed to the COVID pandemic.
- 2. Property Tax.** Annual receipts increase by 4%, due to an increase in the assessed values and increased sale of foreclosed homes.
- 3. Grants and Contributions – Governmental Activities Operating.** The decrease in Governmental operating grants and contributions was mainly due to a decrease in grant revenue and shutdown of offices because of COVID-19 pandemic.
- 4. State Motor Vehicle In-Tax –** Annual receipts increased by 5%. The increase is due to increased vehicle registration fees.

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

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Governmental and business-type activity expenses of the City for the year totaled \$59,060,584. Governmental activity expenses totaled \$41,327,009 or 70% of total expenses. Business-type activities incurred \$17,733,575 of expenses during the fiscal year. Public safety costs represented 59% of total governmental activities expenses, which represented the largest single expense for governmental activities.

Governmental Activities

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

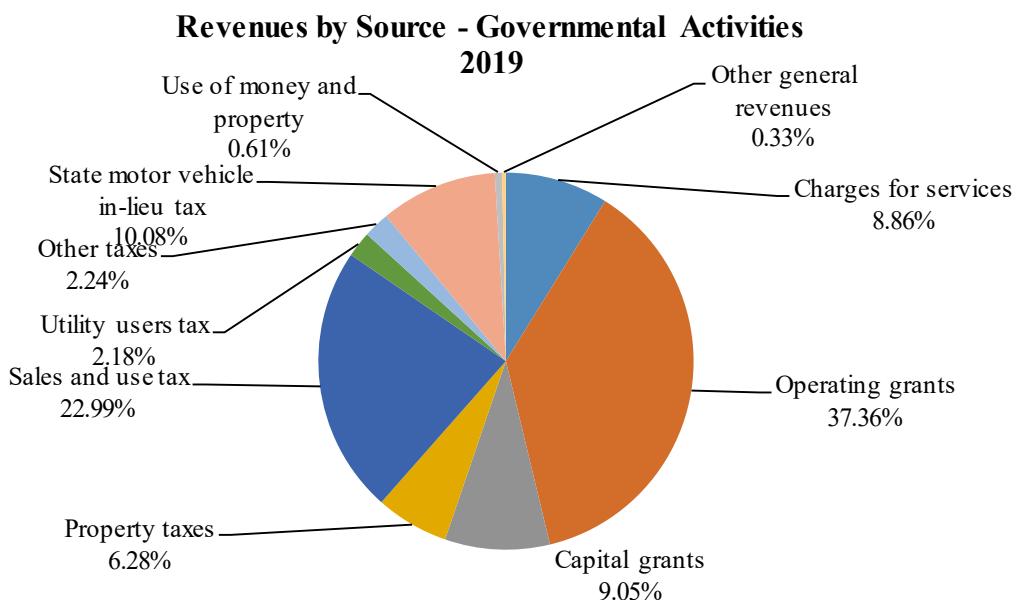
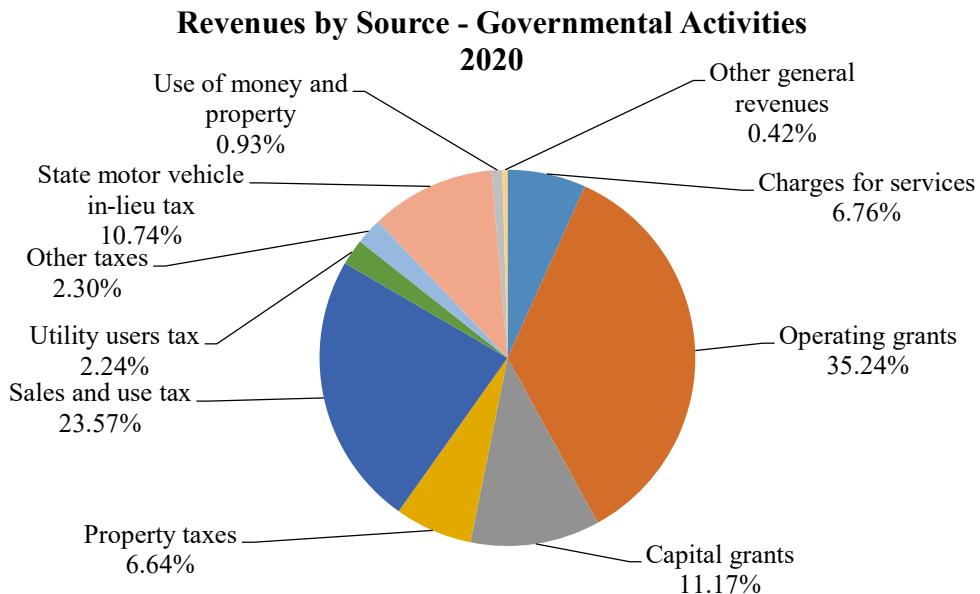
	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 3,837,617	\$ (2,203,722)	\$ 4,118,389	\$ (2,381,756)
Public safety	24,468,903	(18,244,664)	23,028,824	(17,300,002)
Engineering and transportation	4,339,268	(1,474,847)	1,437,315	797,559
Public works	4,766,551	779,153	2,630,476	4,197,787
Community services	3,810,916	(937,407)	3,045,511	579,343
Economic development	88,022	96,192	345,156	(142,292)
Interest and fiscal charges	15,732	(15,732)	18,721	(18,721)
Total	<u>\$ 41,327,009</u>	<u>\$ (22,001,027)</u>	<u>\$ 34,624,392</u>	<u>\$ (14,268,082)</u>

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

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

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



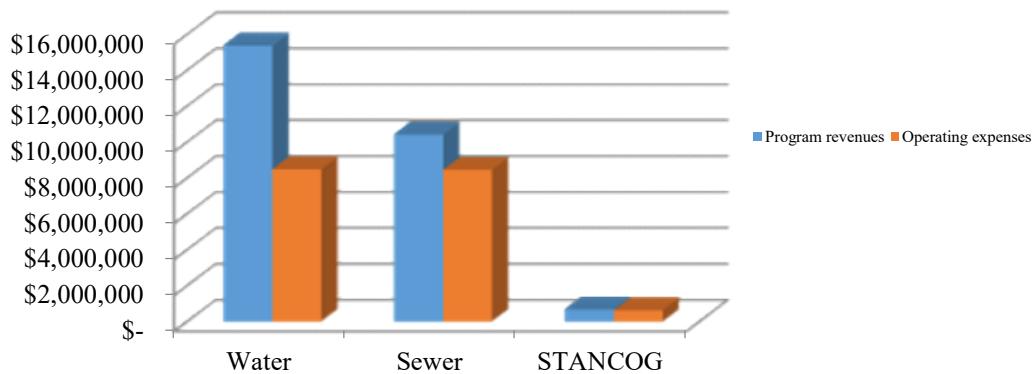
City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

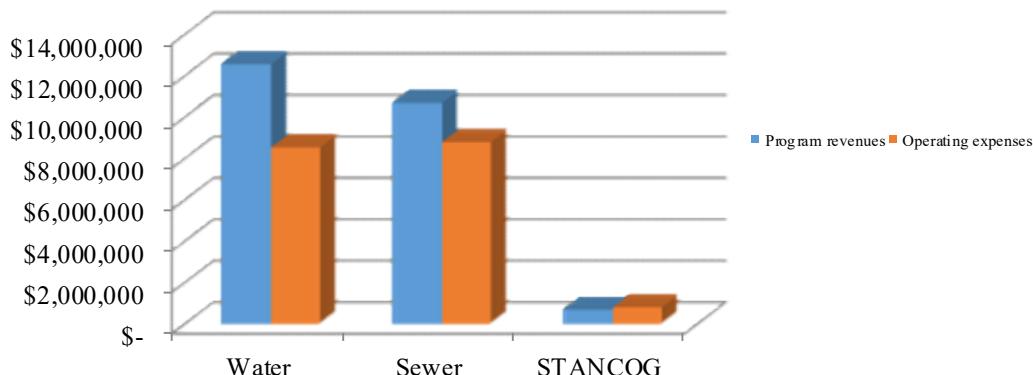
GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Business-type activities. Business-type activities increased the City's net position to \$55,245,323. The City has three business-type activities: Water, Sewer, and STANCOG. Water accounts for 58%, Sewer accounts for 39% of total business-type activity revenue, and STANCOG accounts for 3%. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2020, and 2019, are as follows:

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



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

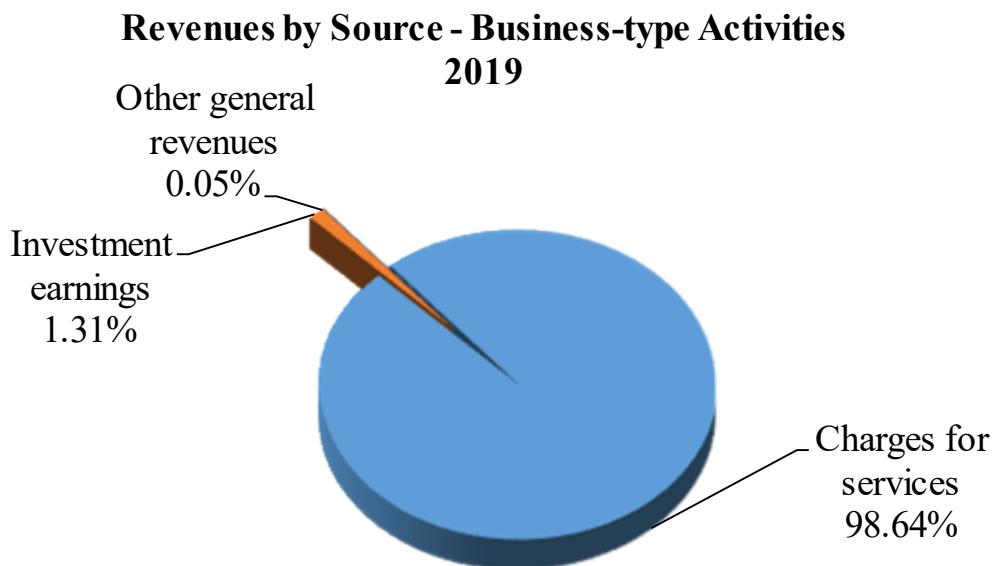
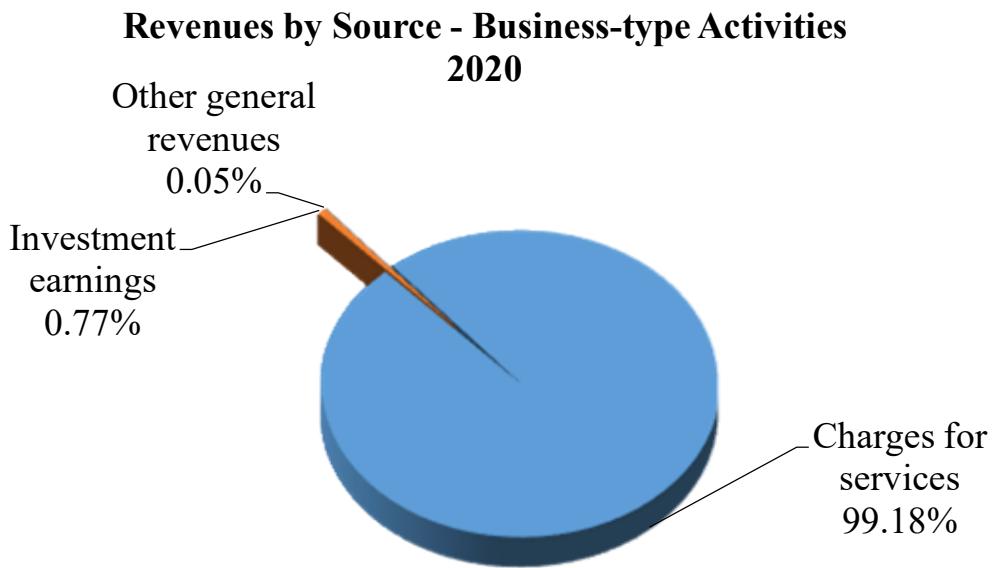


City of Ceres, California
Basic Financial Statements
For the year ended June 30, 2020

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

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



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

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government's Funds

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

Governmental funds. The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2020, the City's governmental funds reported combined fund balances of \$16,781,761. This is a decrease of \$373,192 or 2% less than last year. The decrease was mainly due to the COVID-19 pandemic. The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2020, General Fund unassigned fund balance totaled \$6,128,425 with \$239,594 reported as committed and \$18,884 as nonspendable.

Community Development Block Grant (CDBG) money is available to cities for a variety of community enhancement activities. In the fiscal year ended June 30, 2020, the majority of this money was used to provide first time home buyers assistance and home rehabilitation for low-income residents.

Proprietary funds. The City's proprietary funds net position increased by \$9,114,897 in the fiscal year ended June 30, 2020. This was primarily due to the scheduled increase in water and sewer rates; and the completion of several major water and sewer capital projects. Factors concerning the finances of the three proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The difference between the final budget and actual revenues reflects a positive of \$1,595,522. This was mainly due to an increase in sales tax revenue as well as license and permit fees. Total general fund final budget for expenditures was \$24,947,639. Actual expenditures were \$1,558,181 under budget (approximately 6% of budget).

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

Management's Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Capital Assets

The City's net investment in capital assets for its governmental and business type activities as of June 30, 2020, amount to \$116,743,734. This net investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$ 14,753,193	\$ 14,753,193	\$ 1,783,812	\$ 1,783,812	\$ 16,537,005	\$ 16,537,005
Buildings and improvements	23,376,672	23,643,450	3,749,809	4,106,069	27,126,481	27,749,519
Machinery and equipment	5,606,091	5,181,695	1,428,166	1,950,504	7,034,257	7,132,199
Infrastructure	41,968,904	44,234,935	24,077,087	23,944,176	66,045,991	68,179,111
Total	\$ 85,704,860	\$ 87,813,273	\$ 31,038,874	\$ 31,784,561	\$ 116,743,734	\$ 119,597,834

Major capital asset events during the year included: the purchase of machinery and equipment; and disposal of obsolete equipment.

More detail of the capital assets and current activity can be found in the notes to the financial statements on pages 51 and 52 for significant accounting policies and Note 5 on page 64 for other capital asset information.

Economic Outlook

The national economy suffered through a worldwide pandemic during 2019-2020. The national unemployment rate increased to 11.2% up from 3.6% in 2020. While the City is ready to respond to the economic crisis created by COVID-19 without compromising services or closing focus on priorities, the long-term impacts of COVID-19 have got to be fully realized. It is clear that economic conditions and outcomes will need to be closely monitored.

The City's major General Fund revenue sources are sales tax and property taxes. Both of these revenue sources are affected by the continuing economic state. We are estimating sales tax revenue to decrease by .7% in fiscal year 2020–2021. Also, in fiscal year 2020-2021, we are estimating property tax revenue to increase by 4%. Additionally, with the two cannabis dispensaries and the cannabis manufacturing facility, the City's General Fund has received an influx of revenue that reached \$2,045,000 for FY 2020 and is expected to reach \$1,460,000 in FY 2021. The City successfully passed Measure W in November 2018 that allows for up to 15% special sales tax to be applied to all taxable cannabis.

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

Management's Discussion and Analysis, Continued

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 Leticia Dias, Finance Director, 2220 Magnolia, Ceres, CA 95307, or visit the City's web page at www.ci.ceres.ca.us/.

BASIC FINANCIAL STATEMENTS

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City of Ceres, California

Statement of Net Position

June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 22,615,371	\$ 34,543,558	\$ 57,158,929
Receivables:			
Accounts receivable	5,272,811	1,633,333	6,906,144
Prepaid items	12,434	-	12,434
Total current assets	27,900,616	36,176,891	64,077,507
Noncurrent assets:			
Advances to fiduciary activities	531,494	-	531,494
Loans receivable	6,646,116	-	6,646,116
Deferred charges	-	2,594,060	2,594,060
Capital assets:			
Nondepreciable	14,753,193	1,783,812	16,537,005
Depreciable	70,951,667	29,255,062	100,206,729
Total noncurrent assets	92,882,470	33,632,934	126,515,404
Total assets	120,783,086	69,809,825	190,592,911
DEFERRED OUTFLOWS OF RESOURCES			
Pension Plan	11,627,091	1,927,256	13,554,347
Total deferred outflows of resources	11,627,091	1,927,256	13,554,347
Total assets and deferred outflows	132,410,177	71,737,081	204,147,258
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	2,827,680	377,597	3,205,277
Deposits payable	2,374,793	297,393	2,672,186
Unearned revenue	-	61,477	61,477
Interest payable	-	31,422	31,422
Current portion of long-term debt	-	408,000	408,000
Total current liabilities	5,202,473	1,175,889	6,378,362
Noncurrent liabilities:			
Long-term liabilities:			
Claims liabilities	2,594,060	-	2,594,060
Compensated absences	1,611,738	296,734	1,908,472
Due after one year	445,319	9,181,000	9,626,319
Liability for claims	1,171,093	-	1,171,093
Net pension liability	31,347,520	5,245,819	36,593,339
Total noncurrent liabilities	37,169,730	14,723,553	51,893,283
Total liabilities	42,372,203	15,899,442	58,271,645
DEFERRED INFLOWS OF RESOURCES			
Pension Plan	3,529,558	592,316	4,121,874
Total liabilities and deferred inflows of resources	45,901,761	16,491,758	62,393,519
NET POSITION			
Net investment in capital assets	84,719,144	21,857,874	106,577,018
Restricted	7,582,952	-	7,582,952
Unrestricted	(5,793,680)	33,387,449	27,593,769
Total net position	86,508,416	55,245,323	141,753,739
Total liabilities, deferred inflows, and net position	\$ 132,410,177	\$ 71,737,081	\$ 204,147,258

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

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

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 3,837,617	\$ 239,210	\$ 1,394,685	\$ -
Public safety	24,468,903	592,726	5,631,513	-
Engineering and Transportation	4,339,268	440,470	2,423,951	-
Public works	4,766,551	466,528	1,021,018	4,058,158
Community services	3,810,916	718,660	2,154,849	-
Economic development	88,022	-	184,214	-
Interest and fiscal charges	15,732	-	-	-
Total governmental activities	<u>41,327,009</u>	<u>2,457,594</u>	<u>12,810,230</u>	<u>4,058,158</u>
Business-type activities:				
Water	8,542,513	15,418,055	-	-
Sewer	8,507,699	10,465,906	-	-
STANCOG	683,363	721,020	-	-
Total business-type activities	<u>17,733,575</u>	<u>26,604,981</u>	<u>-</u>	<u>-</u>
Total primary government	\$ 59,060,584	\$ 29,062,575	\$ 12,810,230	\$ 4,058,158
General revenues:				
Taxes:				
Property taxes, levied for general purposes				
Sales and use tax				
Utility users tax				
Other taxes				
Intergovernmental:				
State motor vehicle in-lieu tax (MVLF)				
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				
Net position - Ending				

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

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Totals
\$ (2,203,722)	\$ -	\$ (2,203,722)
(18,244,664)	-	(18,244,664)
(1,474,847)	-	(1,474,847)
779,153	-	779,153
(937,407)	-	(937,407)
96,192	-	96,192
(15,732)	-	(15,732)
<hr/>	<hr/>	<hr/>
(22,001,027)	-	(22,001,027)
-	6,875,542	6,875,542
-	1,958,207	1,958,207
-	37,657	37,657
<hr/>	<hr/>	<hr/>
-	8,871,406	8,871,406
<hr/>	<hr/>	<hr/>
(22,001,027)	8,871,406	(13,129,621)
2,414,984	-	2,414,984
8,565,962	-	8,565,962
812,497	-	812,497
834,820	-	834,820
3,902,381	-	3,902,381
339,304	206,300	545,604
150,999	14,455	165,454
<hr/>	<hr/>	<hr/>
17,020,947	220,755	17,241,702
<hr/>	<hr/>	<hr/>
(347,908)	347,908	-
<hr/>	<hr/>	<hr/>
16,673,039	568,663	17,241,702
<hr/>	<hr/>	<hr/>
(5,327,988)	9,440,069	4,112,081
91,836,404	45,805,254	137,641,658
<hr/>	<hr/>	<hr/>
\$ 86,508,416	\$ 55,245,323	\$ 141,753,739

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FUND FINANCIAL STATEMENTS
MAJOR FUNDS

Fund	Description
<hr/>	
Governmental Funds:	
General	Primary operating fund of the City; accounts for all activities except those legally or administratively required to be accounted for in other funds.
Street Expansion Special Revenue	Accounts for fees collected from developers to be used to widen streets due to the traffic impact of their projects.
Home Program Grants Special Revenue	Accounts for activities related to housing and the related Home Program funding.
CDBG Grants Special Revenue	Accounts for activities related to housing and the related CDBG funding.

City of Ceres, California
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds					
	General Fund	Street Expansion Special Revenue	Home Program Grants Special Revenue	CDBG Grants Special Revenue		
ASSETS						
Cash and investments	\$ 7,659,346	\$ 360,282	\$ 373,030	\$ 627,562		
Receivables:						
Taxes	-	-	-	-		
Interest	3,182	48	-	102		
Intergovernmental	-	-	-	-		
Notes receivable	-	-	-	-		
Loans receivable	-	-	6,055,540	464,443		
Other receivable	3,348,831	-	-	1,125		
Due from other funds	2,481,132	-	-	-		
Advances to Former Redevelopment Agencies Private						
Purpose Trust	531,494	-	-	-		
Prepaid items	12,434	-	-	-		
Total assets	\$ 14,036,419	\$ 360,330	\$ 6,428,570	\$ 1,093,232		
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 2,214,142	\$ 6,567	\$ -	\$ 40		
Deposits payable	2,300,917	-	-	-		
Intergovernmental payable	-	-	-	-		
Due to other funds	-	-	-	-		
Advances from other funds	2,594,060	-	-	-		
Total liabilities	7,109,119	6,567	-	40		
Deferred inflows: Unavailable revenue	540,397	-	6,055,541	464,442		
Total liabilities and deferred inflows	7,649,516	6,567	6,055,541	464,482		
Fund balances:						
Nonspendable:						
Petty cash	6,450	-	-	-		
Prepaid items	12,434	-	-	-		
Restricted reported in:						
Special revenue funds	-	-	373,029	628,750		
Committed	239,594	20,905	-	-		
Assigned reported in:						
Special revenue funds	-	332,858	-	-		
Unassigned (deficit), reported in:						
General fund	6,128,425	-	-	-		
Special revenue funds	-	-	-	-		
Total fund balances	6,386,903	353,763	373,029	628,750		
Total liabilities and fund balances	\$ 14,036,419	\$ 360,330	\$ 6,428,570	\$ 1,093,232		

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

Nonmajor Governmental Funds	Totals
\$ 10,221,201	\$ 19,241,421
703,030	703,030
2,857	6,189
1,134,022	1,134,022
666,530	666,530
-	6,519,983
79,458	3,429,414
-	2,481,132
-	531,494
-	12,434
\$ 12,807,098	\$ 34,725,649

\$ 546,479	\$ 2,767,228
73,876	2,374,793
-	-
2,480,897	2,480,897
-	2,594,060
3,101,252	10,216,978
666,530	7,726,910
3,767,782	17,943,888

-	6,450
-	12,434
6,581,173	7,582,952
901,268	1,161,767
4,187,922	4,520,780
-	6,128,425
(2,631,047)	(2,631,047)
9,039,316	16,781,761
\$ 12,807,098	\$ 34,725,649

City of Ceres, California

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

June 30, 2020

Total fund balances - total governmental funds \$ 16,781,761

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.

83,115,563

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

Compensated absences	\$ (1,504,572)
Due after one year	(445,319)
Net pension obligation	<u>(31,347,520)</u> (33,297,411)

Governmental funds notes receivable from various loan programs are deferred under the current financial resources measurement focus. The notes receivable are recognized in the government-wide Statement of Net Position under the accrual basis of accounting.

7,186,513

Pension obligations result in deferred outflows and inflows of resources associated with actuarial value of contributions, assets, and liabilities

Deferred outflows	11,627,091
Deferred inflows	<u>(3,529,558)</u> 8,097,533

Internal services funds are 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 are:

Current assets	3,374,106
Noncurrent assets	2,589,297
Accounts payable and accrued liabilities	(60,687)
Long-term liabilities	<u>(1,278,259)</u> 4,624,457
Net position of governmental activities	<u>\$ 86,508,416</u>

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

City of Ceres, California

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

Governmental Activities

June 30, 2020

	Governmental Funds Balance Sheet	Reclassifications	Internal Service Funds	Changes in GAAP	Statement of Net Position
ASSETS					
Current assets:					
Cash and investments	\$ 19,241,421	\$ -	\$ 3,373,950	\$ -	\$ 22,615,371
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Taxes	703,030	-	-	-	703,030
Interest	6,189	-	-	-	6,189
Intergovernmental	1,134,022	-	-	-	1,134,022
Other receivable	3,429,414	-	156	-	3,429,570
Due from other funds	2,481,132	(2,481,132)	-	-	-
Prepaid items	12,434	-	-	-	12,434
Total current assets	27,007,642	(2,481,132)	3,374,106	-	27,900,616
Noncurrent assets:					
Advances to(from) fiduciary activities	531,494	-	-	-	531,494
Loans/Notes receivable	7,186,513	-	-	(540,397)	6,646,116
Capital assets, net	-	-	2,589,297	83,115,563	85,704,860
Total noncurrent assets	7,718,007	-	2,589,297	82,575,166	92,882,470
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows: Pension Plan	-	-	-	11,627,091	11,627,091
Total assets and deferred outflows of resources	\$ 34,725,649	\$ (2,481,132)	\$ 5,963,403	\$ 94,202,257	\$ 132,410,177
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 2,767,228	\$ -	\$ 60,452	\$ -	\$ 2,827,680
Deposits payable	2,374,793	-	-	-	2,374,793
Intergovernmental payable	-	-	-	-	-
Due to other funds	2,480,897	(2,481,132)	235	-	-
Total current liabilities	7,622,918	(2,481,132)	60,687	-	5,202,473
Noncurrent liabilities:					
Long-term debt:					
Advances from other funds	2,594,060	-	-	-	2,594,060
Compensated absences	-	-	107,166	1,504,572	1,611,738
Due within one year	-	-	-	-	-
Due after one year	-	-	-	445,319	445,319
Liability for claims	-	-	1,171,093	-	1,171,093
Net pension obligation	-	-	-	31,347,520	31,347,520
Total noncurrent liabilities	2,594,060	-	1,278,259	33,297,411	37,169,730
Total liabilities	10,216,978	(2,481,132)	1,338,946	33,297,411	42,372,203
Deferred inflows: Grants	7,186,513	-	-	(7,186,513)	-
Deferred inflows: Unavailable revenue	540,397	-	-	(540,397)	-
Deferred inflows: Pension plan	-	-	-	3,529,558	3,529,558
Total liabilities and deferred inflows	17,943,888	(2,481,132)	1,338,946	29,100,059	45,901,761
FUND BALANCES/NET POSITION					
Fund balances:					
Nonspendable	18,884	(18,884)	-	-	-
Restricted	7,582,952	(7,582,952)	-	-	-
Committed	1,161,767	(1,161,767)	-	-	-
Assigned	4,520,780	(4,520,780)	-	-	-
Unassigned	3,497,378	(3,497,378)	-	-	-
Net position:					
Net investment in capital assets	-	-	2,589,297	82,129,847	84,719,144
Restricted	-	-	-	7,582,952	7,582,952
Unrestricted	-	16,781,761	2,035,160	(24,610,601)	(5,793,680)
Total fund balances/ net position	16,781,761	-	4,624,457	65,102,198	86,508,416
Total liabilities, deferred inflows, and net position	\$ 34,725,649	\$ (2,481,132)	\$ 5,963,403	\$ 94,202,257	\$ 132,410,177

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

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

	Major Funds			
	General Fund	Street Expansion Special Revenue	Home Program Grants Special Revenue	CDBG Grants Special Revenue
REVENUES:				
Property and other taxes	\$ 16,594,281	\$ -	\$ -	\$ -
Licenses and permits	1,728,321	-	-	-
Fines, forfeitures and penalties	221,283	-	-	-
Charges for services	2,832,424	-	-	-
Intergovernmental	1,136,539	277,265	41,300	172,768
Use of money and property	246,949	14,397	-	5,302
Other revenues	49,820	-	5,719	25,203
Total revenues	22,809,617	291,662	47,019	203,273
EXPENDITURES:				
Current:				
General government	1,604,663	-	-	-
Public safety	18,113,460	-	-	-
Engineering and Transportation	282,769	1,320,489	-	-
Public works	145,109	-	-	-
Community services	2,879,636	-	-	-
Economic development	-	-	5,765	1,695
Capital outlay	363,821	-	-	50,853
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	23,389,458	1,320,489	5,765	52,548
REVENUES OVER (UNDER) EXPENDITURES	(579,841)	(1,028,827)	41,254	150,725
OTHER FINANCING SOURCES (USES):				
Transfers in	840,304	-	-	-
Transfers out	(333,299)	-	-	-
Total other financing sources (uses)	507,005	-	-	-
Net change in fund balances	(72,836)	(1,028,827)	41,254	150,725
FUND BALANCES:				
Beginning of year	6,459,739	1,382,590	331,775	478,025
End of year	\$ 6,386,903	\$ 353,763	\$ 373,029	\$ 628,750

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

Other Governmental Funds		Totals
\$ 5,930,393	\$ 22,524,674	
-	1,728,321	
44,604	265,887	
405,464	3,237,888	
6,454,124	8,081,996	
156,906	423,554	
3,867	84,609	
<hr/>	<hr/>	
12,995,358	36,346,929	

31,976	1,636,639
3,861,831	21,975,291
2,339,188	3,942,446
2,171,663	2,316,772
569,372	3,449,008
7,581	15,041
2,413,572	2,828,246
<hr/>	<hr/>
118,979	118,979
<hr/>	<hr/>
11,514,162	36,282,422
<hr/>	<hr/>
1,481,196	64,507
<hr/>	<hr/>

29,299	869,603
(974,003)	(1,307,302)
<hr/>	<hr/>
(944,704)	(437,699)
<hr/>	<hr/>
536,492	(373,192)
<hr/>	<hr/>
8,502,824	17,154,953
<hr/>	<hr/>
\$ 9,039,316	\$ 16,781,761
<hr/>	<hr/>

City of Ceres, California

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

For the year ended June 30, 2020

Functions/Programs	Debt/				Capital Asset		Internal Service Funds	Government-wide Totals
	Fund Based		Compensated Absences	Deferred Revenue	Depreciation	(Additions)/Retirements		
	Totals					Pension Plan		
Governmental activities:								
General government	\$ 1,636,639	\$ (101,350)	\$ 55,095	\$ 2,082,500	\$ -	164,733	\$ 3,837,617	
Public safety	21,975,291	-	-	281,718	-	2,211,894	-	24,468,903
Engineering and Transportation	3,942,446	-	-	-	-	396,822	-	4,339,268
Public works	2,316,772	-	-	3,334,996	14,212	233,192	(1,132,621)	4,766,551
Community services	3,449,008	-	-	14,753	-	347,155	-	3,810,916
Economic development	15,041	-	-	71,467	-	1,514	-	88,022
Capital outlay	2,828,246	-	-	-	(2,828,246)	-	-	-
Debt service/Interest	118,979	(103,247)	-	-	-	-	-	15,732
Total governmental activities	\$ 36,282,422	\$ (204,597)	\$ 55,095	\$ 5,785,434	\$ (2,814,034)	\$ 3,355,310	\$ (1,132,621)	\$ 41,327,009

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

City of Ceres, California

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

Net change in fund balances - total governmental funds	\$ (373,192)
---	--------------

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

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

Capital asset purchases capitalized	\$ 2,814,034
Proceeds from sale of capital assets	-
Depreciation expense	<u>(5,785,434)</u>
	(2,971,400)

Repayment and issuance of debt is an expenditure and other financing source in the governmental funds, but the repayment reduces and the issuance increases long-term liabilities in the Statement of Net Position.

103,247

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in compensated absences	101,350
Change in pension expense	<u>(3,355,310)</u>
	(3,253,960)

Deferred Inflows related to the notes receivables in the governmental fund are reversed to reduce the expenditures of loan payments in the Government-Wide Financial Statements.

Deferred inflows	(55,095)
------------------	----------

Internal services funds are used by management to charge the costs of certain activities, such as risk management, to individual funds. The change in net position of the Internal Service Funds (\$952,934) is included in the governmental activities in the government-wide Statement of Net Position less amounts due to changes in capital assets \$466,371 reported above for capital assets.

756,041	
466,371	<u>1,222,412</u>
	<u>\$ (5,327,988)</u>

Change in net position of governmental activities

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

City of Ceres, California

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

Budget to Actual - General Fund and Major Special Revenue Funds

For the year ended June 30, 2020

	General Fund				Variance w/Final Positive (Negative)	
	Budgeted Amounts		Actual			
	Original	Final				
REVENUES:						
Property and other taxes	\$ 16,741,263	\$ 16,741,263	\$ 16,594,281	\$ (146,982)		
Licenses and permits	2,446,200	2,446,200	1,728,321	(717,879)		
Fines, forfeitures and penalties	261,000	261,000	221,283	(39,717)		
Charges for services	3,708,936	3,708,936	2,832,424	(876,512)		
Intergovernmental	1,047,394	1,047,394	1,136,539	89,145		
Use of money and property	150,346	150,346	246,949	96,603		
Other revenues	50,000	50,000	49,820	(180)		
Total revenues	24,405,139	24,405,139	22,809,617	(1,595,522)		
EXPENDITURES:						
Current:						
General government	1,706,339	1,706,339	1,604,663	101,676		
Public safety	18,833,394	18,833,394	18,113,460	719,934		
Engineering and Transportation	322,083	322,083	282,769	39,314		
Public works	159,432	159,432	145,109	14,323		
Community services	3,515,693	3,515,693	2,879,636	636,057		
Capital outlay	410,698	410,698	363,821	46,877		
Total expenditures	24,947,639	24,947,639	23,389,458	1,558,181		
REVENUES OVER (UNDER) EXPENDITURES	(542,500)	(542,500)	(579,841)	(37,341)		
OTHER FINANCING SOURCES (USES):						
Proceeds from sales of assets	1,000	1,000	-	(1,000)		
Transfers in	712,583	712,583	840,304	127,721		
Transfers out	(195,084)	(195,084)	(333,299)	(138,215)		
Total other financing sources (uses)	518,499	518,499	507,005	(11,494)		
Net change in fund balances	(24,001)	(24,001)	(72,836)	(48,835)		
FUND BALANCES:						
Beginning of year	6,459,739	6,459,739	6,459,739	-		
End of year	\$ 6,435,738	\$ 6,435,738	\$ 6,386,903	\$ (48,835)		

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

Street Expansion Special Revenue Fund

Budgeted Amounts			Variance w/Final
Original	Final	Actual	Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
300,000	300,000	277,265	(22,735)
20,000	20,000	14,397	(5,603)
<hr/>	<hr/>	<hr/>	<hr/>
320,000	320,000	291,662	(28,338)
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-
-	-	-	-
1,919,590	1,919,590	1,320,489	599,101
-	-	-	-
-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>
1,919,590	1,919,590	1,320,489	599,101
<hr/>	<hr/>	<hr/>	<hr/>
(1,599,590)	(1,599,590)	(1,028,827)	570,763
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	-
-	-	-	-
<hr/>	<hr/>	<hr/>	<hr/>
(1,599,590)	(1,599,590)	(1,028,827)	570,763
<hr/>	<hr/>	<hr/>	<hr/>
1,382,590	1,382,590	1,382,590	-
<hr/>	<hr/>	<hr/>	<hr/>
\$ (217,000)	\$ (217,000)	\$ 353,763	\$ 570,763
<hr/>	<hr/>	<hr/>	<hr/>

(continued)

City of Ceres, California

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

Budget to Actual - General Fund and Major Special Revenue Funds, Continued

For the year ended June 30, 2020

		Home Program Grants Special Revenue Fund			Variance w/Final Positive (Negative)
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
REVENUES:					
Property and other taxes		\$ -	\$ -	\$ -	\$ -
Licenses and permits		-	-	-	-
Fines, forfeitures and penalties		-	-	-	-
Charges for services		-	-	-	-
Intergovernmental		1,200	1,200	41,300	40,100
Use of money and property		54	54	-	(54)
Other revenues		-	-	5,719	5,719
Total revenues		<u>1,254</u>	<u>1,254</u>	<u>47,019</u>	<u>45,765</u>
EXPENDITURES:					
Current:					
General government		-	-	-	-
Public safety		-	-	-	-
Engineering and Transportation		-	-	-	-
Public works		-	-	-	-
Community services		-	-	-	-
Economic development		70,658	70,658	5,765	64,893
Capital outlay		-	-	-	-
Total expenditures		<u>70,658</u>	<u>70,658</u>	<u>5,765</u>	<u>64,893</u>
REVENUES OVER (UNDER) EXPENDITURES		<u>(69,404)</u>	<u>(69,404)</u>	<u>41,254</u>	<u>110,658</u>
OTHER FINANCING SOURCES (USES):					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Total other financing sources (uses)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances		<u>(69,404)</u>	<u>(69,404)</u>	<u>41,254</u>	<u>110,658</u>
FUND BALANCES (DEFICIT):					
Beginning of year		331,775	331,775	331,775	-
End of year		<u>\$ 262,371</u>	<u>\$ 262,371</u>	<u>\$ 373,029</u>	<u>\$ 110,658</u>

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

CDBG Grants Special Revenue Fund

Budgeted Amounts		Variance w/Final	
Original	Final	Actual	Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
109,730	109,730	172,768	63,038
4,000	4,000	5,302	1,302
-	-	25,203	25,203
<u>113,730</u>	<u>113,730</u>	<u>203,273</u>	<u>89,543</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
301,960	301,960	1,695	300,265
285,822	285,822	50,853	234,969
<u>587,782</u>	<u>587,782</u>	<u>52,548</u>	<u>535,234</u>
<u>(474,052)</u>	<u>(474,052)</u>	<u>150,725</u>	<u>624,777</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>(474,052)</u>	<u>(474,052)</u>	<u>150,725</u>	<u>624,777</u>
<u>478,025</u>	<u>478,025</u>	<u>478,025</u>	<u>-</u>
<u>\$ 3,973</u>	<u>\$ 3,973</u>	<u>\$ 628,750</u>	<u>\$ 624,777</u>

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PROPRIETARY FUNDS

Fund	Description
Major Funds:	
Water	Accounts for the operation of the City's water utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
Sewer	Accounts for the operation of the City's sewer utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
STANCOG	Accounts for local transportation funds restricted to transit, street, pedestrian, and bike purposes funded through passenger fares.

City of Ceres, California

Statement of Net Position

Proprietary Funds

June 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	STANCOG	Totals	Totals
Current assets:					
Cash and investments	\$ 19,912,968	\$ 13,991,028	\$ 639,562	\$ 34,543,558	\$ 3,373,950
Cash and investments with trustee/fiscal agent	-	-	-	-	-
Accounts receivable (net of uncollectible)	882,172	721,912	20,175	1,624,259	156
Interest receivable	5,245	3,673	156	9,074	-
Total current assets	20,800,385	14,716,613	659,893	36,176,891	3,374,106
Non-current assets:					
Property, plant and equipment	27,797,865	28,975,544	-	56,773,409	7,839,991
Less accumulated depreciation	(11,921,789)	(13,812,746)	-	(25,734,535)	(5,250,694)
Property, plant, and equipment, net	15,876,076	15,162,798	-	31,038,874	2,589,297
Advances to other funds	-	2,594,060	-	2,594,060	-
Total non-current assets	15,876,076	17,756,858	-	33,632,934	2,589,297
Total assets	36,676,461	32,473,471	659,893	69,809,825	5,963,403
Deferred outflows: Pension Plan	960,046	951,418	15,792	1,927,256	-
Total assets and deferred outflows	\$ 37,636,507	\$ 33,424,889	\$ 675,685	\$ 71,737,081	\$ 5,963,403
LIABILITIES AND NET POSITION					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 148,663	\$ 132,964	\$ 95,970	\$ 377,597	\$ 60,452
Deposits payable	297,393	-	-	297,393	-
Unearned revenue	61,477	-	-	61,477	-
Interest payable	14,840	16,582	-	31,422	-
Due to other funds	-	-	-	-	235
Current portion of long-term debt	145,000	263,000	-	408,000	-
Total current liabilities	667,373	412,546	95,970	1,175,889	60,687
Long-term liabilities:					
Compensated absences	133,443	163,291	-	296,734	107,166
Due after one year	3,359,000	5,822,000	-	9,181,000	-
Liability for claims	-	-	-	-	1,171,093
Net pension obligation	2,538,605	2,651,433	55,781	5,245,819	-
Total long-term liabilities	6,031,048	8,636,724	55,781	14,723,553	1,278,259
Total liabilities	6,698,421	9,049,270	151,751	15,899,442	1,338,946
Deferred inflows: Pension Plan	266,888	309,697	15,731	592,316	-
Total liabilities and deferred inflows	6,965,309	9,358,967	167,482	16,491,758	1,338,946
Net Position:					
Net investment in capital assets	12,517,076	9,340,798	-	21,857,874	2,589,297
Unrestricted	18,154,122	14,725,124	508,203	33,387,449	2,035,160
Total net position	30,671,198	24,065,922	508,203	55,245,323	4,624,457
Total liabilities, deferred inflows, and net position	\$ 37,636,507	\$ 33,424,889	\$ 675,685	\$ 71,737,081	\$ 5,963,403

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

City of Ceres, California

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

For the year ended June 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	STANCOG	Totals	Totals
OPERATING REVENUES:					
Charges for services	\$ 14,895,500	\$ 10,136,960	\$ 50,915	\$ 25,083,375	\$ -
Interdepartmental charges	-	-	-	-	5,982,558
Other operating	522,555	328,946	670,105	1,521,606	688,996
Total operating revenues	15,418,055	10,465,906	721,020	26,604,981	6,671,554
OPERATING EXPENSES:					
Salaries and benefits	2,803,991	2,891,332	31,024	5,726,347	2,143,157
Contractual and other services	481,053	2,348,316	590,444	3,419,813	348,737
Materials and supplies	2,837,717	255,336	7,032	3,100,085	734,607
Depreciation and amortization	955,431	1,143,687	48,769	2,147,887	466,371
Other operating costs	1,153,592	1,331,517	6,094	2,491,203	2,318,053
Total operating expenses	8,231,784	7,970,188	683,363	16,885,335	6,010,925
OPERATING INCOME (LOSS)	7,186,271	2,495,718	37,657	9,719,646	660,629
NONOPERATING REVENUES (EXPENSES):					
Other income	14,455	-	-	14,455	-
Investment income	243,988	184,846	6,933	435,767	66
Gain (Loss) on sale of assets	50	27,208	(256,725)	(229,467)	5,555
Interest and debt service expenses	(310,729)	(537,511)	-	(848,240)	-
Total non-operating revenues	(52,236)	(325,457)	(249,792)	(627,485)	5,621
Transfers in (out)	-	304,000	43,908	347,908	89,791
CHANGE IN NET POSITION	7,134,035	2,474,261	(168,227)	9,440,069	756,041
NET POSITION:					
Beginning of year	23,537,163	21,591,661	676,430	45,805,254	3,868,416
End of year	\$ 30,671,198	\$ 24,065,922	\$ 508,203	\$ 55,245,323	\$ 4,624,457

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

City of Ceres, California

Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2020

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	STANCOG	Totals	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 5,982,402
Cash receipts from customers	15,187,059	10,340,971	746,509	26,274,539	-
Cash payments to suppliers for goods and services	(4,873,926)	(4,327,635)	(612,324)	(9,813,885)	(1,739,608)
Cash payments to employees for services	(2,839,447)	(2,971,597)	(31,024)	(5,842,068)	(2,221,005)
Cash receipts (payments) for loss claims	-	-	-	-	(1,000,751)
Net cash used by operating activities	7,473,686	3,041,739	103,161	10,618,586	1,021,038
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Other income received	14,455	-	-	14,455	-
Transfers received (paid)	-	565,981	43,908	609,889	89,791
Changes in pension obligations	306,115	340,195	-	646,310	-
Net cash provided by noncapital financing activities	320,570	906,176	43,908	1,270,654	89,791
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
(Acquisition) Disposal and construction of capital assets	(973,534)	(658,132)	-	(1,631,666)	(862,987)
Proceeds from sale of capital assets	-	-	-	-	5,555
Interest paid	(319,346)	(555,275)	-	(874,621)	-
Payments on long-term debt	(258,855)	(447,362)	-	(706,217)	-
Net cash (used) by capital and related financing activities	(1,551,735)	(1,660,769)	-	(3,212,504)	(857,432)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income received	252,470	193,361	7,236	453,067	66
Net cash provided by investing activities	252,470	193,361	7,236	453,067	66
Net increase (decrease) in cash and cash equivalents	6,494,991	2,480,507	154,305	9,129,803	253,463
CASH AND CASH EQUIVALENTS:					
Beginning of year	13,417,977	11,510,521	485,257	25,413,755	3,120,487
End of year	<u>\$ 19,912,968</u>	<u>\$ 13,991,028</u>	<u>\$ 639,562</u>	<u>\$ 34,543,558</u>	<u>\$ 3,373,950</u>
Presentation in Statement of Net Position:					
Cash and investments	\$ 19,912,968	\$ 13,991,028	\$ 639,562	\$ 34,543,558	\$ 3,373,950
Cash and investments with trustee/fiscal agent	-	-	-	-	-
Total cash and investments	<u>\$ 19,912,968</u>	<u>\$ 13,991,028</u>	<u>\$ 639,562</u>	<u>\$ 34,543,558</u>	<u>\$ 3,373,950</u>
Reconciliation of income (loss) from operations to net cash used by operating activities:					
Operating income (loss)	\$ 7,186,271	\$ 2,495,718	\$ 37,657	\$ 9,719,646	\$ 660,629
Adjustments to reconcile operating income (loss) to net cash used in operating activities:					
Depreciation and amortization	955,431	1,143,687	48,769	2,147,887	466,371
(Increase) decrease in current assets:					
Accounts receivable	(258,749)	(124,935)	25,489	(358,195)	(156)
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	(401,564)	(392,466)	(8,754)	(802,784)	(224,851)
Deposits payable	15,953	-	-	15,953	-
Unearned revenue	11,800	-	-	11,800	-
Compensated absences	(35,456)	(80,265)	-	(115,721)	(77,848)
Increase (decrease) in claims liability	-	-	-	-	196,893
Net cash used by operating activities	\$ 7,473,686	\$ 3,041,739	\$ 103,161	\$ 10,618,586	\$ 1,021,038

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

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

City of Ceres, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Successor Agencies Private Purpose Trust Funds	Westpointe Assessment District Debt Service Agency Fund
ASSETS		
Current assets:		
Cash and investments	\$ 3,912,203	\$ 703,507
Cash and investments with trustee/fiscal agent	2,173,418	-
Interest receivable	868	192
Total current assets	<u>6,086,489</u>	<u>703,699</u>
Non-Current assets:		
Long-term loans receivable	2,214,371	-
Construction in progress	12,500,147	-
Total non-current assets	<u>14,714,518</u>	<u>-</u>
Total assets	<u>20,801,007</u>	<u>703,699</u>
Deferred outflows: Pension plan	93,605	-
Total assets and deferred outflows	<u>\$ 20,894,612</u>	<u>\$ 703,699</u>
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 3,972	\$ -
Interest payable	188,150	-
Due to others	-	703,699
Compensated absences - current	11,999	
Current portion of long term debt	1,802,415	-
Total current liabilities	<u>2,006,536</u>	<u>703,699</u>
Long-term liabilities:		
Advances from other government agencies	266,702	-
Advances from Governmental Activities	531,494	-
Due after one year	30,871,224	-
Net pension obligation	275,110	-
Total long-term liabilities	<u>31,944,530</u>	<u>-</u>
Total liabilities	<u>33,951,066</u>	<u>\$ 703,699</u>
Deferred inflows: Pension plan	43,296	
Total liabilities and deferred inflows	<u>33,994,362</u>	
Net Position (Deficit):		
Net position held in trust for		
Redevelopment Dissolution	<u>(13,099,750)</u>	
Total liabilities, deferred inflows, and net position	<u>\$ 20,894,612</u>	

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

City of Ceres, California

Statement of Changes in Fiduciary Net Position

Private Purpose Trust Funds

For the year ended June 30, 2020

	Successor Agencies
	Private Purpose Trust Funds
ADDITIONS:	
Property taxes	\$ 3,708,777
Investment earnings	104,924
Other revenue	1,048,863
Total additions	4,862,564
DEDUCTIONS:	
General and administrative	5,843
Salaries and benefits	171,034
Contractual and other services	112,847
Materials and supplies	45,410
Economic development	637
Interest and debt service expenses	2,735,704
Amortization	246,724
Transfer out	30
Total deductions	3,318,229
CHANGE IN FIDUCIARY NET ASSETS	1,544,335
NET POSITION (DEFICIT):	
Beginning of year	(14,644,085)
End of year	\$ (13,099,750)

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

NOTES TO BASIC FINANCIAL STATEMENTS

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Ceres, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Boards (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City of Ceres (City) was incorporated on February 25, 1918, 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 and Fire), highways and streets, water service, sewer service, 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.

In addition, the City applies all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements. The more significant of these accounting policies are described below and, where appropriate, subsequent pronouncements will be referenced.

The City was incorporated under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City uses the City Council/Manager form of government. 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.

Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government's exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

A. Financial Reporting Entity, Continued

The City is the primary government unit. Component units are those entities which are financially accountable to the primary government, either because the City appoints a voting majority of the component unit's board, or because the component unit will provide a financial benefit or impose a financial burden on the City. The City currently has no blended or discretely reported component units.

B. Basis of Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

Government–Wide Financial Statements

The government–wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City, the primary government, accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These government-wide financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and related infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. Transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Government–Wide Financial Statements, Continued

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

The City applies all applicable GASB pronouncements (including all National Council on Governmental Accounting (NCGA) Statements and Interpretations currently in effect) as well as the following pronouncements issued on or before November 30, 1989, to the business-type activities, unless those pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) of the committee on Accounting Procedure. The City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, to proprietary funds, except those that conflict with or contradict GASB pronouncements.

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 met the applicable criteria. The following were the City's major governmental funds:

- ***The General Fund*** - Accounts for all general revenues of the city not specifically levied or collected for other City funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit which are not accounted for in other funds.
- ***Street Expansion Special Revenue Fund*** - Fees collected from developers to be used to widen streets due to the traffic impact of their projects.
- ***HOME Program Grants Special Revenue Fund*** - This fund is used to account for Federal funds used for housing assistance payments to low-income, elderly, disabled, and handicapped people qualifying for the programs, as well as rehabilitation for rental property.
- ***Community Development Block Grant Special Revenue Fund*** - These funds are used to account for community development block grants that the City has been awarded and income received from loans granted to participants. The funds are primarily used for local home improvements and public infrastructure enhancements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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 Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenue 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.

Revenues are recorded when received in cash, except those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred inflows arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the deferred inflows is removed from the balance sheet and revenue is recognized.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences between the two methods of measurement focus.

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. The City has determined that all its enterprise funds are major funds. The following were the City’s major enterprise funds:

The **Water Fund** consists of:

- *Water Service Fund* - This fund was established as a separate fund to account for the operation of the City's water utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
- *Water Quality Sinking Fund* - Revenue from this fund comes from a \$3.00 per account transfer from the Water Service added to the water bill. Expenditures are for water system improvements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

- *Water Supply Fund* - Revenue from this fund comes from water connection fees. Expenditures are for major system improvements, including debt service payments if the improvements are financed.
- *2009 Water Bond Fund* – This fund is used to account for projects financed with 2009 Water Revenue Bonds. The bond funds are being used to finance the acquisition and construction of certain improvements to the Water Enterprise system.

The **Sewer Fund** consists of:

- *Sewer Main Line Construction Fund* - Revenue from this fund comes from sewer connection fees. Expenditures are for plant improvements and pump station construction.
- *Sewer Service Fund* - This fund was established as a separate fund to account for the operation of the City's sewer utility. It is a self-supporting activity that provides services on a user-charge basis to residents and businesses located in the City.
- *2009 Sewer Bond Fund* – This fund is used to account for projects financed with 2009 Sewer Revenue Bonds. The bond funds are being used to finance the acquisition and construction of certain improvements to the Sewer Enterprise system.

Stancog Dial-A-Ride Fund - This fund is a local transportation fund restricted to transit, street, pedestrian, and bike purposes.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

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 in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Proprietary Fund Financial Statements, Continued

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The City's fiduciary funds include both agency funds and private purpose trust funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Private Purpose Trust Funds account for resources held for other individuals or entities in a manner similar to private enterprise. These funds are accounted for using the accrual basis of accounting.

C. Cash, Cash Equivalents, and Investments

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as Cash and Investments. For purposes of the statement of cash flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

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.

Highly liquid 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. Market value is used as fair value for those securities for which market quotations are readily available.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. *Cash, Cash Equivalents and Investments, Continued*

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

D. *Restricted Cash and Investments*

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt and for acquisition and construction of capital projects. Cash and investments are also restricted for deposits held for others within the enterprise funds.

E. *Inventories*

The City accounts for inventories using the first-in, first-out method. Inventories consist primarily of supplies and are carried at cost. Governmental fund type inventories are recorded as expenditures when consumed rather than when purchased.

F. *Capital Assets*

Government-Wide Financial Statements

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated fixed assets are valued at their estimated fair market value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at \$100,000; all other capital assets are set at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

Buildings	50-60 years
Improvements other than buildings	30-50 years
Machinery and equipment	5-20 years
Infrastructure	15-50 years

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. Capital Assets, Continued

Government-Wide Financial Statements, Continued

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include streets, sewer, park lands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curb and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems were not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems.

Interest accrued during capital assets construction, if any, is capitalized for the business-type and proprietary funds as part of the asset cost.

For all infrastructure systems, the City elected to use the Basic Approach defined by GASB Statement No. 34, which requires all infrastructures be reported at historical cost and be depreciated over their estimated useful lives.

G. Long-Term Liabilities

Government-Wide Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred outflows.

Fund Financial Statements

The Governmental Fund Financial Statements do not present long-term debt. Consequently, long-term debt is shown as a reconciling item in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Proprietary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Compensated Absences

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as incurred and the related expenses and liabilities are reported in the appropriate activity.

Fund Financial Statements

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

The City accrues vacation time payable to employees based on agreements between the City and the various City employee bargaining units. Vacation time generally accrues as follows:

Years of Service	Annual Vacation Earned
1 - 4	2 weeks
5 - 10	3 weeks
11 - 19	4 weeks
20 +	One day per year for each year over 20 to a maximum of 25 days per year

Employees may accumulate a maximum of 480 hours. Vacation is accrued per pay period. Although new employees immediately begin earning vacation time, they are not eligible to use it until 30 days of service has passed. The accrued liability of governmental fund types for compensated absences is not expected to be paid from current available funds and, therefore, has been recorded in the governmental activities of the Government-Wide Financial Statements. The liability in proprietary fund types is carried as an obligation in the Fund Financial Statements and in the business-type activities of the Government-Wide Financial Statements. The City does not pay any post-employment benefits.

I. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has only has one item that qualifies for reporting in this category.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Deferred outflows/inflows of resources, Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item reported as a deferred inflow of resources.

J. Net Position and Fund Equity

Government-Wide Financial Statements

In the Government-Wide Financial Statements, net position are classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Net Position – This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted.”

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 Ceres, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Net Position and Fund Equity, Continued

Government-Wide Financial Statements, 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 (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 Finance Director through its fund balance policy.

Unassigned Fund Balance –

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

K. Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are receivable from the county within ninety days after year end.

Lien Date	January 1
Levy Date	January 1
Due Date	November 1 and February 1
Collection Date	December 10 and April 10

Property taxes levied are recorded as revenue when received in the fiscal year of levy, because of the adoption of the “alternate method of property tax distribution,” known as the Teeter Plan, by the City and the County of Stanislaus. The Teeter Plan authorizes the Auditor/Controller of the County of Stanislaus to allocate 100% of the secured property taxes billed, but not yet paid.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

O. Interfund Balances/Internal Balances

Advances to and advances from other funds represent interfund loans in the fund financial statements. Advances between funds are offset by a fund liability or by deferred inflows in the applicable governmental funds to indicate that they are not expendable available financial resources. Any unpaid interest due to lack of funds in the borrowing fund increases the principal owed and is reported in the lending fund as deferred inflows.

All other outstanding balances between funds are reported as due to and due from other funds. These are generally repaid within the following fiscal year.

Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-Wide Financial Statements as “internal balances.”

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Use of Restricted and Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City's policy is to apply restricted net position first.

Q. Budgetary Accounting

The City followed these procedures in establishing the budgetary data reflected in the financial statements:

1. Public hearings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. The City Manager is authorized to transfer budgetary amounts within a Department; however, any revisions that alter the total expenditures of any Department must be approved by the City Council.
3. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Formal budgetary integration is not employed for the debt service funds because effective budgetary control is alternatively achieved through bond indenture provisions. The capital projects, proprietary and trust and agency funds are not budgeted.
4. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances. The City Manager may amend the budgeted amounts within departmental expenditure classifications. Appropriation revisions made during the year ended June 30, 2020, were not significant.

Appropriations lapse at the end of the fiscal year and then are rebudgeted for the coming year.

Under Article XIIIIB of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2020, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Budgetary Accounting, Continued

Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

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

2. CASH AND INVESTMENTS

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

	Maturities (in years)			Deposits	Fair Market Value
	< 1	1 to 2	> 2		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value:					
Cash in bank	\$ -	\$ -	\$ -	\$ 23,972,725	\$ 23,972,725
Petty cash	-	-	-	6,450	6,450
Total pooled items	-	-	-	23,979,175	23,979,175
Pooled investments, at fair value					
<u>Interest obligations</u>					
<u>Par</u>	<u>Rtae</u>				
\$246,000	1.0 - 2.5%	Domestic Time Deposits	249,817	-	249,817
\$17,308,489	.075 - 2.75%	US Government Agency Securities	4,204,358	3,543,655	9,916,175
\$1,013,290	2.503%	Corporate Securities	-	-	1,023,552
		Municipal Investor Account	17,401,700	-	-
		State of California Local Agency Investment Fund	4,473,664	-	-
		Total pooled investments - interest obligations	26,329,539	3,543,655	10,939,727
		Total cash equivalents and investments pooled	\$ 26,329,539	\$ 3,543,655	\$ 10,939,727
				\$ 23,979,175	\$ 64,792,096

Amounts reported in:

Government activities	\$ 22,615,371
Business-type activities:	
Unrestricted cash and investments	34,543,558
Cash and investments with trustee/fiscal agent	844,039
Fiduciary activities:	
Unrestricted cash and investments	4,615,710
Cash and investments with trustee/fiscal agent	2,173,418
Total	\$ 64,792,096

Investment Type	Fair Value	Maturity (in years)
Domestic Time Deposits	\$ 249,817	1.87
US Government Agency Securities	17,664,188	1.5
Corporate Securities	1,023,552	2.31
Municipal Investor Account	17,401,700	0.000
Local Agency Investment Fund	4,473,664	0.000
Total fair value	\$ 40,812,921	

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. During the year ended June 30, 2020, the City's permissible investments included the following instruments:

Medium-term Corporate Notes	Commercial Paper	Treasury Bills and Notes
Certificates of Deposit	Repurchase Agreements	Passbook Savings Accounts
Bankers' Acceptances	Government Agency Securities	Local Agency Investment Fund

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

2. CASH AND INVESTMENTS, Continued

Interest rate risk – In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years. As of June 30, 2020, the weighted average maturity was not applicable because all balances are current.

Credit risk – It is the City’s policy that commercial paper has a rating of “A1” or higher by a nationally recognized statistical rating organization (NRSRO) and with a maturity date not exceeding 180 days from the date of purchase. Medium-term notes, with a final maturity not exceeding five years from the date of purchase, must have a rating of A or the equivalent by a NRSRO. Federal instrumentalities must have a rating of AAA or the equivalent by a NRSRO at the time of purchase with a maximum maturity of five years at the time of purchase. The LAIF, administered by the State of California, has a separate investment policy, governed by Government Code Sections 16480-16481.2, that provides credit standards for its investments.

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

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested 1.86% of the pool funds in Structured Notes and Asset-Backed Securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

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

At June 30, 2020, the carrying amount of the City’s deposits was \$15,193,397 and the balance in financial institutions was \$11,090,528. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and \$4,106,725 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and other governmental agencies, but not in the name of the City. As of June 30, 2020, the City’s investments were held by the City’s custodial agent, but not in the City’s name, and were insured up to specified limits by the Securities Investor Protection Corporation (SIPC) and supplemental private insurance up to a limit of \$150 million.

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

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

2. CASH AND INVESTMENTS, Continued

Investment in LAIF: The City is a voluntary participant in California Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute and is chaired by the State Treasurer who is responsible for day to day administration of LAIF. The total amount invested by all public agencies as of June 30, 2020 was \$22,548,942,230 of which the City had a balance of \$4,473,664. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2020 has a portfolio with market valuation of \$ 105,739,565 thousand. Of the total invested, 97.33% was invested in non-derivative financial products and 2.43% in structured notes and asset-backed securities. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. ACCOUNTS RECEIVABLE

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary Activities</u>	<u>Total</u>
Current:				
Accounts	\$ -	\$ 1,624,259	\$ -	\$ 1,624,259
Taxes	703,030	-	-	703,030
Interest	6,189	9,074	-	15,263
Intergovernmental	1,134,022	-	-	1,134,022
Other receivable	3,429,570	-	-	3,429,570
Total current	5,272,811	1,633,333	-	6,906,144
Noncurrent:				
Loans receivable	6,646,116	-	2,214,371	8,860,487
Total noncurrent	6,646,116	-	2,214,371	8,860,487
Total receivables	\$ 11,918,927	\$ 1,633,333	\$ 2,214,371	\$ 15,766,631

These amounts resulted in the following concentrations in receivables:

Other Governments	11.65%
Individuals/Businesses	56.20%
Financial	0.10%
Other	21.75%

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

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

4. LOANS AND NOTES RECEIVABLE

Through the City's various housing rehabilitation funds and first-time home buyer's funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest.

Loans and notes receivable for the year ended June 30, 2020, consisted of the following:

Description	Beginning July 1, 2019	Additions	(Deletions)	Ending June 30, 2020
First-Time Homebuyer Loans	\$ 2,614,144	\$ -	\$ -	\$ 2,614,144
Housing Rehabilitation Loans:				
CDBG Loan	223,054	-	(1,727)	221,327
Emergency Repair Loan	353,310	200	(20,758)	332,752
Begin Home Grant	699,340	-	(32,810)	666,530
Total Housing Rehabilitation Loans	1,275,704	200	(55,295)	1,220,609
Whitmore Oaks	865,361	-	-	865,361
Della Tiara	2,486,399	-	-	2,486,399
Total loans receivable	\$ 7,241,608	\$ 200	\$ (55,295)	\$ 7,186,513

The following is a summary of the loans and notes receivable outstanding as of June 30, 2020:

First-Time Homebuyer Loans

The City has provided various loans to assist first-time homebuyers with loans up to \$50,000. Loan repayment is deferred for 30 years or until sale or refinancing of the property. Interest rates vary from 1% to 5%. Total first-time homebuyer loans outstanding at June 30, 2020 were \$2,614,144.

Housing Rehabilitation Loans

The City administers various housing rehabilitation loan programs using Community Development Block Grant funds and Begin Home Funds. Under these programs, individuals with incomes below a certain level are eligible to receive low interest, variable term loans, secured by deeds of trust for rehabilitation work on their homes. Interest rates may vary from 0% to 3%. The loan repayments may be amortized over the life of the loans, deferred or a combination of both. Total rehabilitation loans outstanding at June 30, 2020 were \$1,220,609.

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

4. LOANS AND NOTES RECEIVABLE, Continued

Whitmore Oaks

The Whitmore Oaks loan was made to assist the developer with the costs to develop and construct a 53 unit apartment complex for seniors. The CRA provided a loan of \$612,500 and the City, through the State's HOME Investment Partnership Program, provided a loan of up to \$865,361. Loan provisions require the apartment complex provide not less than eleven affordable housing units to be rented to qualified very-low and low income persons and families. The CRA loan carries an interest rate of 3% starting 2015 and the note is payable in full in 2057. The HOME loan carries an interest rate of 3% starting in 2027 and the note is payable in full in 2042. The amount outstanding at June 30, 2020 was \$865,361.

Della Tiara

The CRA provided a loan to Della Tiara for the construction of a 26-unit apartment complex (the "Project) using HOME grant funds. The loan bears simple interest of 3% per year and interest begins to accrue January 1, 2015. The loan is deferred for 55 years. Commencing in 2019, principal and interest is due in an amount equal to 35% of residual cash flow from the Project provided that the residual cash flow in any year is over \$10,000. The amount outstanding at June 30, 2020 was \$2,486,399.

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

5. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>Governmental activities:</u>				
Nondepreciable assets:				
Land	\$ 14,753,193	\$ -	\$ -	\$ 14,753,193
Total nondepreciable assets	<u>14,753,193</u>	<u>-</u>	<u>-</u>	<u>14,753,193</u>
Depreciable assets:				
Buildings and improvements	39,107,324	1,170,269	-	40,277,593
Machinery & equipment	16,978,429	1,336,271	(31,936)	18,282,764
Infrastructure	102,906,978	1,170,481	-	104,077,459
Total depreciable assets	<u>158,992,731</u>	<u>3,677,021</u>	<u>(31,936)</u>	<u>162,637,816</u>
Total	<u>173,745,924</u>	<u>3,677,021</u>	<u>(31,936)</u>	<u>177,391,009</u>
Accumulated depreciation:				
Buildings and improvements	(15,463,874)	(1,437,047)	-	(16,900,921)
Machinery & equipment	(11,796,734)	(911,875)	31,936	(12,676,673)
Infrastructure	(58,672,043)	(3,436,512)	-	(62,108,555)
Total accumulated depreciation	<u>(85,932,651)</u>	<u>(5,785,434)</u>	<u>31,936</u>	<u>(91,686,149)</u>
Net depreciable assets	<u>73,060,080</u>	<u>(2,108,413)</u>	<u>-</u>	<u>70,951,667</u>
Total net capital assets	<u>\$ 87,813,273</u>	<u>\$ (2,108,413)</u>	<u>\$ -</u>	<u>\$ 85,704,860</u>

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

General government	\$ 2,082,500
Public safety	281,718
Public works	3,334,996
Community services	14,753
Economic development	<u>71,467</u>
Total	<u>\$ 5,785,434</u>

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

5. CAPITAL ASSETS, Continued

Capital asset activity for business-type activities for the year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>Business-type activities:</u>				
Nondepreciable assets:				
Land	\$ 1,783,812	\$ -	\$ -	\$ 1,783,812
Total nondepreciable assets	<u>1,783,812</u>	<u>-</u>	<u>-</u>	<u>1,783,812</u>
Depreciable assets:				
Buildings and improvements	9,580,143	-	(69,199)	9,510,944
Machinery & equipment	7,159,443	61,355	(644,667)	6,576,131
Infrastructure	37,314,288	1,588,234	-	38,902,522
Total depreciable assets	<u>54,053,874</u>	<u>1,649,589</u>	<u>(713,866)</u>	<u>54,989,597</u>
Total	<u>55,837,686</u>	<u>1,649,589</u>	<u>(713,866)</u>	<u>56,773,409</u>
Accumulated depreciation:				
Buildings and improvements	(5,474,074)	(295,195)	8,134	(5,761,135)
Machinery & equipment	(5,208,939)	(388,033)	449,007	(5,147,965)
Infrastructure	(13,370,112)	(1,455,323)	-	(14,825,435)
Total accumulated depreciation	<u>(24,053,125)</u>	<u>(2,138,551)</u>	<u>457,141</u>	<u>(25,734,535)</u>
Net depreciable assets	<u>30,000,749</u>	<u>(488,962)</u>	<u>(256,725)</u>	<u>29,255,062</u>
Total net capital assets	<u>\$ 31,784,561</u>	<u>\$ (488,962)</u>	<u>\$ (256,725)</u>	<u>\$ 31,038,874</u>

Depreciation expense for business-type activity capital assets was charged to functions as follows:

Water	\$ 952,023
Sewer	1,137,759
STANCOG	<u>48,769</u>
Total	<u>\$ 2,138,551</u>

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

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 1,407,409	\$ 293,170	\$ 3,972	\$ 1,704,551
Accrued payroll and related liabilities	1,420,271	84,427	-	1,504,698
Total	<u>\$ 2,827,680</u>	<u>\$ 377,597</u>	<u>\$ 3,972</u>	<u>\$ 3,209,249</u>

These amounts resulted in the following concentrations in payables:

Vendors	85%
Employees	15%

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

7. SPECIAL ASSESSMENT DISTRICTS

Special Assessment bonds have been issued under the 1915 Bond Act. The City is in no way liable for repayment of any bonds of the funds reflected in the Agency funds, according to bond counsel, but is acting only as an agent for the property owners/bond holders in collecting and forwarding the special assessments. Balances of the various assessment district bonds were as follows as of June 30, 2020:

2002 - WestPointe Refunding Reassessment District – Original Issue \$2,960,000

In fiscal year 2003, the City issued the WestPointe Refunding Reassessment District Bonds. Proceeds from the sale of the bonds was used to call and redeem all of the outstanding principal amount of the bonds previously issued by the City for its Westpointe Improvement Assessment District and to pay certain costs of issuance of the bonds. The City is the collecting and paying agent for the bonds issued by the WestPointe Assessment District (District), but has no direct or contingent liability or moral obligation for the payment of these bonds. Assets held by the City on behalf of the District are recorded in an agency fund. Accordingly, the assets and outstanding bond obligations of the District are not presented in the accompanying Basic Financial Statements. As of June 30, 2020, there is no outstanding balance of the Westpointe Refunding Reassessment District Bonds.

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

8. LONG-TERM LIABILITIES

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

	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020	Due Within One Year
<u>Business-type Activities:</u>					
2009 Water Revenue Bonds, Series A	\$ 3,830,000	\$ -	\$ (3,830,000)	\$ -	\$ -
Bond discount	(67,145)	-	67,145	-	-
2009 Wastewater Revenue Bonds, Series A	6,650,000	-	(6,650,000)	-	-
Bond discount	(117,638)	-	117,638	-	-
2020 Water Refunding Bonds	-	3,658,000	(154,000)	3,504,000	145,000
2020 Wastewater Refunding Bonds	-	6,355,000	(270,000)	6,085,000	263,000
Total business-type activities	\$ 10,295,217	\$ 10,013,000	\$ (10,719,217)	\$ 9,589,000	\$ 408,000

Business-type Activities:

2009 Wastewater Revenue Bond – Original Issue \$8,220,000

On December 22, 2009, Ceres Financing Authority issued the Wastewater Revenue Bonds, Series A in the amount of \$8,220,000 to finance the acquisition and construction of certain improvements to the wastewater enterprise system of the City. The principal of the bonds are payable annually starting on June 1, 2011 through June 1, 2039, in amounts ranging from \$150,000 to \$505,000. Interest rates range from 2.0% to 5.0% and are payable semiannually on June 1 and December 1. Bonds are payable from revenues consisting primarily of installment payments payable by the City to the Authority under a Wastewater Installment Purchase Agreement. The bonds were issued at a discount of \$177,801, which is amortized over the life of the bond.

2020 Wastewater Revenue Bond, Refunding – Original Issue \$6,355,000

On March 1, 2020, the City issued \$6,355,000 principal amount of 2020 Wastewater Revenue Bonds to refund the outstanding principal balance of \$6,650,000 for the 2009 Wastewater Revenue Bonds. The reacquisition price did not exceed the net carrying amount of the old debt. This refunding decreased its total debts service payments by \$2,117,929 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$411,327.

2009 Water Revenue Bond – Original Issue \$4,750,000

The Ceres Financing Authority issued the Water Revenue Bonds, Series A in the amount of \$4,750,000 to finance the acquisition and construction of certain improvements to the water enterprise system of the City. The bonds mature annually through June 1, 2039, in amounts ranging from \$90,000 to \$290,000. Interest rates vary from 4.50% to a maximum of 5.00% and are payable semiannually on June 1 and December 1. Bonds are payable from revenues consisting primarily of installment payments payable by the City to the Authority under a Water Installment Purchase Agreement. The bonds were issued at a discount of \$102,202, which is being amortized over the life of the bond.

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

8. LONG-TERM LIABILITIES, Continued

2020 Water Revenue Bond, Refunding – Original Issue \$3,658,000

On March 1, 2020, the City issued \$3,658,000 principal amount of 2020 Water Revenue Bonds to refund the outstanding principal balance of \$3,830,000 for the 2009 Water Revenue Bonds. The reacquisition price did not exceed the net carrying amount of the old debt. This refunding decreased its total debts service payments by \$1,224,059 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$239,036.

Future debt service at June 30, 2020, is as follows for all remaining debt except claims liabilities:

Year Ending June 30,	Business-type Activities					
	2020 Water Revenue Bonds		2020 Wastewater Revenue Bonds		Sub-Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 145,000	\$ 114,581	\$ 254,000	\$ 198,980	\$ 399,000	\$ 313,561
2022	149,000	109,839	263,000	190,674	412,000	300,513
2023	154,000	104,967	272,000	182,074	426,000	287,041
2024	163,000	99,931	281,000	173,179	444,000	273,110
2025	167,000	94,601	289,000	163,991	456,000	258,592
2026-2030	919,000	387,659	1,591,000	672,050	2,510,000	1,059,709
2031-2035	1,074,000	227,723	1,863,000	394,787	2,937,000	622,510
2036-2040	733,000	48,429	1,272,000	84,072	2,005,000	132,501
Total	<u>\$ 3,504,000</u>	<u>\$ 1,187,730</u>	<u>\$ 6,085,000</u>	<u>\$ 2,059,807</u>	<u>\$ 9,589,000</u>	<u>\$ 3,247,537</u>
Due within one year	\$ 145,000	\$ 114,581	\$ 254,000	\$ 198,980	\$ 399,000	\$ 313,561
Due after one year	<u>3,359,000</u>	<u>1,073,149</u>	<u>5,831,000</u>	<u>1,860,827</u>	<u>9,190,000</u>	<u>2,933,976</u>
Total	<u>\$ 3,504,000</u>	<u>\$ 1,187,730</u>	<u>\$ 6,085,000</u>	<u>\$ 2,059,807</u>	<u>\$ 9,589,000</u>	<u>\$ 3,247,537</u>

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

9. NET POSITION/ FUND BALANCES

Net Position

	Governmental Activities	Business-type Activities	Totals
Net investment in capital assets	\$ 84,719,144	\$ 21,857,874	\$ 106,577,018
Restricted	7,582,952	-	7,582,952
Unrestricted	(5,793,680)	33,387,449	27,593,769
Total	\$ 86,508,416	\$ 55,245,323	\$ 141,753,739

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

Fund Balance

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

Nonspendable:	
Petty cash	\$ 6,450
Prepaid items	12,434
Total nonspendable	\$ 18,884
Restricted for:	
Home Program	\$ 373,029
CDBG Programs	628,750
Storm Drain Benefit Districts	1,169,619
Eastgate Street Benefit District	69,032
BEGIN Grant Program	77,004
Program Income BEGIN	226,732
Measure H Income	971,977
SLESF	56,736
Dept of Conservation Grant	71,857
Fire Hydrant Benefit District	128,697
Transportation Development Act	30,127
Ceres Community Foundation	143,862
Measure L	2,673,140
Road Maintenance and Rehab	962,390
Total restricted	\$ 7,582,952
Committed:	
General Fund Reserve	\$ 239,594
Street Expansion	20,905
Neighborhood Park Fees	890,936
Community Facilities District	10,332
Total committed	\$ 1,161,767

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

9. NET POSITION/ FUND BALANCES, Continued

The following describe the purpose of each nonspendable, restriction and commitment used by the City:

Nonspendable

Petty cash – includes imprest balances, which do not represent available, spendable resources even though they are components of assets.

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.

Restricted

HOME Program – represents amounts restricted for housing under the HOME program.

CDBG Programs – represents amounts restricted for housing purposes by the Department of Housing and Urban Development.

Storm Drain Benefit Districts – represents amounts restricted for use on the storm drain systems in the WestPointe, Eastgate, Mitchell Road, and North East benefit districts.

Eastgate Street Benefit District – represents amounts restricted for use on the streets in the Eastgate benefit district.

BEGIN Grant Program – represents amounts restricted for the Building Equity & Growth in Neighborhoods grant to be utilized for deferred-payment second mortgage loans for down payment assistance to lower to moderate-income first-time homebuyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions.

Program Income BEGIN – represents amounts restricted for housing purposes under the BEGIN Grant Program.

Measure H Income – represents amounts restricted as a result of a voter approved ½-cent retail transaction and use tax (sales tax) for the improvement of police, fire and 9-1-1 emergency response; to fund additional personnel and equipment costs.

State Gas Tax – represents amounts restricted for street purposes by the California Streets and Highways Code.

Street Light – Landscape District - represents amounts restricted for the City-wide 1972 Act Landscaping and Lighting District.

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

9. NET POSITION/ FUND BALANCES, Continued

Restricted, Continued

Dept. of Conservation Grant – represents amounts restricted for department of conservation grant programs.

Fire Hydrant Benefit District – represents amounts restricted for use in the fire hydrant benefit district.

Transportation Development Act – represents amounts restricted by use by the Transportation Development Act for transportation, including streets and roads.

Ceres Community Foundation - represents amounts restricted for use for the Ceres Community Foundation.

Measure L – represents amounts restricted for use of local street and road improvements, arterial street widening, signalization, pedestrian, bicyclist, and driver safety improvement projects.

Road Maintenance and Rehab – Restricted to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options to the traveling public.

Committed

General Fund Reserve – used to represent that portion of fund balance set aside for unexpected events that may impact the City's ability to provide essential day-to-day services. This amount can only be changed by Council Resolution.

Street Expansion – represents purchase orders issued for ongoing street projects. These amounts are under contract.

Neighborhood Park Fees – represents purchase orders issued for ongoing parks projects. These amounts are under contract.

Community Facilities District – amounts committed for Police, Fire, Parks and Administrative Services. These amounts can only be charged by Council Resolution.

Deficit fund balances consisted of the following:

Nonmajor Special Revenue Funds:

State Gas Tax - \$144,346 – resulted from the depletion of the fund balance through operational expenditures.

Street Light - Landscape District - \$74,305 resulted from depletion of the fund balance through operational expenditures.

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

9. NET POSITION/ FUND BALANCES, Continued

CMAQ – \$629,500 resulted from the advance of funds through a Federal grant setup on a cost reimbursement basis with revenues to be received in future years.

Community Center - \$1,707,647 resulted from operational costs in excess of revenues. The City plans to address this deficit in the next fiscal year.

Daniel Whitmore House - \$120 resulted from the advance of funds from the City with revenues to be received in future years.

RiverBluff Regional Park - \$24,802 resulted from the advance of funds from the City with revenues to be received in future years.

Clinton Whitmore Mansion - \$50,327 resulted from the advance of funds from the City with revenues to be received in future years.

Excess of Expenditures and Transfers Over Appropriations: Expenditures and transfers exceeded appropriations for the year ended June 30, 2020, for the following funds:

	<u>Final Budget</u>	<u>Total Expenditures and Transfers</u>	<u>Excess Expenditures Over Appropriations</u>
<u>Governmental Activities</u>			
Non-major Funds:			
Special Revenue Funds:			
Measure H	\$ 3,556,355	\$ 3,767,883	\$ (211,528)
SLESF	100,000	131,003	(31,003)
Traffic Safety	-	13,114	(13,114)
Ceres Community Foundation	6,120	31,519	(25,399)

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

10. INTERFUND TRANSACTIONS

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

	Due from Other Funds	Due to Other Funds
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 2,481,132	\$ -
Total Major Funds	<u>2,481,132</u>	<u>-</u>
Non-major Funds:		
Special Revenue Funds:		
State Gas Tax	- 125,292	
Street Light-Landscape District	- 59,753	
Traffic Safety	- 5,258	
CMAQ	- 588,009	
Transportation Development Act	- 25	
Community Center	- 1,627,530	
RiverBluff Regional Park	- 24,802	
Clinton Whitmore Mansion	- 50,228	
Total Non-major Special Revenue Funds	<u>-</u> <u>2,480,897</u>	
Total Non-major Funds	<u>-</u>	<u>2,480,897</u>
Internal Service Funds:		
Risk Management	- 235	
Total Governmental Activities	<u>\$ 2,481,132</u>	<u>\$ 2,481,132</u>

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

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

10. INTERFUND TRANSACTIONS, Continued

Activity for advances for the year ended June 30, 2020, was as follows:

	Advances to Other Funds	Advances from Other Funds
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 531,494	\$ -
Total Governmental Activities	<u>531,494</u>	<u>-</u>
<u>Successor Agency</u>		
SCRC	- -	531,494
Total Successor Agency	<u>- -</u>	<u>531,494</u>
Total Advances	<u>\$ 531,494</u>	<u>\$ 531,494</u>

Advances from the General Fund to the Successor Agency - SCRC were for Redevelopment Agency start-up costs.

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.

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

10. INTERFUND TRANSACTIONS, Continued

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

Transfers consisted of the following at June 30, 2020:

	Transfers In	Transfers Out
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 840,304	\$ 333,299
Total Major Funds	<u>840,304</u>	<u>333,299</u>
Non-major Funds:		
Special Revenue Funds:		
Brown Annex	-	15,168
Measure H	-	152,000
Seized Property	-	89,791
Community Facilities District	-	673,136
Daniel Whitmore House	29,299	-
Measure L	-	43,908
Total Non-major Special Revenue Funds	<u>29,299</u>	<u>974,003</u>
Total Non-major Funds	<u>29,299</u>	<u>974,003</u>
Internal Service Funds		
Equipment Revolving	89,791	-
Total Governmental Activities	<u>959,394</u>	<u>1,307,302</u>
<u>Proprietary Funds</u>		
Sewer	304,000	-
STANCOG	43,908	-
Total Proprietary Funds	<u>347,908</u>	<u>-</u>
Total Transfers	<u>\$ 1,307,302</u>	<u>\$ 1,307,302</u>

Transfers In reported in the General fund from the Non-Major Governmental funds represent the City's commitment to supporting recreation programs. Transfers In reported in Non-Major Governmental funds from Major Governmental funds represent support for community services expenses.

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

11. RISK MANAGEMENT

The City participates with other public entities in a joint venture under a joint powers agreement which established the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The relationship between the City and the CSJVRMA is such that the 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 workers' 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 the City's self-insurance retention of \$50,000 and workers' compensation losses under the City's self-insurance retention of \$100,000. The CSJVRMA participates in an excess pool, which provides general liability coverage from \$1,000,001 to \$15,000,000. The CSJVRMA participates in an excess pool, which provides workers' compensation coverage from \$500,001 to \$5,000,000 and also 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 three to four 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.

The financial information from the audited financial statements of the CSJVRMA, as of June 30, 2020, the most recent available, is presented below:

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

Detailed financial information may be obtained from the CSJVRMA.

At the termination of the joint powers agreement and after all claims have been settled, any excess or deficit will be divided among the cities in accordance with the governing documents. There were no excess claims over premiums for any of the City's risk management programs in 2017-2018, and there were no changes to the City's insurance coverage from the prior year.

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

11. RISK MANAGEMENT, Continued

The following chart depicts the claims payments and liability amounts for the years shown:

Fiscal Year	Current Year		Claim Payments		End of Year Liability
	Beginning of Year Liability	Claims and Changes in Estimates	for Current and Prior Years		
2014-2015	\$ 1,031,873	\$ 1,733,076	\$ (1,908,477)	\$ 856,472	
2015-2016	856,472	16,512,903	(15,621,589)	1,747,786	
2016-2017	1,747,786	1,347,031	(2,214,425)	880,392	
2017-2018	880,392	2,011,551	(1,904,705)	987,238	
2018-2019	987,238	2,227,567	(2,240,605)	974,200	
2019-2020	974,200	2,344,046	(2,540,939)	1,171,093	

12. PENSION PLAN

A. General Information about the Pension Plan

Plan Description

The City is a participant in the Stanislaus County Employees Retirement Association (StanCERA), a retirement system organized under the 1937 Retirement Act. StanCERA is a cost-sharing multiple employer Public Employee Retirement System (PERS). StanCERA provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits. Health and welfare insurance for retirees and their dependents is available however administered independently of StanCERA. The plan is administered by StanCERA. An actuarial valuation is performed for the system annually as a whole and the contribution rate is determined for each participating entity. The participating entities are the County, City of Ceres, and six special districts located in the County not governed by the County's Board of Supervisors. StanCERA issues a Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for StanCERA. The CAFR may be obtained by writing to Stanislaus County Employees Retirement Association, P.O. Box 3150, Modesto, CA 95353-3150 or by calling (209) 525-6393.

The StanCERA CAFR is prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and a formal commitment to provide the contributions has been made. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. All other securities are valued at the last reported market price at current exchange rates.

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

12. PENSION PLAN

Summary of Plans and Eligible Participants

General Tiers 1,2,4,5 (not open to new members)	Vests after five years of credited service and may retire at age 50 or older with 10 or more years of membership with StanCERA or any age with 30 or more years of credited service.
General Tier 3 (not open to new members)	Vests after ten years of credited service and may retire at age 55 with 10 or more years of credited service.
General Tier 6 (open to new members)	Vests after five years of credited service and may retire at age 52 with 5 years of service credit or age 70 regardless of service credit.
Safety Tiers 1, 2, 4, 5 (not open to new members)	Vests after five years of credited service and may retire at age 50 or older with 10 or more years of membership with StanCERA or any age with 20 or more years of credited service.
Safety Tier 6 (open to new members)	Vests after five years of credited service and may retire at age 50 with 5 years of service credit or age 70 regardless of service credit.

Benefits Provided

Members terminating employment before accruing ten years for Tier 3 of retirement service credit forfeit the right to receive retirement benefits unless they establish reciprocity with another public agency within the prescribed time period. Non-vested members who terminate service are entitled to withdraw their accumulated contributions plus accrued interest. Members who terminate after earning five or ten years of retirement service credit may leave their contributions on deposit and elect to take a deferred retirement. Difference between expected or actual experience for vested and non-vested benefits may result in an increase or decrease to pension expense and net pension liability.

For members with Tier 1, Tier 4, or Tier 5 benefits, final average salary is the average monthly salary based on the highest twelve consecutive months of earnings. For members with Tier 2, Tier 3, or Tier 6 benefits, final average salary is the average monthly salary based on the highest thirty-six consecutive months of earnings.

The retirement benefit for Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 members includes a postretirement cost-of-living adjustment (COLA) based upon the Consumer Price Index. COL increases/decreases are limited to a maximum of 3% annually. Total COL decrease(s) cannot exceed the cumulative amount of previous COLA increase(s). Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 provide death and disability benefits.

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

12. PENSION PLAN, Continued

Those members participating in Tier 1, Tier 2, Tier 4, Tier 5, and Tier 6 are required by statute to contribute to the pension plan. Members' contribution rates for Tier 1, Tier 2, Tier 4, and Tier 5 are formulated on the basis of the age at date of entry and the actuarially calculated future benefits. Members' contribution rate for Tier 6 is a flat rate based on the actuarially calculated future benefit. The City is required by statute to contribute the remaining amounts necessary to finance the estimated benefits accrued to its members. Member and employer contribution rates for each plan are as follows:

Plan	Employer Contribution Rates	Employee Contribution Rates
General Tier 1	30.97%	3.46-8.17%
General Tier 2	27.98%	4.63-11.67%
General Tier 3	20.16%	Non-contributory
General Tier 4	18.86%	3.32-7.96%
General Tier 5	32.52%	5.41-12.96%
General Tier 6	28.59%	8.63%
Safety Tier 2	38.20%	6.65-16.45%
Safety Tier 4	23.02%	4.95-7.37%
Safety Tier 5	45.52%	7.54-17.21%
Safety Tier 6	40.62%	14.11%

Contributions

The City's contributions to StanCERA for the fiscal year ended June 30, 2020, was equal to the required contributions. The required contributions for the last three fiscal years are noted in the below chart. The City does not contribute towards post-employment benefits other than retirement.

Fiscal Year End	Contributions
June 30, 2019	\$ 5,867,950
June 30, 2020	5,910,578

The County Employees' Retirement Law of 1937 establishes the basic obligations for employer and member contributions and benefits to and of the retirement system. The actual employer and member contribution rates in effect each year are based on recommendations made by an independent actuary and adopted by the StanCERA Board of Retirement.

StanCERA provides a death benefit of \$5,000 paid to the beneficiary or estate if a member dies after retirement, provided that Stanislaus County was the members' last public employer.

Ad-hoc benefits are non-vested benefits determined by the Board of Retirement. Approved changes to the excess earnings policy by the Board of Retirement on June 30, 2014 placed restrictions on offering ad-hoc benefits, specifically that the system must be 100% actuarially funded prior to the Board of Retirement offering any ad-hoc benefits. StanCERA is 75.9% actuarially funded as of June 30, 2020.

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

12. PENSION PLAN, Continued

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions Used to Calculate Net Pension Liability

The total pension liability in the June 30, 2020 actuarial valuations was determined using the following actuarial assumptions:

Actuarial Assumptions	
Valuation date	June 30, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry-age normal cost method
Actuarial assumptions:	
Discount rate	7.00%
Inflation	2.75%
Payroll growth	3.00% for those eligible for COLA
Projected salary increases	3.00% plus merit component
Investment Rate of Return	7.00%

Post-retirement mortality rates were based on the RP2000 Combined tables projected to the year 2019 with adjustments for mortality improvements based on Society of Actuaries Scale AA. For pre-retirement mortality, withdrawal rates, disability rates and service retirement rates, the rates vary by age, gender and classification.

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

12. PENSION PLAN, Continued

B. Net Pension Liability, Continued

The long-term defined benefit pension plan return expectations were determined using a building-block approach. An inflation forecast is the baseline and various real return premiums (e.g. bonds, equities, etc.) are added to create nominal return expectations for each asset class.

These expectations are combined to produce the long-term expected rate of return by weighting the expected nominal rates of return by the target asset allocation percentages and including an expected return from rebalancing uncorrelated asset classes.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	2020 Target Allocation
Domestic Equities		
US Large Cap	3.70%	14.00%
US Small Cap	3.30%	3.00%
International Equities		
International Development	5.60%	18.00%
Emerging Market Equity	6.50%	5.00%
US Fixed Income		
Core fixed income	1.20%	0.00%
US Treasury	0.60%	3.00%
Short-term Gov/Credit	0.70%	19.00%
Real Estate Securities		
Core	4.00%	5.00%
Value-add	6.00%	5.00%
Risk Parity	5.00%	13.00%
Private Equity	6.70%	6.00%
Private Credit	5.60%	6.00%
Infrastructure	5.80%	2.00%
Cash	0.00%	1.00%

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

As of June 30, 2020, the City reported net pension liabilities for its proportionate share of the net pension liability of the Plan of \$36,868,449.

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

12. PENSION PLAN, Continued

B. Net Pension Liability, Continued

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2019 was 5.5842% and 5.1682% respectively.

For the year ended June 30, 2020, the City recognized pension expense of \$8,935,304. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	\$ 5,910,578	\$ -
Differences between actual and expected experience	1,322,672	479,578
Changes in proportions	1,912,965	1,628,465
Differences between the employer's contributions and the employer's proportionate share of the contributions	406,211	-
Net differences between projected and actual earnings on plan investments	1,082,825	-
Changes in assumptions	3,012,701	2,057,127
Total	\$ 13,647,952	\$ 4,165,170

\$5,910,304 reported as deferred outflows of resources related to contributions subsequent to the measurement date and changes in proportion that will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended	
<u>30-Jun</u>	
2021	\$ 3,809,763
2022	(1,108,606)
2023	144,469
2024	726,580
2025	-
Thereafter	-

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

12. PENSION PLAN, Continued

B. Net Pension Liability, Continued

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

The following presents the net pension liability of the City calculated using the discount rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% increase in Discount Rate (8.00%)
Net pension liability	\$ 59,342,883	\$ 36,868,449	\$ 18,521,615

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

13. ABANDONED VEHICLE ABATEMENT PROGRAM

The City has an Abandoned Vehicle Abatement Program (AVA) with revenues, expenditures, and balances of abandoned vehicle abatement funds for the year ended June 30, 2020 as follows:

Revenues	\$ 32,922
Expenditures:	
Public safety	<u>42,195</u>
Revenues (under) expenditures	(9,273)
Fund balances:	
Beginning balance	82,107
Ending balance	<u>\$ 72,834</u>

AVA expenditures for 2020 are in compliance with Sections 9250.7 and 22710 of the Vehicle Code.

City of Ceres, California

Notes to Basic Financial Statements, Continued

For the year ended June 30, 2020

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2013, 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 Ceres that previously had reported two redevelopment agencies within the reporting entity of the City as blended component units.

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 9, 2013, the City Council elected to become the Successor Agency for both the former Ceres Redevelopment Agency and Stanislaus-Ceres Redevelopment Commission in accordance with the Bill as part of City resolution number 2013-04 and 2013-05, respectively.

After enactment of the law, which occurred 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.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2013. Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City included in the fund financial statements as Former Ceres Redevelopment Agency Special Revenue Fund and Low/Moderate Income Housing Fund, Capital Projects Fund and Debt Service Fund.

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

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

The City also reported the Former Stanislaus-Ceres Redevelopment Commission Special Revenue Fund and Low/Moderate Income Housing Fund, Capital Projects Fund and Debt Service Fund.

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. The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2013 (effectively the same date as January 31, 2013) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary loss (or gain) in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2013 was reported in the private-purpose trust fund as an extraordinary gain (or loss).

Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary loss (gain) recognized in the governmental funds was not the same amount as the extraordinary gain (loss) that was recognized in the fiduciary fund financial statements.

Loans and notes receivable

Through the City's various housing rehabilitation funds and first-time home buyer's funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest.

Through the City's various housing rehabilitation funds and first-time home buyer's funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Interest is accrued on the loans that bear interest.

Loans and notes receivable for the year ended June 30, 2020 for the Successor Agency, consisted of the following:

Description	Beginning July 1, 2019	Additions	(Deletions)	Ending June 30, 2020
First-Time Homebuyer Loans	\$ 6,600	\$ -	\$ -	\$ 6,600
Housing Rehabilitation Loans:				
Home Exterior Grant Program	16,624	-	-	16,624
2004 Walnut	96,772	-	-	96,772
Low Income Deferred Loans	24,250	-	-	24,250
River Crest	600,000	-	-	600,000
Habitat for Humanity Loans	56,353	-	-	56,353
Broad Acres	168,272	-	-	168,272
Total Housing Rehabilitation Loans	962,271	-	-	962,271
Whitmore Oaks	612,500	-	-	612,500
ACLC	436,050	-	(436,050)	-
Della Tiara	633,000	-	-	633,000
Total loans receivable	\$ 2,650,421	\$ -	\$ (436,050)	\$ 2,214,371

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

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

The following is a summary of the loans and notes receivable outstanding as of June 30, 2020:

First-Time Homebuyer Loans

The City has provided various loans to assist first-time homebuyers with loans up to \$50,000. Loan repayment is deferred for 30 years or until sale or refinancing of the property. Interest rates vary from 1% to 5%. Total first-time homebuyer loans outstanding at June 30, 2020 were \$6,600.

Housing Rehabilitation Loans

The City administers various housing rehabilitation loan programs that used the former CRA 20% Set Aside funds. Under these programs, individuals with incomes below a certain level are eligible to receive low interest, variable term loans, secured by deeds of trust for rehabilitation work on their homes. Interest rates may vary from 0% to 3%. The loan repayments may be amortized over the life of the loans, deferred or a combination of both. Total rehabilitation loans outstanding at June 30, 2020 were \$962,271.

Whitmore Oaks

The Whitmore Oaks loan was made to assist the developer with the costs to develop and construct a 53 unit apartment complex for seniors. The former CRA provided a loan of \$612,500 and the City, through the State's HOME Investment Partnership Program, provided a loan of up to \$865,361. Loan provisions require the apartment complex provide not less than eleven affordable housing units to be rented to qualified very-low and low income persons and families. The CRA loan carries an interest rate of 3% starting 2015 and the note is payable in full in 2057. The HOME loan carries an interest rate of 3% starting in 2027 and the note is payable in full in 2042. The amount outstanding at June 30, 2020 was \$612,500.

ACLC

The CRA provided a loan to Asociacion Campesina "Lazaro Cardenas" (ACLC) to assist in the acquisition and rehabilitation of a 46 unit affordable apartment complex in the City. This project will preserve the 46 units of affordable housing stock in the City. This project was funded through the former CRA Low/Mod housing funds. The interest rate on the loan is 3% simple interest and the loan is deferred for 55 years. The amount outstanding at June 30, 2020 was \$0.

Della Tiara

The CRA provided a loan to Della Tiara for the construction of a 26-unit apartment complex (the "Project) using HOME grant funds. The loan bears simple interest of 3% per year and interest begins to accrue January 1, 2015. The loan is deferred for 55 years. Commencing in 2019, principal and interest is due in an amount equal to 35% of residual cash flow from the Project provided that the residual cash flow in any year is over \$10,000. The amount outstanding at June 30, 2020 was \$633,000.

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

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Long-term Liabilities

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

	Balance July 1, 2019	Transfers/ Additions	Retirements	Balance June 30, 2020	Due Within One Year
<u>Fiduciary Activities:</u>					
2000 SCRC Tax Allocation Bonds	\$ 900,000	\$ -	\$ (50,000)	\$ 850,000	\$ 55,000
2015 Successor CRA Tax Allocation Refunding Bonds	7,315,000	-	(305,000)	7,010,000	315,000
Bond premium	208,583		(12,270)	196,313	12,270
2020 CRA Non-Housing Refunding Tax Allocation Bonds	-	20,615,000	-	20,615,000	1,165,000
Bond premium	-	4,002,326	-	4,002,326	250,145
2006 CRA Housing Refunding Tax Allocation Bonds	910,000	-	(910,000)	-	-
Bond discount	(13,045)		13,045	-	-
Deferred amount on refunding	(9,626)		9,626	-	-
2006 CRA Non-Housing Refunding Tax Allocation Bonds	26,105,000	-	(26,105,000)	-	-
Bond discount	(402,236)	-	402,236	-	-
Deferred amount on refunding	(296,459)	-	296,459	-	-
Total fiduciary activities	<u>\$ 34,717,217</u>	<u>\$ 24,617,326</u>	<u>\$ (26,660,904)</u>	<u>\$ 32,673,639</u>	<u>\$ 1,797,415</u>

2000 SCRC Tax Allocation Bonds – Original Issue \$1,440,000

On May 16, 2000, the SCRC issued tax allocation bonds for the purpose of financing a portion of the costs of the Stanislaus/Ceres Redevelopment Project. The bonds are payable from and secured by the tax revenues to be derived from the project area. The bonds mature annually through 2030, in amounts ranging from \$20,000 to \$105,000.

Interest rates vary from 4.65% to a maximum of 6.70% and are payable semiannually on May 1 and November 1. The bonds maturing before November 1, 2010, are not subject to optional redemption prior to their stated maturities. Bonds maturing on or after November 1, 2010, are subject to redemption in whole or in part on any interest payment date. Redemption includes a premium of 2% commencing on November 1, 2010, and reduced by 1% on each November 1 thereafter.

2015 Successor Agency to the Ceres Redevelopment Agency Tax Allocation Refunding Bonds

On June 17, 2015, the Successor Agency to the CRA issued the CRA Project Area No. 1 Non-Housing bonds. The proceeds will be used to refund and defease the 2003 CRA Tax Allocation Bonds. The Non-Housing Bonds are payable from and secured by Tax Revenues allocated to the CRA from the Project Area. Interest on the bonds will be payable on May 1 and November 1 of each year. Non-Housing Bonds maturing on or before November 1, 2019, will not be subject to redemption prior to their stated maturity.

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

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

2006 CRA Housing Tax Allocation Refunding Bonds — Original Issue \$1,480,000

The CRA issued tax allocation bonds for the purpose of financing certain redevelopment activities and to refund and defease the 2000 CRA Tax Allocation Bonds. The bonds are payable from and secured by the tax revenues to be derived from the project area. The bonds mature annually through 2030, in amounts ranging from \$40,000 to \$100,000. Interest rates vary from 3.25% to a maximum of 5.00% and are payable semiannually on May 1 and November 1. The bonds maturing on or before November 1, 2019, are not subject to optional redemption prior to their stated maturities. Bonds maturing on or after November 1, 2019, are subject to redemption in whole or in part on any interest payment date.

2006 CRA Non-Housing Tax Allocation Refunding Bonds — Original Issue \$36,645,000

On December 21, 2006, the CRA issued the CRA Project Area No. 1 Non-Housing bonds. The proceeds will be used to finance projects in Project Area No. 1 and to refund and defease the 2000 CRA Tax Allocation Bonds, which was completed in year 2006-07. The Non-Housing Bonds are payable from and secured by Tax Revenues allocated to the CRA from the Project Area. Interest on the bonds will be payable on May 1 and November 1 of each year. Non-Housing Bonds maturing on or before November 1, 2019, will not be subject to redemption prior to their stated maturity. Those maturing on or after November 1, 2019, are subject to redemption prior to their stated maturity at the option of the Agency, in whole or in part on any date, from the proceeds of refunding bonds or other available funds in the manner determined by the Agency and by lot within a maturity on or after November 1, 2019 at a redemption price equal to 100% of the principal amount thereof, together with accrued interest to the redemption date, without premium.

2020 CRA Non-Housing Tax Allocation Refunding Bonds — Original Issue \$20,615,000

On February 25, 2020, the City issued \$20,615,000 principal amount of 2020 CRA Non-Housing Tax Allocation Refunding Bonds to refund the outstanding principal balance of \$26,105,000 for the 2006 CRA Non-Housing Tax Allocation Bonds and \$850,000 for the 2006 CRA Housing Tax Allocation Bonds. The reacquisition price did not exceed the net carrying amount of the old debt. This refunding decreased its total debts service payments by \$9,430,620 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$7,346,661.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years. The City performed calculations of excess investment earnings on various bonds and financings and at June 30, 2020, there were no arbitrage liabilities.

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

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

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

Year Ending June 30,	2000 SCRC Tax Allocation Bonds			2015 CRA Tax Allocation Refunding Bonds			2020 CRA Non-Housing Refunding Tax Allocation Bonds		
	Principal		Interest	Principal		Interest	Principal		Interest
	\$			\$			\$		
2021	\$ 55,000		54,929	\$ 315,000		205,575	\$ 1,165,000		613,250
2022	60,000		51,105	325,000		227,825	1,015,000		767,850
2023	60,000		47,115	335,000		278,275	1,040,000		737,400
2024	65,000		42,959	350,000		293,000	1,080,000		695,800
2025	70,000		38,470	370,000		275,000	1,125,000		652,600
2026-2030	435,000		112,374	2,120,000		930,838	6,355,000		2,549,600
2031-2035	105,000		3,518	3,195,000		259,319	6,625,000		1,302,800
2036-2040	-		-	-		-	2,210,000		88,400
Total	<u>\$ 850,000</u>		<u>\$ 350,470</u>	<u>\$ 7,010,000</u>		<u>\$ 2,469,832</u>	<u>\$ 20,615,000</u>		<u>\$ 7,407,700</u>
Due within one year	\$ 55,000		54,929	\$ 315,000		205,575	\$ 1,165,000		613,250
Due after one year	<u>795,000</u>		<u>295,541</u>	<u>6,695,000</u>		<u>2,264,257</u>	<u>19,450,000</u>		<u>6,794,450</u>
Total	<u>\$ 850,000</u>		<u>\$ 350,470</u>	<u>\$ 7,010,000</u>		<u>\$ 2,469,832</u>	<u>\$ 20,615,000</u>		<u>\$ 7,407,700</u>
 Premium									
Year Ending June 30,	2015 CRA Tax Allocation Refunding Bonds			Premium 2020 CRA Non-Housing Refunding Tax Allocation Bonds			Totals		
	Principal		Interest	Principal		Interest	Principal		Interest
	\$			\$			\$		
2021	\$ 12,270		-	\$ 250,145		-	\$ 1,797,415		873,754
2022	12,270		-	250,145		-	1,662,415		1,046,780
2023	12,270		-	250,145		-	1,697,415		1,062,790
2024	12,270		-	250,145		-	1,757,415		1,031,759
2025	12,270		-	250,145		-	1,827,415		966,070
2026-2030	61,350		-	1,250,727		-	10,222,077		3,592,812
2031-2035	61,350		-	1,250,727		-	11,237,077		1,565,637
2036-2040	12,263		-	250,147		-	2,472,410		88,400
Total	<u>\$ 196,313</u>		<u>-</u>	<u>\$ 4,002,326</u>		<u>-</u>	<u>\$ 32,673,639</u>		<u>\$ 10,228,002</u>
Due within one year	\$ 12,270		-	\$ 250,145		-	\$ 1,797,415		873,754
Due after one year	<u>184,043</u>		<u>-</u>	<u>3,752,181</u>		<u>-</u>	<u>30,876,224</u>		<u>10,228,002</u>
Total	<u>\$ 196,313</u>		<u>-</u>	<u>\$ 4,002,326</u>		<u>-</u>	<u>\$ 32,673,639</u>		<u>\$ 11,101,756</u>

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

14. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued

Activity for advances for the year ended June 30, 2020, was as follows:

	Advances to Other Funds	Advances from Other Funds
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 531,494	\$ -
Total Major Funds	<u>531,494</u>	<u>-</u>
Total Governmental Activities	<u>531,494</u>	<u>-</u>
Fiduciary Activities:		
Private Purpose Trust Funds:		
Former Stanislaus - Ceres Redevelopment	-	531,494
Commission Successor Agency Non-Housing	<u>-</u>	<u>531,494</u>
Total Private Purpose Trust Funds	<u>-</u>	<u>531,494</u>
Total Fiduciary Activities	<u>-</u>	<u>531,494</u>
Totals	<u>\$ 531,494</u>	<u>\$ 531,494</u>

Advances from the General Fund to the Former Redevelopment Agency Fund were for Redevelopment start-up costs.

15. COMMITMENTS AND CONTINGENCIES

The City is a party to claims and lawsuits arising in the ordinary course of business. The City's management and legal council are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the City. The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

16. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 83, "*Certain Asset Retirement Obligations*." The requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. This statement had no effect on these financial statements.

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

16. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED

The GASB has issued Statement No. 84, "*Fiduciary Activities*." The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2020.

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

The GASB has issued Statement No. 89, "*Accounting for Interest Cost Incurred before the End of a Construction Period*." The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The City will implement this statement, as applicable, to its financial statements for the year ending June 30, 2023.

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

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

16. NEW ACCOUNTING PRONOUNCEMENTS, CONTINUED

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

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

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

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

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

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

REQUIRED SUPPLEMENTARY INFORMATION

City of Ceres, California
Required Supplementary Information - Schedule of Contributions

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016
Contractually required contribution (actuarially determined)	\$ 5,036,102	\$ 4,265,800	\$ 3,831,916	\$ 3,554,625	\$ 3,393,450
Contributions in relation to the actuarially determined contributions	<u>5,036,102</u>	<u>4,265,800</u>	<u>3,831,916</u>	<u>3,554,625</u>	<u>3,393,450</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 12,808,104	\$ 11,548,404	\$ 12,342,021	\$ 13,228,342	\$ 13,055,073
Contribution as a percentage of covered-employee payroll	39.32%	36.94%	31.05%	26.87%	25.99%

Notes to Schedule

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

*Additional years will be presented as they become available.

City of Ceres, California**Required Supplementary Information - Schedule of the City's Proportionate Share of the Net Pension Liability**

Last 10 Fiscal Years*

	2020	2019	2018	2017	2016
Plan's Proportion of the Net Pension Liability/(Asset)	5.5842%	5.1682%	5.5554%	5.8514%	5.6629%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 36,868,449	\$ 33,371,414	\$ 36,959,387	\$ 43,142,269	\$ 16,714,375
Plan's Covered-Employee Payroll	<u>\$ 12,808,104</u>	<u>\$ 11,548,404</u>	<u>\$ 12,342,021</u>	<u>\$ 13,228,342</u>	<u>\$ 13,055,073</u>
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered-Employee Payroll	287.90%	288.97%	299.46%	326.14%	128.03%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	77.00%	76.70%	75.00%	70.60%	86.10%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 5,036,102	\$ 4,265,800	\$ 3,831,916	\$ 3,554,625	\$ 3,393,450

Notes to Schedule

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

*Additional years will be presented as they become available.

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COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

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NON-MAJOR GOVERNMENTAL FUNDS

Fund	Description
Street Tree	Fees collected from developers to be used by the City for planting trees along City streets and roads in new subdivisions.
Storm Drain Benefit Districts	These benefit district funds are used to account for developer fees used for the construction of the storm drain systems in the specific districts of WestPointe, Eastgate, Mitchell Road, and North East.
Brown Annex - Public Safety Mitigation	To account for public safety mitigation fees collected for the Brown Annexation area; to provide funding for police salaries.
Eastgate Street & Landscape Benefit District	To account for street and landscape improvements made in the Eastgate subdivisions, funded by fees collected on property developed within the benefited area.
AB939 Source Reduction/Recycle	This fund is to account for funds received to be used to inform citizens of recycling requirements.
Neighborhood Park Fees	Fees collected from each new dwelling constructed, to be used for planning, acquisition, improvement, and expansion of neighborhood parks.
BEGIN Grant	Fund established for State Housing & Community Development Building Equity & Growth in Neighborhoods grant to be utilized for deferred-payment second mortgage loans for down payment assistance to lower to moderate-income first-time homebuyers of new homes in projects with affordability enhanced by local regulatory incentives or barrier reductions.
Program Income	Fund established for the Program Income from the State Housing & Community Development Building Equity & Growth in Neighborhoods grant.
Measure H	Voter approved ½-cent retail transaction and use tax (sales tax) for the improvement of police, fire and 9-1-1 emergency response; to fund additional personnel and equipment costs.
State Gas Tax	The City's share of the State gas tax allocations are recorded in this fund. These funds can be used for any street purpose. The City charges the street department to the gas tax fund.
Prop 1B	State allocation of 2006 Transportation Bond, Local Streets and Roads funding to be utilized for transportation improvements, including maintenance, rehabilitation and construction or as local match for state and federal transportation funds for similar purposes.
SLESF Grant	Accounts for revenues and expenditures associated with State funds provided as a match for the COPS Universal Hiring Grant.
Abandoned Vehicle Abatement	This fund contains revenues obtained from the sale of forfeited vehicle. Funds are used for law enforcement supplies and equipment.
Seized Property	This fund contains revenues obtained from the sale of forfeited property in drug related cases. Funds are used for law enforcement equipment.
Downtown Revitalization	Revenues for this fund come from assessments to downtown businesses. These funds are used to improve the downtown area with such programs as façade and streetscape improvements and promotional events.
Street-Light and Landscape District	This fund is used to account for financial activity relating to the City-wide 1972 Act Landscaping and Lighting District. Revenues include assessment to the property owners within the district and expenditures related to the maintenance and upkeep of the street lights, median landscaping, and landscaping adjacent to sound walls.

(continued)

NON-MAJOR GOVERNMENTAL FUNDS, Continued

Fund	Description
Traffic Offender	To account for activities of the Police Traffic Unit, including towing/impound fees and State grants utilized for Unit expenditures.
State Traffic Safety	This fund is used to account for fines as a result of arrests by City officers. These funds can only be used for traffic control devices and maintenance of equipment and supplies for traffic enforcement.
Used Oil Recycling Grant	This fund is to account for grant funds received to be used to inform citizens of oil recycling opportunities and procedures.
American Recovery & Reinvestment Act 2009	This fund is used to account for activities for the projects funded by the American Recovery and Reinvestment Act .
Department of Conservation	State Department of Conservation grant utilized for promotion of recycling, reuse, and other green initiatives within the City.
CMAQ	This fund is used to account for Federal funds used for transit and street-related purposes.
Community Facilities District	To account for the special property taxes levied for the provision of public services (Police, Fire, and Parks).
Fire Hydrant Benefit District	These funds are collected from developers in the district for the installation of additional fire hydrants because the existing hydrant spacing does not meet City standards.
Transportation Development Act	This fund is used to account for local transportation funds restricted to transit, street, pedestrian, and bike purposes.
Community Center	To account for operational revenues and expenses of Ceres Community Center.
Local Law Enforcement Block Grant	The City's receipt and expenditures of the federal grants are recorded in these funds. Expenditures are made to assist in projects that reduce crime and improve public safety.
Public Facilities Fees	These fees are received from developers to increase space and improve to City buildings, specifically, Public Safety, Planning, Public Works, and City Hall to mitigate the growth of the City.
Daniel Whitmore House	The City owns the Daniel Whitmore Home. It is the oldest house in the City and is now a museum. These funds are used for museum expenses and improvements.
River Bluff Regional Park	To account for construction of Ceres River Bluff Regional Park and associated State grant revenues utilized for project.
Ceres Community Foundation	Accounts for activities related to the Ceres Community Foundation.
2018 Public Safety Grants	This fund is to account for the COPS Hiring Grant and SAFER Hiring Grant to increase staffing in Police and Fire services.
Clinton Whitmore Mansion	The City owns the Clinton Whitmore Mansion. These funds are used for operating expenses and improvements.
Measure L	Local Roads First Transportation Funding Measure which establishes and implements a one-half cent transaction and use tax. Funding is to be used for local street and road improvements, arterial street widening, signalization, pedestrian, bicyclist, and drive safety improvements. The tax will expire on March 31, 2042.
Road Maintenance & Rehab	Senate Bill 1, the Road and Repair and Accountability Act of 2017. Funds are used to continue essential road maintenance and rehabilitation projects, safety improvements, repairing and replacing aging bridges, and increasing access and mobility options to the traveling public.

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

	Street Tree	Storm Drain Benefit Districts	Brown Annex	Eastgate Street Benefit District	AB 939
ASSETS					
Cash and investments	\$ 100,232	\$ 1,169,298	\$ 6,238	\$ 69,013	\$ 319,200
Receivables:					
Taxes	-	-	-	-	-
Interest	27	321	6	19	88
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Total assets	\$ 100,259	\$ 1,169,619	\$ 6,244	\$ 69,032	\$ 319,288
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred inflows: Grants	-	-	-	-	-
Total liabilities and deferred inflows	-	-	-	-	-
Fund Balances:					
Restricted	-	1,169,619	-	69,032	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	100,259	-	6,244	-	319,288
Unassigned (deficit)	-	-	-	-	-
Total fund balances	100,259	1,169,619	6,244	69,032	319,288
Total liabilities and fund balances	\$ 100,259	\$ 1,169,619	\$ 6,244	\$ 69,032	\$ 319,288

Neighborhood Park Fees		BEGIN Grant	Program Income BEGIN	Measure H Income	State Gas Tax	SLESF
\$ 1,746,554	\$ 76,990	\$ 226,670	\$ 272,509	\$ -	\$ 56,736	
-	-	-	703,030	-	-	
471	14	62	146	-	-	
-	-	-	-	-	-	
-	666,530	-	-	-	-	
-	-	-	-	350	-	
-	-	-	-	-	-	
\$ 1,747,025	\$ 743,534	\$ 226,732	\$ 975,685	\$ 350	\$ 56,736	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
\$ -	\$ -	\$ -	\$ 3,708	\$ 19,404	\$ -	
-	-	-	-	125,292	-	
-	-	-	3,708	144,696	-	
-	666,530	-	-	-	-	
-	666,530	-	3,708	144,696	-	
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
-	77,004	226,732	971,977		56,736	
890,936	-	-	-	-	-	
856,089	-	-	-	-	-	
-	-	-	-	(144,346)	-	
1,747,025	77,004	226,732	971,977	(144,346)	56,736	
\$ 1,747,025	\$ 743,534	\$ 226,732	\$ 975,685	\$ 350	\$ 56,736	

(continued)

City of Ceres, California

Combining Balance Sheet

Nonmajor Special Revenue Funds, Continued

June 30, 2020

	Abandoned Vehicle Abatement	Seized Property	Downtown Revitalization	Street Light- Landscape District	Traffic Offender
ASSETS					
Cash and investments	\$ 72,815	\$ 75,204	\$ 87,462	\$ -	\$ 54,165
Receivables:					
Taxes	-	-	-	-	-
Interest	19	18	23	-	-
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	4,794	-
Due from other funds	-	-	-	-	-
Total assets	\$ 72,834	\$ 75,222	\$ 87,485	\$ 4,794	\$ 54,165
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 60,041	\$ 92	\$ 19,346	\$ 2,437
Due to other funds	-	-	-	59,753	-
Total liabilities	-	60,041	92	79,099	2,437
Deferred inflows: Grants	-	-	-	-	-
Total liabilities and deferred inflows	-	60,041	92	79,099	2,437
Fund Balances:					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	72,834	15,181	87,393	-	51,728
Unassigned (deficit)	-	-	-	(74,305)	-
Total fund balances	72,834	15,181	87,393	(74,305)	51,728
Total liabilities and fund balances	\$ 72,834	\$ 75,222	\$ 87,485	\$ 4,794	\$ 54,165

Traffic Safety	Used Oil Grants	Dept of Conservation Grant	CMAQ	Community Facilities District
\$ -	\$ 41,565	\$ 71,837	\$ -	\$ 2,861
-	-	-	-	-
-	11	20	-	156
-	-	-	-	-
-	-	-	-	-
5,258	-	-	-	7,315
-	-	-	-	-
\$ 5,258	\$ 41,576	\$ 71,857	\$ -	\$ 10,332
\$ -	\$ 2,000	\$ -	\$ 41,491	\$ -
5,258	-	-	588,009	-
5,258	2,000	-	629,500	-
-	-	-	-	-
5,258	2,000	-	629,500	-
-	-	71,857	-	-
-	-	-	-	10,332
-	39,576	-	-	-
-	-	-	(629,500)	-
-	39,576	71,857	(629,500)	10,332
\$ 5,258	\$ 41,576	\$ 71,857	\$ -	\$ 10,332

(continued)

City of Ceres, California

Combining Balance Sheet

Nonmajor Governmental Funds, Continued

June 30, 2020

	Fire Hydrant Benefit District	Transportation Development Act	Community Center	LLEBG	Public Facilities Fees
ASSETS					
Cash and investments	\$ 128,697	\$ 30,152	\$ 456	\$ 43,417	\$ 2,603,330
Receivables:					
Taxes	-	-	-	-	-
Interest	-	-	-	11	705
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	-	-
Due from other funds					-
Total assets	\$ 128,697	\$ 30,152	\$ 456	\$ 43,428	\$ 2,604,035
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 6,697	\$ -	\$ 8,133
Deposits payable	-	-	73,876	-	-
Intergovernmental payable	-	-	-	-	-
Due to other funds	-	25	1,627,530	-	-
Total liabilities	-	25	1,708,103	-	8,133
Deferred inflows: Grants	-	-	-	-	-
Total liabilities and deferred inflows	-	25	1,708,103	-	8,133
Fund Balances:					
Restricted	128,697	30,127	-	-	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	-	-	-	43,428	2,595,902
Unassigned (deficit)	-	-	(1,707,647)	-	-
Total fund balances	128,697	30,127	(1,707,647)	43,428	2,595,902
Total liabilities and fund balances	\$ 128,697	\$ 30,152	\$ 456	\$ 43,428	\$ 2,604,035

Daniel Whitmore House	RiverBluff Regional Park	Ceres Community Foundation	2018 Public Safety Grants	Clinton Whitmore Mansion	Measure L	Road Maintenance and Rehab	Totals
\$ 20	\$ -	\$ 145,043	\$ -	\$ 1,920,320	\$ 900,417	\$ 10,221,201	
-	-	-	-	-	-	-	703,030
-	-	40	-	-	468	232	2,857
-	-	-	-	-	1,134,022	-	1,134,022
-	-	-	-	-	-	-	666,530
-	-	-	-	-	-	61,741	79,458
-	-	-	-	-	-	-	-
\$ 20	\$ -	\$ 145,083	\$ -	\$ 3,054,810	\$ 962,390	\$ 12,807,098	
\$ 140	\$ -	\$ 1,221	\$ -	\$ 99	\$ 381,670	\$ -	\$ 546,479
-	-	-	-	-	-	-	73,876
-	-	-	-	-	-	-	-
-	24,802	-	-	50,228	-	-	2,480,897
140	24,802	1,221	-	50,327	381,670	-	3,101,252
-	-	-	-	-	-	-	666,530
140	24,802	1,221	-	50,327	381,670	-	3,767,782
-	-	143,862	-	-	2,673,140	962,390	6,581,173
-	-	-	-	-	-	-	901,268
-	-	-	-	-	-	-	4,187,922
(120)	(24,802)	-	-	(50,327)	-	-	(2,631,047)
(120)	(24,802)	143,862	-	(50,327)	2,673,140	962,390	9,039,316
\$ 20	\$ -	\$ 145,083	\$ -	\$ 3,054,810	\$ 962,390	\$ 12,807,098	

(concluded)

City of Ceres, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2020

	Street Tree	Storm Drain Benefit Districts	Brown Annex	Eastgate Street Benefit District
REVENUES:				
Property and other taxes	\$ -	\$ 22,097	\$ 2,973	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	1,487	22,267	292	1,114
Total revenues	1,487	44,364	3,265	1,114
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Engineering and Transportation	-	-	-	7,816
Public works	-	-	-	-
Community services	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	572,677	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	-	572,677	-	7,816
REVENUES OVER (UNDER)				
EXPENDITURES	1,487	(528,313)	3,265	(6,702)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	(15,168)	-
Total other financing sources and uses	-	-	(15,168)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER FINANCING (USES)	1,487	(528,313)	(11,903)	(6,702)
FUND BALANCES (DEFICIT):				
Beginning of year	98,772	1,697,932	18,147	75,734
End of year	\$ 100,259	\$ 1,169,619	\$ 6,244	\$ 69,032

(continued)

City of Ceres, California

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

Nonmajor Special Revenue Funds

For the year ended June 30, 2020

	Abandoned Vehicle Abatement	Seized Property	Downtown Revitalization	Street Light- Landscape District	Traffic Offender
REVENUES:					
Property and other taxes	\$ -	\$ -	\$ -	\$ 420,084	\$ -
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	9,577	-	69,534
Intergovernmental	31,795	93,307	-	-	-
Use of money and property	1,127	737	1,291	-	-
Total revenues	32,922	94,044	10,868	420,084	69,534
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	42,195	-	-	-	54,902
Engineering and Transportation	-	-	-	200,996	-
Public works	-	-	-	-	-
Community services	-	-	-	272,865	-
Economic development	-	-	7,581	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	42,195	-	7,581	473,861	54,902
REVENUES OVER (UNDER)					
EXPENDITURES	(9,273)	94,044	3,287	(53,777)	14,632
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(89,791)	-	-	-
Total other financing sources and uses	-	(89,791)	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER)					
EXPENDITURES AND OTHER FINANCING (USES)	(9,273)	4,253	3,287	(53,777)	14,632
FUND BALANCES (DEFICIT):					
Beginning of year	82,107	10,928	84,106	(20,528)	37,096
End of year	\$ 72,834	\$ 15,181	\$ 87,393	\$ (74,305)	\$ 51,728

Traffic Safety	Used Oil Grants	Dept of Conservation Grant	CMAQ	Community Facilities District
\$ -	\$ -	\$ -	\$ -	\$ 680,334
-	-	-	-	-
44,604	-	-	-	-
-	-	-	-	-
-	13,246	-	1,524,829	-
-	506	1,165	-	2,844
44,604	13,752	1,165	1,524,829	683,178
 - 13,114	 - 10,848	 10,329	 1,101,990	 - 7,199
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	594,383	-
 - 13,114	 10,848	 10,329	 1,696,373	 7,199
 31,490	 2,904	 (9,164)	 (171,544)	 675,979
 - -	 - -	 - -	 - -	 - (673,136)
 - -	 - -	 - -	 - -	 (673,136)
 31,490	 2,904	 (9,164)	 (171,544)	 2,843
 (31,490)	 36,672	 81,021	 (457,956)	 7,489
 \$ -	 \$ 39,576	 \$ 71,857	 \$ (629,500)	 \$ 10,332

(continued)

City of Ceres, California

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds, Continued

For the year ended June 30, 2020

	Fire Hydrant Benefit District	Transportation Development Act	Community Center	LLEBG	Public Facilities Fees
REVENUES:					
Property and other taxes	\$ 336	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	151,925	-	79,880
Intergovernmental	-	-	-	23,820	-
Use of money and property	-	4,502	-	538	39,064
Other revenues	-	-	-	-	0
Total revenues	336	4,502	151,925	24,358	118,944
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	13,597	98,969
Engineering and Transportation	-	-	-	-	-
Public works	-	-	-	-	-
Community services	-	-	254,711	-	-
Economic development	-	-	-	-	-
Capital outlay	-	478,495	-	-	82,603
Debt service:					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	478,495	254,711	13,597	181,572
REVENUES OVER (UNDER) EXPENDITURES	336	(473,993)	(102,786)	10,761	(62,628)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)					
	336	(473,993)	(102,786)	10,761	(62,628)
FUND BALANCES (DEFICIT):					
Beginning of year	128,361	504,120	(1,604,861)	32,667	2,658,530
End of year	\$ 128,697	\$ 30,127	\$ (1,707,647)	\$ 43,428	\$ 2,595,902

Daniel Whitmore House	RiverBluff Regional Park	Ceres Community Foundation	2018 Public Safety Grants	Clinton Whitmore Mansion	Measure L	Road Maintenance and Rehab	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,930,393
-	-	-	-	-	-	-	44,604
-	-	-	-	-	-	-	405,464
-	440,325	-	-	-	3,139,116	863,382	6,454,124
-	-	2,355	-	-	26,047	7,380	156,906
-	1,225	1,230	-	-	-	-	3,867
-	441,550	3,585	-	-	3,165,163	870,762	12,995,358
<hr/>							
-	-	31,519	-	-	-	-	31,976
-	-	-	-	-	-	-	3,861,831
-	-	-	-	-	-	-	2,339,188
-	-	-	-	-	2,042,787	22,007	2,171,663
29,298	-	-	-	12,498	-	-	569,372
-	-	-	-	-	-	-	7,581
-	474,383	-	-	-	70,564	-	2,413,572
-	-	-	-	-	-	-	118,979
29,298	474,383	31,519	-	12,498	2,113,351	22,007	11,514,162
<hr/>							
(29,298)	(32,833)	(27,934)	-	(12,498)	1,051,812	848,755	1,481,196
<hr/>							
29,299	-	-	-	-	-	-	29,299
-	-	-	-	-	(43,908)	-	(974,003)
<hr/>							
29,299	-	-	-	-	(43,908)	-	(944,704)
<hr/>							
1	(32,833)	(27,934)	-	(12,498)	1,007,904	848,755	536,492
<hr/>							
(121)	8,031	171,796	-	(37,829)	1,665,236	113,635	8,502,824
\$ (120)	\$ (24,802)	\$ 143,862	\$ -	\$ (50,327)	\$ 2,673,140	\$ 962,390	\$ 9,039,316

(concluded)

City of Ceres, California

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

Street Tree Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Use of money and property	\$ 1,150	\$ 1,150	\$ 1,487	\$	337
Total revenues	1,150	1,150	1,487		337
EXPENDITURES:					
Current:					
Community services	-	-	-	-	-
Total expenditures	-	-	-		-
REVENUES OVER (UNDER) EXPENDITURES	1,150	1,150	1,487		337
Net change in fund balances	1,150	1,150	1,487		337
FUND BALANCES:					
Beginning of year	98,772	98,772	98,772		-
End of year	\$ 99,922	\$ 99,922	\$ 100,259		\$ 337

City of Ceres, California

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

Storm Drain Benefit Districts Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	(Negative)
REVENUES:					
Property and other taxes	\$ -	\$ -	\$ 22,097	\$ 22,097	
Use of money and property	21,820	21,820	22,267		447
Total revenues	21,820	21,820	44,364		22,544
EXPENDITURES:					
Capital outlay	1,034,180	1,034,180	572,677		461,503
Total expenditures	1,034,180	1,034,180	572,677		461,503
REVENUES OVER (UNDER) EXPENDITURES					
	(1,012,360)	(1,012,360)	(528,313)		484,047
Net change in fund balances	(1,012,360)	(1,012,360)	(528,313)		484,047
FUND BALANCES:					
Beginning of year	1,697,932	1,697,932	1,697,932		-
End of year	\$ 685,572	\$ 685,572	\$ 1,169,619		\$ 484,047

City of Ceres, California

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

Brown Annex Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	(Negative)
REVENUES:					
Property and other taxes	\$ -	\$ -	\$ 2,973	\$ 2,973	
Use of money and property	180	180	292	112	
Total revenues	180	180	3,265		3,085
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Total expenditures	-	-	-		-
REVENUES OVER (UNDER)					
EXPENDITURES	180	180	3,265		3,085
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(15,168)	(15,168)	(15,168)		-
Total other financing sources (uses)	(15,168)	(15,168)	(15,168)		-
Net change in fund balances	(14,988)	(14,988)	(11,903)		3,085
FUND BALANCES:					
Beginning of year	18,147	18,147	18,147		-
End of year	\$ 3,159	\$ 3,159	\$ 6,244	\$ 3,085	

City of Ceres, California

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

Eastgate Street Benefit District Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Property and other taxes	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)	
Use of money and property	900	900	1,114	214	
Total revenues	1,900	1,900	1,114	(786)	
EXPENDITURES:					
Current:					
Engineering and Transportation	21,893	21,893	7,816	14,077	
Total expenditures	21,893	21,893	7,816	14,077	
REVENUES OVER (UNDER) EXPENDITURES	(19,993)	(19,993)	(6,702)	13,291	
Net change in fund balances	(19,993)	(19,993)	(6,702)	13,291	
FUND BALANCES:					
Beginning of year	75,734	75,734	75,734	-	
End of year	\$ 55,741	\$ 55,741	\$ 69,032	\$ 13,291	

City of Ceres, California

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

AB 939 Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	3,000	3,000	5,146	2,146
Total revenues	3,000	3,000	5,146	2,146
EXPENDITURES:				
Current:				
Engineering and Transportation	64,493	64,493	48,979	15,514
Total expenditures	64,493	64,493	48,979	15,514
REVENUES OVER (UNDER) EXPENDITURES				
Net change in fund balances	(61,493)	(61,493)	(43,833)	17,660
FUND BALANCES:				
Beginning of year	363,121	363,121	363,121	-
End of year	\$ 301,628	\$ 301,628	\$ 319,288	\$ 17,660

City of Ceres, California

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

Neighborhood Park Fees Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Charges for services	\$ 150,000	\$ 150,000	\$ 94,548	\$ (55,452)	
Intergovernmental	-	-	99,985	99,985	
Use of money and property	17,000	17,000	25,075	8,075	
Total revenues	167,000	167,000	219,608	52,608	
EXPENDITURES:					
Current:					
General government	500	500	457	43	
Public works	938,146	938,146	83,784	854,362	
Capital outlay	997,875	997,875	24,935	972,940	
Total expenditures	1,936,521	1,936,521	109,176	1,827,345	
REVENUES OVER (UNDER)					
EXPENDITURES	(1,769,521)	(1,769,521)	110,432	1,879,953	
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	
Transfers out	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	
Net change in fund balances	(1,769,521)	(1,769,521)	110,432	1,879,953	
FUND BALANCES:					
Beginning of year	1,636,593	1,636,593	1,636,593	-	
End of year	\$ (132,928)	\$ (132,928)	\$ 1,747,025	\$ 1,879,953	

City of Ceres, California

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

BEGIN Grant Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	(Negative)
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ 36,580	\$ 36,580	
Use of money and property	<u>(4)</u>	<u>(4)</u>	<u>632</u>	<u>636</u>	
Total revenues	<u>(4)</u>	<u>(4)</u>	<u>37,212</u>	<u>37,216</u>	
EXPENDITURES:					
Current:					
Economic development	-	-	-	-	
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
REVENUES OVER (UNDER)					
EXPENDITURES	<u>(4)</u>	<u>(4)</u>	<u>37,212</u>	<u>37,216</u>	
Net change in fund balances	<u>(4)</u>	<u>(4)</u>	<u>37,212</u>	<u>37,216</u>	
FUND BALANCES:					
Beginning of year	<u>39,792</u>	<u>39,792</u>	<u>39,792</u>	<u>-</u>	
End of year	<u>\$ 39,788</u>	<u>\$ 39,788</u>	<u>\$ 77,004</u>	<u>\$ 37,216</u>	

City of Ceres, California

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

Program Income BEGIN Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	2,200	2,200	3,363	1,163
Total revenues	2,200	2,200	3,363	1,163
EXPENDITURES:				
Current:				
Economic development	-	-	-	-
Total expenditures	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	2,200	2,200	3,363	1,163
Net change in fund balances	2,200	2,200	3,363	1,163
FUND BALANCES:				
Beginning of year	223,369	223,369	223,369	-
End of year	\$ 225,569	\$ 225,569	\$ 226,732	\$ 1,163

City of Ceres, California

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

Measure H Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property and other taxes	\$ 3,559,388	\$ 3,559,388	\$ 3,682,168	\$ 122,780
Use of money and property	-	-	9,974	9,974
Total revenues	3,559,388	3,559,388	3,692,142	132,754
EXPENDITURES:				
Current:				
Public safety	3,287,900	3,287,900	3,508,051	(220,151)
Capital outlay	116,455	116,455	107,832	8,623
Total expenditures	3,404,355	3,404,355	3,615,883	(211,528)
REVENUES OVER (UNDER) EXPENDITURES	155,033	155,033	76,259	(78,774)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(152,000)	(152,000)	(152,000)	-
Total other financing sources (uses)	(152,000)	(152,000)	(152,000)	-
Net change in fund balances	3,033	3,033	(75,741)	(78,774)
FUND BALANCES:				
Beginning of year	1,047,718	1,047,718	1,047,718	-
End of year	\$ 1,050,751	\$ 1,050,751	\$ 971,977	\$ (78,774)

City of Ceres, California

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

State Gas Tax Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Property and other taxes	\$ 1,202,781	\$ 1,202,781	\$ 1,122,401	\$ (80,380)	
Use of money and property	950	950	-	(950)	
Other revenues	1,300	1,300	1,412	112	
Total revenues	1,205,031	1,205,031	1,123,813	(81,218)	
EXPENDITURES:					
Current:					
Engineering and Transportation	1,017,933	1,017,933	958,230	59,703	
Public works	19,633	19,633	15,886	3,747	
Capital outlay	7,500	7,500	7,700	(200)	
Debt service:					
Interest and fiscal charges	118,979	118,979	118,979	-	
Total expenditures	1,164,045	1,164,045	1,100,795	63,250	
REVENUES OVER (UNDER) EXPENDITURES	40,986	40,986	23,018	(17,968)	
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	
Net change in fund balances	40,986	40,986	23,018	(17,968)	
FUND BALANCES (DEFICIT):					
Beginning of year	(167,364)	(167,364)	(167,364)	-	
End of year	\$ (126,378)	\$ (126,378)	\$ (144,346)	\$ (17,968)	

City of Ceres, California

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

SLESF Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Intergovernmental	\$ 100,000	\$ 100,000	\$ 187,739	\$ 87,739	
Total revenues	100,000	100,000	187,739	87,739	
EXPENDITURES:					
Current:					
Public safety	-	-	131,003	(131,003)	
Total expenditures	-	-	131,003	(131,003)	
REVENUES OVER (UNDER) EXPENDITURES	100,000	100,000	56,736	(43,264)	
OTHER FINANCING SOURCES (USES):					
Transfers out	(100,000)	(100,000)	-	100,000	
Total other financing sources (uses)	(100,000)	(100,000)	-	100,000	
Net change in fund balances	-	-	56,736	56,736	
FUND BALANCES:					
Beginning of year	-	-	-	-	
End of year	\$ -	\$ -	\$ 56,736	\$ 56,736	

City of Ceres, California

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

Abandoned Vehicle Abatement Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Intergovernmental	\$ 30,000	\$ 30,000	\$ 31,795	\$ 1,795	
Use of money and property	950	950	1,127	177	
Total revenues	30,950	30,950	32,922		1,972
EXPENDITURES:					
Current:					
Public safety	72,443	72,443	42,195	42,195	30,248
Total expenditures	72,443	72,443	42,195		30,248
REVENUES OVER (UNDER)					
EXPENDITURES	(41,493)	(41,493)	(9,273)		32,220
Net change in fund balances	(41,493)	(41,493)	(9,273)		32,220
FUND BALANCES (DEFICIT):					
Beginning of year	82,107	82,107	82,107	82,107	-
End of year	\$ 40,614	\$ 40,614	\$ 72,834	\$ 72,834	\$ 32,220

City of Ceres, California

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

Seized Property Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	(Negative)
REVENUES:					
Intergovernmental	\$ -	\$ -	\$ 93,307	\$ 93,307	
Use of money and property	1,000	1,000	737	(263)	
Total revenues	1,000	1,000	94,044	93,044	
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	
Total expenditures	-	-	-	-	
REVENUES OVER (UNDER)					
EXPENDITURES	1,000	1,000	94,044	93,044	
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	
Transfers out	(89,791)	(89,791)	(89,791)	(89,791)	
Total other financing sources (uses)	(89,791)	(89,791)	(89,791)	(89,791)	
Net change in fund balances	(88,791)	(88,791)	4,253	93,044	
FUND BALANCES:					
Beginning of year	10,928	10,928	10,928	10,928	
End of year	\$ (77,863)	\$ (77,863)	\$ 15,181	\$ 93,044	

City of Ceres, California

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

Downtown Revitalization Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Charges for services	\$ 13,500	\$ 13,500	\$ 9,577	\$ (3,923)	
Use of money and property	1,100	1,100	1,291	191	
Total revenues	14,600	14,600	10,868	(3,732)	
EXPENDITURES:					
Current:					
Economic development	37,430	37,430	7,581	29,849	
Total expenditures	37,430	37,430	7,581	29,849	
REVENUES OVER (UNDER) EXPENDITURES	(22,830)	(22,830)	3,287	26,117	
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	
Net change in fund balances	(22,830)	(22,830)	3,287	26,117	
FUND BALANCES:					
Beginning of year	84,106	84,106	84,106	-	-
End of year	\$ 61,276	\$ 61,276	\$ 87,393	\$ 26,117	

City of Ceres, California

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

Street-Light and Landscape District Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Property and other taxes	\$ 424,667	\$ 424,667	\$ 420,084	\$ (4,583)	
Use of money and property	-	-	-	-	-
Total revenues	424,667	424,667	420,084		(4,583)
EXPENDITURES:					
Current:					
Engineering and Transportation	212,370	212,370	200,996	11,374	
Community services	355,889	355,889	272,865	83,024	
Total expenditures	568,259	568,259	473,861		94,398
REVENUES OVER (UNDER) EXPENDITURES	(143,592)	(143,592)	(53,777)		89,815
Net change in fund balances	(143,592)	(143,592)	(53,777)		89,815
FUND BALANCES (DEFICIT):					
Beginning of year	(20,528)	(20,528)	(20,528)		-
End of year	\$ (164,120)	\$ (164,120)	\$ (74,305)	\$ 89,815	

City of Ceres, California

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

Traffic Offender Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Charges for services	\$ 60,600	\$ 60,600	\$ 69,534	\$ 8,934	
Other revenues	-	-	-	-	-
Total revenues	60,600	60,600	69,534		8,934
EXPENDITURES:					
Current:					
Public safety	75,985	75,985	54,902		21,083
Total expenditures	75,985	75,985	54,902		21,083
REVENUES OVER (UNDER) EXPENDITURES	(15,385)	(15,385)	14,632		30,017
Net change in fund balances	(15,385)	(15,385)	14,632		30,017
FUND BALANCES (DEFICIT):					
Beginning of year	37,096	37,096	37,096		-
End of year	\$ 21,711	\$ 21,711	\$ 51,728	\$ 30,017	

City of Ceres, California

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

Traffic Safety Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 44,604	\$ (5,396)	
Total revenues	50,000	50,000	44,604	(5,396)	
EXPENDITURES:					
Current:					
Public safety	-	-	13,114	(13,114)	
Total expenditures	-	-	13,114	(13,114)	
REVENUES OVER (UNDER) EXPENDITURES	50,000	50,000	31,490	(18,510)	
Net change in fund balances	50,000	50,000	31,490	(18,510)	
FUND BALANCES (DEFICIT):					
Beginning of year	(31,490)	(31,490)	(31,490)		-
End of year	\$ 18,510	\$ 18,510	\$ -	\$ (18,510)	

City of Ceres, California

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

Used Oil Grants Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Intergovernmental	\$ 13,000	\$ 13,000	\$ 13,246	\$ 246	
Use of money and property	300	300	506	206	
Total revenues	13,300	13,300	13,752		452
EXPENDITURES:					
Current:					
Engineering and Transportation	12,118	12,118	10,848	1,270	
Public works			-	-	
Total expenditures	12,118	12,118	10,848		1,270
REVENUES OVER (UNDER) EXPENDITURES	1,182	1,182	2,904		1,722
Net change in fund balances	1,182	1,182	2,904		1,722
FUND BALANCES:					
Beginning of year	36,672	36,672	36,672		-
End of year	\$ 37,854	\$ 37,854	\$ 39,576		\$ 1,722

City of Ceres, California

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

Department of Conservation Grant Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Intergovernmental	\$ 13,000	\$ 13,000	\$ -	\$ (13,000)
Use of money and property	850	850	1,165	315
Total revenues	13,850	13,850	1,165	(12,685)
EXPENDITURES:				
Current:				
Engineering and Transportation	24,244	24,244	10,329	13,915
Total expenditures	24,244	24,244	10,329	13,915
REVENUES OVER (UNDER) EXPENDITURES	(10,394)	(10,394)	(9,164)	1,230
Net change in fund balances	(10,394)	(10,394)	(9,164)	1,230
FUND BALANCES:				
Beginning of year	81,021	81,021	81,021	-
End of year	\$ 70,627	\$ 70,627	\$ 71,857	\$ 1,230

City of Ceres, California

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

CMAQ Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Intergovernmental	\$ 277,523	\$ 277,523	\$ 1,524,829	\$ 1,247,306	
Total revenues	277,523	277,523	1,524,829	1,247,306	
EXPENDITURES:					
Current:					
Engineering and Transportation	3,790,684	3,790,684	1,101,990	2,688,694	
Capital outlay	994,000	994,000	594,383	399,617	
Total expenditures	4,784,684	4,784,684	1,696,373	3,088,311	
REVENUES OVER (UNDER)					
EXPENDITURES	(4,507,161)	(4,507,161)	(171,544)	4,335,617	
Net change in fund balances	(4,507,161)	(4,507,161)	(171,544)	4,335,617	
FUND BALANCES (DEFICIT):					
Beginning of year	(457,956)	(457,956)	(457,956)		-
End of year	\$ (4,965,117)	\$ (4,965,117)	\$ (629,500)	\$ 4,335,617	

City of Ceres, California

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

Community Facilities District Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	(Negative)
REVENUES:					
Property and other taxes	\$ 693,415	\$ 693,415	\$ 680,334	\$ (13,081)	
Use of money and property	500	500	2,844	2,344	
Total revenues	693,915	693,915	683,178		(10,737)
EXPENDITURES:					
Current:					
Public works	-	-	7,199	(7,199)	
Total expenditures	-	-	7,199		(7,199)
REVENUES OVER (UNDER)					
EXPENDITURES	693,915	693,915	675,979		(17,936)
OTHER FINANCING SOURCES (USES):					
Transfers out	(693,915)	(693,915)	(673,136)	20,779	
Total other financing sources (uses)	(693,915)	(693,915)	(673,136)		20,779
Net change in fund balances	-	-	2,843		2,843
FUND BALANCES:					
Beginning of year	7,489	7,489	7,489		-
End of year	<u>\$ 7,489</u>	<u>\$ 7,489</u>	<u>\$ 10,332</u>		<u>\$ 2,843</u>

City of Ceres, California

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

Fire Hydrant Benefit District Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	(Negative)
REVENUES:					
Property and other taxes	\$ 75	\$ 75	\$ 336	\$ 261	
Total revenues	75	75	336	261	
EXPENDITURES:					
Capital outlay	100,000	100,000	-	100,000	
Total expenditures	100,000	100,000	-	100,000	
REVENUES OVER (UNDER) EXPENDITURES	(99,925)	(99,925)	336	100,261	
Net change in fund balances	(99,925)	(99,925)	336	100,261	
FUND BALANCES:					
Beginning of year	128,361	128,361	128,361	-	
End of year	\$ 28,436	\$ 28,436	\$ 128,697	\$ 100,261	

City of Ceres, California

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

Transportation Development Act Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	525	525	4,502	3,977
Total revenues	525	525	4,502	3,977
EXPENDITURES:				
Current:				
General government	2,500	2,500	-	2,500
Capital outlay	-	500,000	478,495	21,505
Total expenditures	2,500	502,500	478,495	24,005
REVENUES OVER (UNDER) EXPENDITURES	(1,975)	(501,975)	(473,993)	27,982
Net change in fund balances	(1,975)	(501,975)	(473,993)	27,982
FUND BALANCES (DEFICIT):				
Beginning of year	504,120	504,120	504,120	-
End of year	\$ 502,145	\$ 2,145	\$ 30,127	\$ 27,982

City of Ceres, California

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

Community Center Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Charges for services	\$ 237,250	\$ 237,250	\$ 151,925	\$ (85,325)	
Other revenues	-	-	-	-	-
Total revenues	237,250	237,250	151,925		(85,325)
EXPENDITURES:					
Current:					
Community services	290,063	290,063	254,711		35,352
Total expenditures	290,063	290,063	254,711		35,352
REVENUES OVER (UNDER) EXPENDITURES	(52,813)	(52,813)	(102,786)		(49,973)
Net change in fund balances	(52,813)	(52,813)	(102,786)		(49,973)
FUND BALANCES (DEFICIT):					
Beginning of year	(1,604,861)	(1,604,861)	(1,604,861)		-
End of year	\$ (1,657,674)	\$ (1,657,674)	\$ (1,707,647)	\$	(49,973)

City of Ceres, California

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

LLEBG Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Intergovernmental	\$ 12,531	\$ 12,531	\$ 23,820	\$ 11,289	
Use of money and property	300	300	538	238	
Total revenues	12,831	12,831	24,358		11,527
EXPENDITURES:					
Current:					
Public safety	44,181	44,181	13,597	30,584	
Total expenditures	44,181	44,181	13,597		30,584
REVENUES OVER (UNDER)					
EXPENDITURES	(31,350)	(31,350)	10,761		42,111
Net change in fund balances	(31,350)	(31,350)	10,761		42,111
FUND BALANCES:					
Beginning of year	32,667	32,667	32,667		-
End of year	\$ 1,317	\$ 1,317	\$ 43,428	\$ 42,111	

City of Ceres, California

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

Public Facilities Fees Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	(Negative)
REVENUES:					
Charges for services	\$ 195,000	\$ 195,000	\$ 79,880	\$ (115,120)	
Use of money and property	30,000	30,000	39,064	9,064	
Other revenues	-	-	-	-	
Total revenues	225,000	225,000	118,944	(106,056)	
EXPENDITURES:					
Current:					
General government					
Public safety	844,171	844,171	98,969	745,202	
Capital outlay	778,450	778,450	82,603	695,847	
Total expenditures	1,622,621	1,622,621	181,572	1,441,049	
REVENUES OVER (UNDER)					
EXPENDITURES	(1,397,621)	(1,397,621)	(62,628)	1,334,993	
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	
Net change in fund balances	(1,397,621)	(1,397,621)	(62,628)	1,334,993	
FUND BALANCES:					
Beginning of year	2,658,530	2,658,530	2,658,530	-	
End of year	\$ 1,260,909	\$ 1,260,909	\$ 2,595,902	\$ 1,334,993	

City of Ceres, California

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

Daniel Whitmore House Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Community services	30,823	30,823	29,298	1,525
Total expenditures	<u>30,823</u>	<u>30,823</u>	<u>29,298</u>	<u>1,525</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(30,823)</u>	<u>(30,823)</u>	<u>(29,298)</u>	<u>1,525</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	30,823	30,823	29,299	(1,524)
Total other financing sources (uses)	<u>30,823</u>	<u>30,823</u>	<u>29,299</u>	<u>(1,524)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
FUND BALANCES (DEFICIT):				
Beginning of year	(121)	(121)	(121)	-
End of year	<u>\$ (121)</u>	<u>\$ (121)</u>	<u>\$ (120)</u>	<u>\$ 1</u>

City of Ceres, California

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

RiverBluff Regional Park Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Charges for services	\$ 2,500	\$ 2,500	\$ -	(2,500)
Intergovernmental	-	-	440,325	440,325
Use of money and property	-	-	-	-
Other revenues	-	-	-	-
Other revenues	-	-	1,225	1,225
Total revenues	2,500	2,500	441,550	439,050
EXPENDITURES:				
Capital outlay	489,250	489,250	474,383	14,867
Total expenditures	489,250	489,250	474,383	14,867
REVENUES OVER (UNDER) EXPENDITURES				
Net change in fund balances	(486,750)	(486,750)	(32,833)	453,917
FUND BALANCES (DEFICIT):				
Beginning of year	8,031	8,031	8,031	-
End of year	\$ (478,719)	\$ (478,719)	\$ (24,802)	\$ 453,917

City of Ceres, California

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

Ceres Community Foundation Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Use of money and property	\$ 2,000	\$ 2,000	\$ 2,355	\$ 355	
Other revenues	22,600	22,600	1,230	(21,370)	
Total revenues	24,600	24,600	3,585	(21,015)	
EXPENDITURES:					
Current:					
General government	3,100	3,100	31,519	(28,419)	
Community services	3,020	3,020	-	3,020	
Total expenditures	6,120	6,120	31,519	(25,399)	
REVENUES OVER (UNDER) EXPENDITURES	18,480	18,480	(27,934)	(46,414)	
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	-	-	
Total other financing sources (uses)	-	-	-	-	
Net change in fund balances	18,480	18,480	(27,934)	(46,414)	
FUND BALANCES:					
Beginning of year	171,796	171,796	171,796	-	
End of year	\$ 190,276	\$ 190,276	\$ 143,862	\$ (46,414)	

City of Ceres, California

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

2018 Public Safety Grants Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT):				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Ceres, California

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

Clinton Whitmore Mansion Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Other revenues	\$ 4,000	\$ 4,000	\$ -	\$ (4,000)
Total revenues	4,000	4,000	-	(4,000)
EXPENDITURES:				
Current:				
Community services	13,652	13,652	12,498	1,154
Total expenditures	13,652	13,652	12,498	1,154
REVENUES OVER (UNDER) EXPENDITURES	(9,652)	(9,652)	(12,498)	(2,846)
Net change in fund balances	(9,652)	(9,652)	(12,498)	(2,846)
FUND BALANCES (DEFICIT):				
Beginning of year	(37,829)	(37,829)	(37,829)	-
End of year	\$ (47,481)	\$ (47,481)	\$ (50,327)	\$ (2,846)

City of Ceres, California

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

Measure L Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Intergovernmental	\$ 3,256,795	\$ 3,256,795	\$ 3,139,116	\$ (117,679)	
Use of money and property	3,000	3,000	26,047	23,047	
Total revenues	3,259,795	3,259,795	3,165,163	(94,632)	
EXPENDITURES:					
Current:					
Public works	5,311,509	5,311,509	2,042,787	3,268,722	
Capital outlay	-	210,814	70,564	140,250	
Total expenditures	5,311,509	5,522,323	2,113,351	3,408,972	
REVENUES OVER (UNDER) EXPENDITURES	(2,051,714)	(2,262,528)	1,051,812	3,314,340	
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	
Transfers out	-	-	(43,908)	(43,908)	
Total other financing sources (uses)	-	-	(43,908)	(43,908)	
Net change in fund balances	(2,051,714)	(2,262,528)	1,007,904	3,270,432	
FUND BALANCES (DEFICIT):					
Beginning of year	1,665,236	1,665,236	1,665,236	-	
End of year	\$ (386,478)	\$ (597,292)	\$ 2,673,140	\$ 3,270,432	

City of Ceres, California

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

Road Maintenance and Rehab Special Revenue Fund

For the year ended June 30, 2020

	Budgeted Amounts			Variance w/Final	
	Original	Final	Actual	Positive	
				(Negative)	
REVENUES:					
Intergovernmental	\$ 912,174	\$ 912,174	\$ 863,382	\$ (48,792)	
Use of money and property	56,297	56,297	7,380	(48,917)	
Total revenues	968,471	968,471	870,762	(97,709)	
EXPENDITURES:					
Current:					
Public works	926,320	926,320	22,007	904,313	
Total expenditures	926,320	926,320	22,007	904,313	
REVENUES OVER (UNDER)					
EXPENDITURES	42,151	42,151	848,755	806,604	
Net change in fund balances	42,151	42,151	848,755	806,604	
FUND BALANCES (DEFICIT):					
Beginning of year	113,635	113,635	113,635	-	
End of year	\$ 155,786	\$ 155,786	\$ 962,390	\$ 806,604	

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INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for special activities and services performed by a designated City department for other departments on a cost reimbursement basis.

Fund	Description
Equipment Revolving	Accounts for the operation, maintenance, and replacement of City equipment.
Information Technology	Accounts for costs associated with maintaining the City's information systems.
Risk Management	Accounts for the cost of providing workers' compensation and liability insurance coverage on a City-wide basis.
Building Maintenance	Accounts for the activities of building maintenance, custodial service, and building modification projects on a City-wide basis.

City of Ceres, California
Statement of Fund Net Position
Internal Service Funds
June 30, 2020

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
ASSETS					
Current assets:					
Cash and investments	\$ 1,737,181	\$ 132,312	\$ 1,057,716	\$ 446,741	\$ 3,373,950
Accounts receivable	156	-	-	-	156
Total current assets	1,737,337	132,312	1,057,716	446,741	3,374,106
Noncurrent assets:					
Machinery and equipment	7,310,785	266,575	-	262,631	7,839,991
Less accumulated depreciation	(4,973,181)	(175,730)	-	(101,783)	(5,250,694)
Total noncurrent assets	2,337,604	90,845	-	160,848	2,589,297
Total assets	\$ 4,074,941	\$ 223,157	\$ 1,057,716	\$ 607,589	\$ 5,963,403
LIABILITIES AND NET POSITION					
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 39,731	\$ 3,421	\$ 2,100	\$ 15,200	\$ 60,452
Due to other funds	-	-	235	-	235
Total current liabilities	39,731	3,421	2,335	15,200	60,687
Noncurrent liabilities:					
Compensated absences	49,481	-	-	57,685	107,166
Liability for claims	-	-	1,171,093	-	1,171,093
Total noncurrent liabilities	49,481	-	1,171,093	57,685	1,278,259
Total liabilities	89,212	3,421	1,173,428	72,885	1,338,946
Net Position:					
Net investment in capital assets	2,337,604	90,845	-	160,848	2,589,297
Unrestricted net position (deficit)	1,648,125	128,891	(115,712)	373,856	2,035,160
Total net position	3,985,729	219,736	(115,712)	534,704	4,624,457
Total liabilities and net position	\$ 4,074,941	\$ 223,157	\$ 1,057,716	\$ 607,589	\$ 5,963,403

City of Ceres, California

Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

For the year ended June 30, 2020

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
OPERATING REVENUES:					
Interdepartmental charges	\$ 2,522,351	\$ 941,580	\$ 1,516,981	\$ 1,001,646	\$ 5,982,558
Other	-	-	688,994	2	688,996
Total operating revenues	2,522,351	941,580	2,205,975	1,001,648	6,671,554
OPERATING EXPENSES:					
Salaries and benefits	531,903	575,500	324,035	711,719	2,143,157
Contractual and other services	39,663	192,290	-	116,784	348,737
Materials and supplies	558,531	98,854	-	77,222	734,607
Depreciation	421,433	30,010	-	14,928	466,371
Other operating costs	172,027	54,015	1,886,638	205,373	2,318,053
Total operating expenses	1,723,557	950,669	2,210,673	1,126,026	6,010,925
OPERATING INCOME (LOSS)	798,794	(9,089)	(4,698)	(124,378)	660,629
NONOPERATING REVENUE (EXPENSE):					
Investment earnings	66	-	-	-	66
Gain on sale of assets	5,555	-	-	-	5,555
Transfers in (out)	89,791	-	-	-	89,791
Total non-operating revenue	95,412	-	-	-	95,412
NET INCOME (LOSS)	894,206	(9,089)	(4,698)	(124,378)	756,041
CHANGE IN NET POSITION	894,206	(9,089)	(4,698)	(124,378)	756,041
NET POSITION (DEFICIT):					
Beginning of year	3,091,523	228,825	(111,014)	659,082	3,868,416
End of year	<u>\$ 3,985,729</u>	<u>\$ 219,736</u>	<u>\$ (115,712)</u>	<u>\$ 534,704</u>	<u>\$ 4,624,457</u>

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

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from other funds for services	\$ 2,522,195	\$ 941,580	\$ 1,516,981	\$ 1,001,646	\$ 5,982,402
Cash received from loss claim recoveries	-	-	688,994	-	688,994
Cash payments to suppliers for goods and services	(930,275)	(400,905)	1,050	(409,478)	(1,739,608)
Cash payments to employees for services	(591,949)	(575,500)	(324,035)	(729,521)	(2,221,005)
Cash payments for loss claims	-	-	(1,689,745)	-	(1,689,745)
Net cash provided (used) by operating activities	999,971	(34,825)	193,245	(137,353)	1,021,038
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers received (paid)	89,791	-	-	-	89,791
Net cash provided by noncapital financing activities	89,791	-	-	-	89,791
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition and construction of capital assets	(812,121)	(25,973)	-	(24,893)	(862,987)
Proceeds from sale of capital assets	5,555	-	-	-	5,555
Net cash (used) by capital and related financing activities	(806,566)	(25,973)	-	(24,893)	(857,432)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment expense paid	66	-	-	-	66
Net increase in cash and cash equivalents	283,262	(60,798)	193,245	(162,246)	253,463
CASH AND CASH EQUIVALENTS:					
Beginning of year	1,453,919	193,110	864,471	608,987	3,120,487
End of year	\$ 1,737,181	\$ 132,312	\$ 1,057,716	\$ 446,741	\$ 3,373,950
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:					
Income (loss) from operations	\$ 798,794	\$ (9,089)	\$ (4,698)	\$ (124,378)	\$ 660,629
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:					
Depreciation	421,433	30,010	-	14,928	466,371
(A)crease in current assets:					
Accounts receivable	(156)	-	-	-	(156)
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	(160,054)	(55,746)	1,050	(10,101)	(224,851)
Compensated absences	(60,046)	-	-	(17,802)	(77,848)
Increase (decrease) in claims liability - noncurrent	-	-	196,893	-	196,893
Net cash provided (used) by operating activities	\$ 999,971	\$ (34,825)	\$ 193,245	\$ (137,353)	\$ 1,021,038

TRUST AND AGENCY FUNDS

Fund	Description
Private Purpose Trust Funds	
Former Ceres Redevelopment Agency	
Successor Agency - Non-Housing	Accounts for funds collected and disbursed for the dissolution of the former Ceres Redevelopment Agency related to Administration and Retirement of enforceable obligations.
Successor Agency - Housing	Accounts for funds collected and disbursed for the dissolution of the former Ceres Redevelopment Agency's housing related debts.
Former Stanislaus-Ceres Redevelopment Commission	
Successor Agency - Non-Housing	Accounts for funds collected and disbursed for the dissolution of the former Stanislaus-Ceres Redevelopment Commission related to Administration and Retirement of enforceable obligations.
Successor Agency - Housing	Accounts for funds collected and disbursed for the dissolution of the former Stanislaus-Ceres Redevelopment Commission's housing related debts.
Agency Funds	
Westpointe Assessment District Debt Service	Accounts for assessments made for debt service of the Westpointe AD bonds for which the City is not obligated.

City of Ceres, California
Combining Statement of Net Position
Private Purpose Trust Funds
June 30, 2020

	Former Ceres Redevelopment Agency Successor Agency		Former Stanislaus - Ceres Redevelopment Commission Successor Agency		Totals
	Non-Housing	Housing	Non-Housing	Housing	
					2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Current assets:					
Cash and investments	\$ 3,334,667	\$ 520,405	\$ 57,131	\$ -	\$ 3,912,203
Cash and investments with trustee/fiscal agent	2,061,500	-	111,918	-	2,173,418
Interest receivable	864	-	4	-	868
Total current assets	<u>5,397,031</u>	<u>520,405</u>	<u>169,053</u>	<u>-</u>	<u>6,086,489</u>
Non-Current assets:					
Advances to other funds	-	1,826,680	-	-	1,826,680
Long-term loans receivable	-	2,021,849	-	192,522	2,214,371
Construction in progress	12,500,147	-	-	-	12,500,147
Total Non-current assets	<u>12,500,147</u>	<u>3,848,529</u>	<u>-</u>	<u>192,522</u>	<u>16,541,198</u>
Total assets	<u>17,897,178</u>	<u>4,368,934</u>	<u>169,053</u>	<u>192,522</u>	<u>22,627,687</u>
Deferred outflows: Pension plan	6,522	-	87,083	-	93,605
Total assets and deferred outflows	<u>\$ 17,903,700</u>	<u>\$ 4,368,934</u>	<u>\$ 256,136</u>	<u>\$ 192,522</u>	<u>\$ 22,721,292</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 942	\$ -	\$ 3,030	\$ -	\$ 3,972
Interest payable	179,559	8,591	-	-	188,150
Compensated absences - current	9,202	-	2,797	-	11,999
Current portion of long term debt	1,742,415	-	60,000	-	1,802,415
Total current liabilities	<u>1,932,118</u>	<u>8,591</u>	<u>65,827</u>	<u>-</u>	<u>2,006,536</u>
Long-term liabilities:					
Advances from Stanislaus County	-	-	266,702	-	266,702
Advances from City of Ceres General Fund	-	-	531,494	-	531,494
Advances from other funds	1,826,680	-	-	-	1,826,680
Due after one year	30,081,224	-	790,000	-	30,871,224
Net pension obligation	110,046	-	165,064	-	275,110
Total long-term liabilities	<u>32,017,950</u>	<u>-</u>	<u>1,753,260</u>	<u>-</u>	<u>33,771,210</u>
Total liabilities	<u>33,950,068</u>	<u>8,591</u>	<u>1,819,087</u>	<u>-</u>	<u>35,777,746</u>
Deferred inflows: Pension plan	33,649	-	9,647	-	43,296
Total liabilities and deferred inflows	<u>33,983,717</u>	<u>8,591</u>	<u>1,828,734</u>	<u>-</u>	<u>35,821,042</u>
Net Position (Deficit):					
Net position held in trust for Redevelopment Dissolution	(16,080,017)	4,360,343	(1,572,598)	192,522	(13,099,750)
Total liabilities, deferred inflows, and net position	<u>\$ 17,903,700</u>	<u>\$ 4,368,934</u>	<u>\$ 256,136</u>	<u>\$ 192,522</u>	<u>\$ 22,721,292</u>

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

	Former Ceres Redevelopment Agency Successor Agency		Former Stanislaus - Ceres Redevelopment Commission Successor Agency	
	Non-Housing	Housing	Non-Housing	Housing
ADDITIONS:				
Property taxes	\$ 3,625,398	\$ -	\$ 83,379	\$ -
Investment earnings	107,559	-	(2,635)	-
Other revenue	102,119	946,744	-	-
Gain on debt refunding	-	-	-	-
Transfers in	-	-	-	-
Total additions	3,835,076	946,744	80,744	-
DEDUCTIONS:				
General and administrative	-	-	5,843	-
Salaries and benefits	125,209	-	45,825	-
Contractual and other services	100,167	-	12,680	-
Materials and supplies	38,739	-	6,671	-
Depreciation and amortization	-	-	-	-
Economic development	637	-	-	-
Interest and debt service expenses	2,629,006	48,277	58,421	-
Payments to Stanislaus County	-	-	-	-
Amortization	244,770	1,954	-	-
Transfer out	-	-	30	-
Total deductions	3,138,528	50,231	129,470	-
CHANGE IN FIDUCIARY NET POSITION	696,548	896,513	(48,726)	-
NET POSITION (DEFICIT):				
Beginning of year	(16,776,565)	3,463,830	(1,523,872)	192,522
End of year	<u><u>\$ (16,080,017)</u></u>	<u><u>\$ 4,360,343</u></u>	<u><u>\$ (1,572,598)</u></u>	<u><u>\$ 192,522</u></u>

Totals

2020

\$	3,708,777
	104,924
	1,048,863
-	-
	-
	<u>4,862,564</u>

5,843
171,034
112,847
45,410
-
637
2,735,704
-
246,724
30
<u>3,318,229</u>
1,544,335
(14,644,085)
<u>\$ (13,099,750)</u>

City of Ceres, California

Combining Statement of Changes in Assets and Liabilities

Westpointe Assessment District Debt Service Agency Fund

For the year ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
ASSETS				
Cash and investments	\$ 603,799	\$ 703,507	\$ (603,799)	\$ 703,507
Cash and investments held by fiscal agent	289,955	-	(289,955)	-
Receivables:				
Interest	1,065	192	(1,065)	192
Other	360,373	-	(360,373)	-
Total assets	\$ 1,255,192	\$ 703,699	\$ (1,255,192)	\$ 703,699
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to (from) others	1,255,192	703,699	(1,255,192)	703,699
Total liabilities	\$ 1,255,192	\$ 703,699	\$ (1,255,192)	\$ 703,699

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