

**CITY OF CERES, CALIFORNIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2021**



Prepared by:

**Leticia Dias**  
Finance Director

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**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

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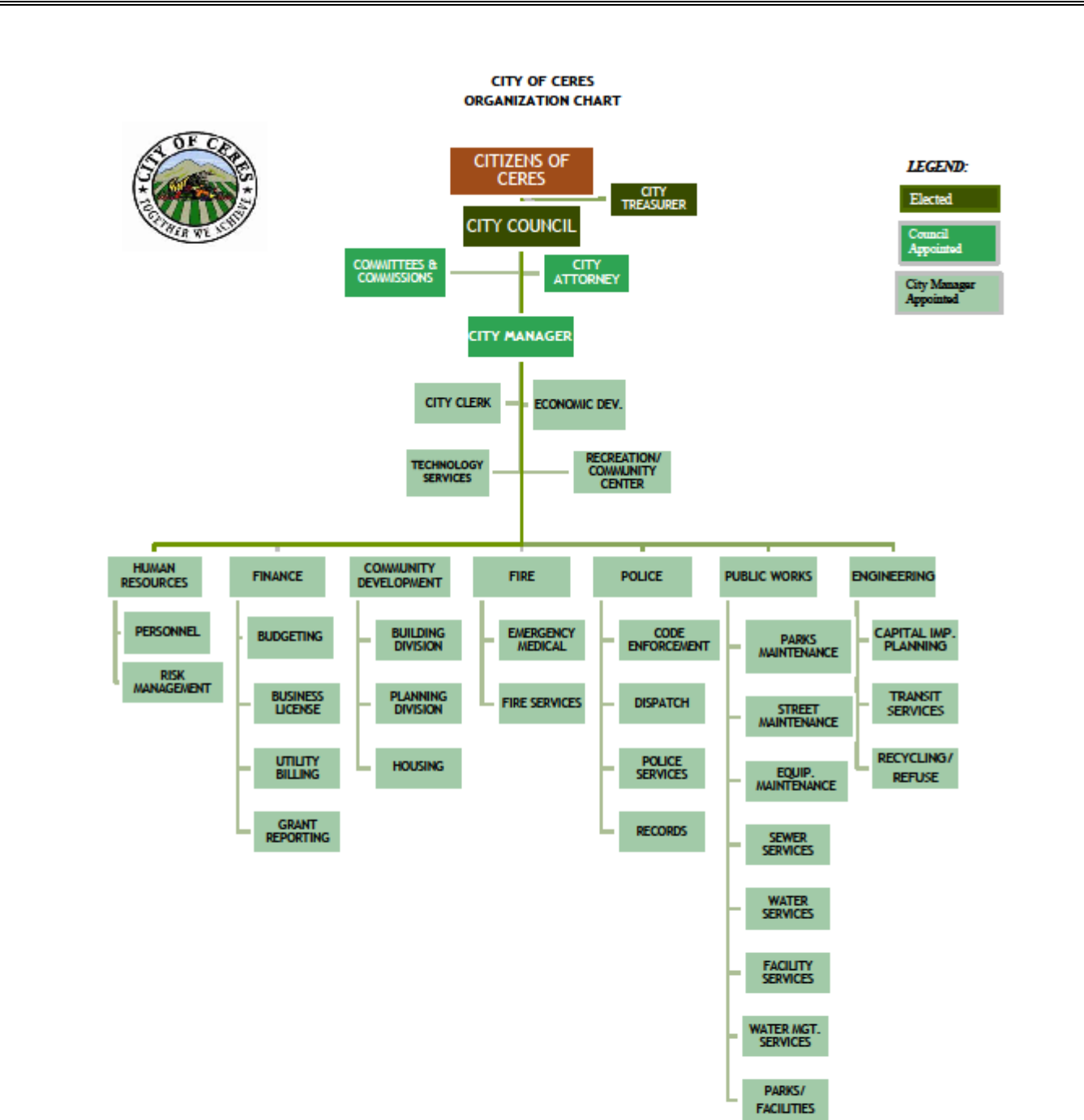
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City of Ceres, California  
 Basic Financial Statements  
 For the year ended June 30, 2021

Organization Chart



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**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**List of Officials**

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***CITY COUNCIL***

- Javier Lopez, Mayor
- James Casey
- Linda Ryno
- Brett Silveira
- Mike Kline

***CITY OFFICIALS***

- Alex Terrazas, City Manager
- Leticia Dias, Finance Director
- Kayla Martinez, 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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, 2021, 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.

***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 March 31, 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.

March 31, 2021

*JJACPA, Inc.*  
**JJACPA, Inc.**  
**Dublin, CA**

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**Management's Discussion and Analysis**

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This section provides a narrative overview and analysis of the financial activities of the City of Ceres (City) for the fiscal year ended June 30, 2021. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

**FINANCIAL HIGHLIGHTS**

- ◆ As of June 30, 2021, total assets of the City exceeded its liabilities by \$139,960,715 (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 \$42,344,754. There are currently \$9,065,702 of net position that are restricted and may only be used for a specific purpose. The remaining \$88,550,259 is the net investment in capital assets.
- ◆ As of June 30, 2021, the City's Governmental Activities reported combined net position of \$83,584,334 of that, (\$8,969,365) is unrestricted.
- ◆ As of June 30, 2021, the City's governmental funds reported combined ending fund balances of \$19,687,312. Approximately 70% of this total amount (\$13.8 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, \$8,403,962 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 \$84,379,402 from \$85,704,862, which includes \$106,499,757 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, 2021**

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

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**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, 2021**

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

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**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, 2021**

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

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

**Fund Financial Statements, Continued**

For the fiscal year ended June 30, 2021, 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, 2021**

**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 \$139,960,715 as of June 30, 2021.

The Summary of Net Position as of June 30, 2021, and 2020, follows:

Summary of Net Position						
	2021			2020		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Current and other assets	\$ 30,577,671	\$ 56,249,926	\$ 86,827,597	\$ 27,900,616	\$ 36,176,891	\$ 64,077,507
Noncurrent assets	92,414,107	36,386,744	128,800,851	92,882,470	33,632,934	126,515,404
Total assets	122,991,778	92,636,670	215,628,448	120,783,086	69,809,825	190,592,911
Deferred outflows: Pension Plan	13,971,344	2,350,299	16,321,643	11,627,091	1,927,256	13,554,347
Total assets and deferred outflows	136,963,122	94,986,969	231,950,091	132,410,177	71,737,081	204,147,258
Current and other liabilities	5,926,561	2,184,223	8,110,784	5,202,473	1,175,889	6,378,362
Long-term liabilities	45,023,551	36,032,715	81,056,266	37,169,730	14,723,553	51,893,283
Total liabilities	50,950,112	38,216,938	89,167,050	42,372,203	15,899,442	58,271,645
Deferred inflows: Pension Plan	2,428,676	393,650	2,822,326	3,529,558	592,316	4,121,874
Total liabilities and deferred inflows	53,378,788	38,610,588	91,989,376	45,901,761	16,491,758	62,393,519
Net position:						
Net investment in capital assets	83,487,997	5,062,262	88,550,259	84,719,144	21,857,874	106,577,018
Restricted	9,065,702	-	9,065,702	7,582,952	-	7,582,952
Unrestricted	(8,969,365)	51,314,119	42,344,754	(5,793,680)	33,387,449	27,593,769
<b>Total net position</b>	<b>\$ 83,584,334</b>	<b>\$ 56,376,381</b>	<b>\$ 139,960,715</b>	<b>\$ 86,508,416</b>	<b>\$ 55,245,323</b>	<b>\$ 141,753,739</b>

Restricted net position increased by \$1,482,750 due to increased revenue from Measure H and Measure L funding. The increased revenues are committed to public safety personnel and equipment costs and projects by the City Council respectively.

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

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

	2021			2020		
	Govern- mental Activities	Business- type Activities	Total	Govern- mental Activities	Business- type Activities	Total
Revenues:						
Program revenues:						
Charges for services	\$ 1,513,702	\$ 26,727,162	\$ 28,240,864	\$ 2,457,594	\$ 26,604,981	\$ 29,062,575
Grants and contributions:						
Operating	16,501,734	-	16,501,734	12,810,230	-	12,810,230
Capital	2,485,927	-	2,485,927	4,058,158	-	4,058,158
General revenues:						
Property taxes and assessments	2,493,299	-	2,493,299	2,414,984	-	2,414,984
Sales and use tax	8,764,804	-	8,764,804	8,565,962	-	8,565,962
Utility users tax	861,325	-	861,325	812,497	-	812,497
Other taxes	1,030,586	-	1,030,586	834,820	-	834,820
State motor vehicle in-lieu tax	4,059,777	-	4,059,777	3,902,381	-	3,902,381
Use of money and property	275,976	332,682	608,658	339,304	206,300	545,604
Other general	96,337	5,256,099	5,352,436	150,999	14,455	165,454
Total revenues	38,083,467	32,315,943	70,399,410	36,346,929	26,825,736	63,172,665
Expenses:						
Governmental activities:						
General government	7,671,594	-	7,671,594	3,837,617	-	3,837,617
Public safety	23,201,443	-	23,201,443	24,468,903	-	24,468,903
Engineering and transportation	641,146	-	641,146	4,339,268	-	4,339,268
Public works	5,176,901	-	5,176,901	4,766,551	-	4,766,551
Community services	3,791,032	-	3,791,032	3,810,916	-	3,810,916
Economic development	207,914	-	207,914	88,022	-	88,022
Interest and fiscal charges	12,570	-	12,570	15,732	-	15,732
Business-type activities:						
Water	-	22,255,898	22,255,898	-	8,542,513	8,542,513
Sewer	-	9,219,352	9,219,352	-	8,507,699	8,507,699
STANCOG	-	14,584	14,584	-	683,363	683,363
Total expenses	40,702,600	31,489,834	72,192,434	41,327,009	17,733,575	59,060,584
Excess (Deficiency) of revenues over expenditures before transfers	(2,619,133)	826,109	(1,793,024)	(4,980,080)	9,092,161	4,112,081
Transfers	(304,949)	304,949	-	(347,908)	347,908	-
Change in net position	(2,924,082)	1,131,058	(1,793,024)	(5,327,988)	9,440,069	4,112,081
Net position:						
Beginning of year	86,508,416	55,245,323	141,753,739	91,836,404	45,805,254	137,641,658
End of year	\$ 83,584,334	\$ 56,376,381	\$ 139,960,715	\$ 86,508,416	\$ 55,245,323	\$ 141,753,739

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Revenues**

The City's total revenues for governmental and business-type activities were \$70,399,410 for the fiscal year ended June 30, 2021. Approximately 48% 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 2%. This increase is mainly attributed to a slow increase in the economy and consumer spending.
- 2. Property Tax.** Annual receipts increase by 3%, due to an increase in the assessed values and increased sale of foreclosed homes. Property owners paid the tax deferral amounts due to COVID-19 pandemic as payment for this deferral was due in this fiscal year.
- 3. Grants and Contributions – Governmental Activities Operating.** The increase in Governmental operating grants and contributions was mainly due to the CARES ACT grant revenue given to the City to reimburse COVID related expenditures.
- 4. State Motor Vehicle In-Tax –** Annual receipts increased by 4%. The increase is due to increased vehicle registration fees.

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**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 \$72,192,434. Governmental activity expenses totaled \$40,702,600 or 56% of total expenses. Business-type activities incurred \$31,489,834 of expenses during the fiscal year. Public safety costs represented 57% 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, 2021, and 2020, are as follows:

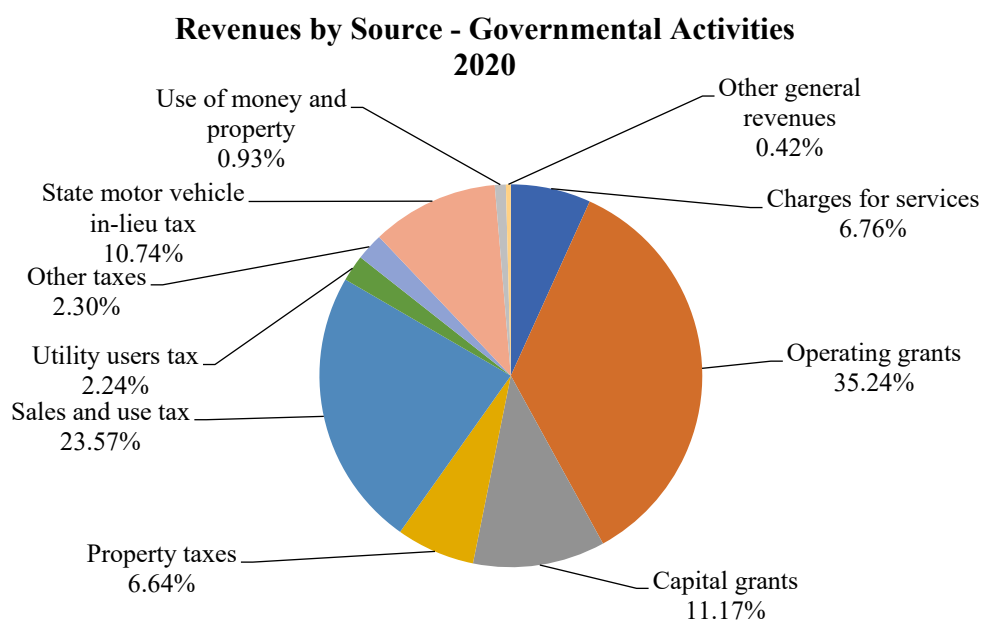
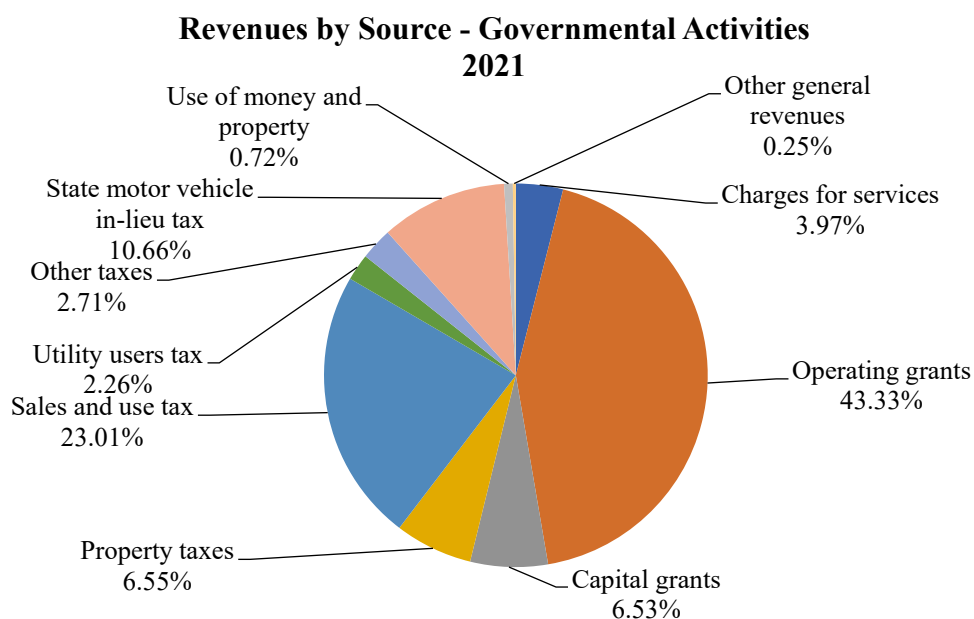
	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 7,671,594	\$ (3,779,120)	\$ 3,837,617	\$ (2,203,722)
Public safety	23,201,443	(16,596,330)	24,468,903	(18,244,664)
Engineering and transportation	641,146	2,882,311	4,339,268	(1,474,847)
Public works	5,176,901	(820,153)	4,766,551	779,153
Community services	3,791,032	(1,677,541)	3,810,916	(937,407)
Economic development	207,914	(197,834)	88,022	96,192
Interest and fiscal charges	12,570	(12,570)	15,732	(15,732)
Total	<u>\$ 40,702,600</u>	<u>\$ (20,201,237)</u>	<u>\$ 41,327,009</u>	<u>\$ (22,001,027)</u>

**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

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



**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

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

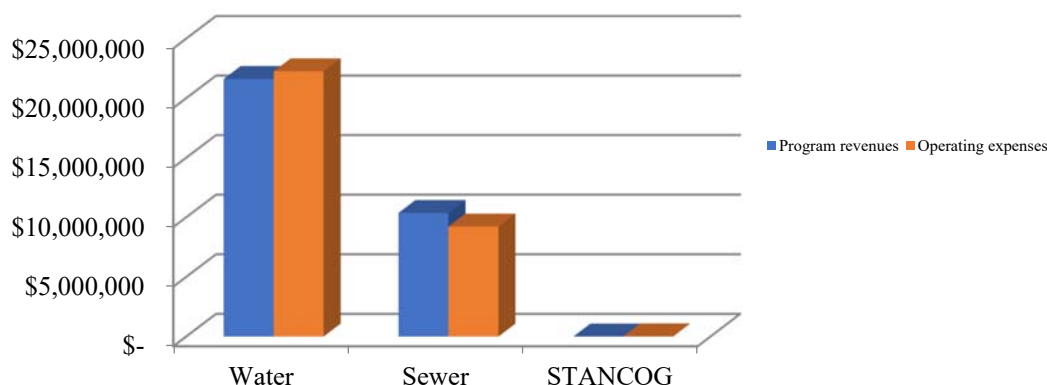
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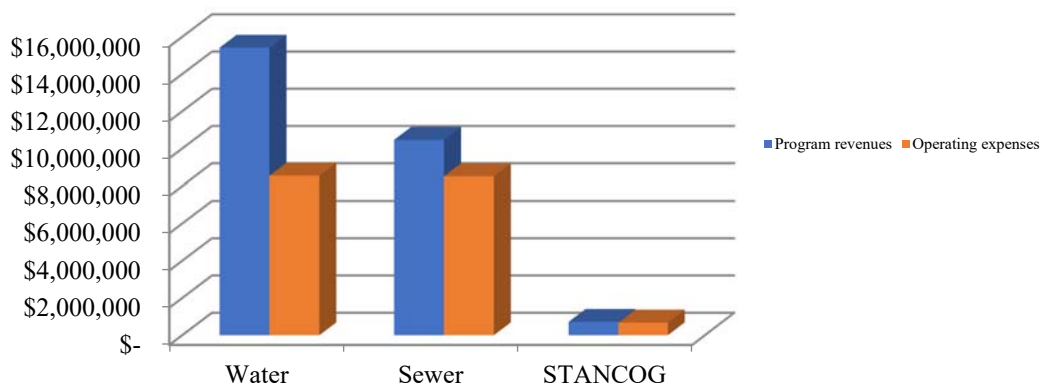
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

**Business-type activities.** Business-type activities increased the City's net position to \$56,376,381. The City has three business-type activities: Water, Sewer, and STANCOG. Water accounts for 68%, Sewer accounts for 32% of total business-type activity revenue, and STANCOG accounts for 0%. The expenses and program revenues for the business-type activities for the fiscal year ended June 30, 2021, and 2020, are as follows:

**Expenses and Program Revenues  
Business-type Activities  
2021**



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



**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

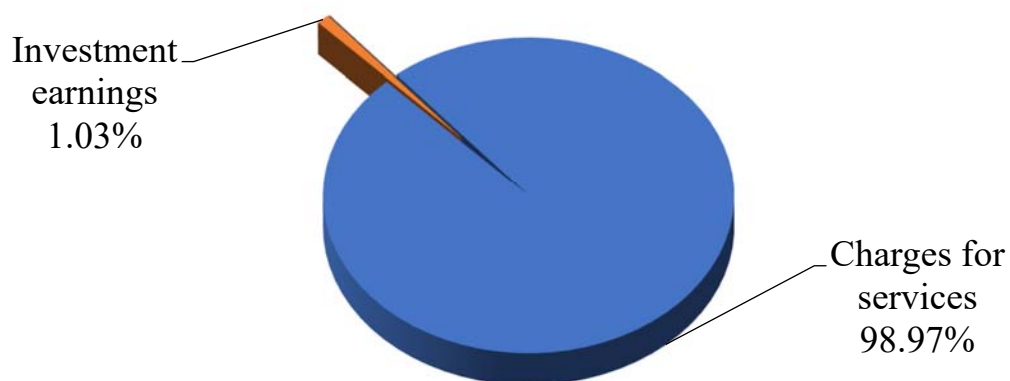
**Management's Discussion and Analysis, Continued**

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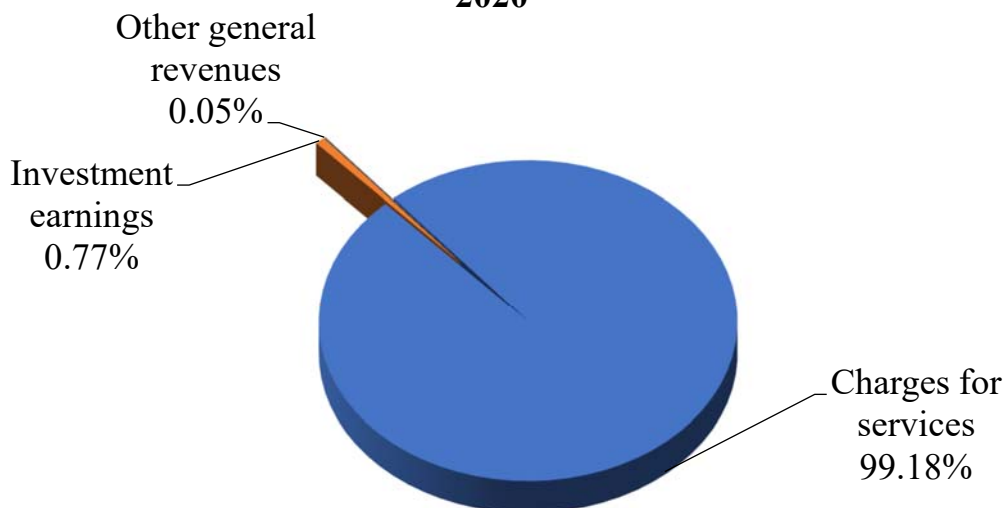
**GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued**

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

**Revenues by Source - Business-type Activities  
2021**



**Revenues by Source - Business-type Activities  
2020**



**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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**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, 2021, the City's governmental funds reported combined fund balances of \$19,687,312. This is an increase of \$2,905,551 or 17% more than last year. The increase was mainly due the CARES ACT funds granted to the city to help recover from the COVID-19 pandemic. The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2021, General Fund unassigned fund balance totaled \$8,403,962 with \$14,342 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, 2021, 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 \$1,131,058 in the fiscal year ended June 30, 2021. 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 negative of \$165,343. This was mainly due to the decrease in license and permit fees. Total general fund final budget for expenditures was \$25,795,253. Actual expenditures were \$4,903,516 under budget (approximately 19% of budget).



**City of Ceres, California**  
**Basic Financial Statements**  
**For the year ended June 30, 2021**

**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, 2021, amount to \$118,398,264. This net investment in capital assets includes land, buildings and improvements, machinery and equipment, and infrastructure.

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 14,753,193	\$ 14,753,193	\$ 3,291,818	\$ 1,783,812	\$ 18,045,011	\$ 16,537,005
Buildings and improvements	22,687,631	23,376,672	3,458,180	3,749,809	26,145,811	27,126,481
Machinery and equipment	5,710,678	5,606,091	1,181,341	1,428,166	6,892,019	7,034,257
Infrastructure	41,227,900	41,968,904	26,087,523	24,077,087	67,315,423	66,045,991
Total	<u>\$ 84,379,402</u>	<u>\$ 85,704,860</u>	<u>\$ 34,018,862</u>	<u>\$ 31,038,874</u>	<u>\$ 118,398,264</u>	<u>\$ 116,743,734</u>

Major capital asset events during the year included: the purchase of machinery, equipment, land for new water department building; 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 that continued into fiscal year 2020-2021. The national unemployment rate decreased to 5.9% down from 11.2% 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 yet 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 increase by 8% in fiscal year 2021-2022. Also, in fiscal year 2021-2022, we are estimating property tax revenue to increase by 5%. Additionally, with the two cannabis dispensaries and the cannabis manufacturing facility, the City's General Fund has received an influx of revenue that reached \$1,190,500 for FY 2021 and is expected to reach \$1,380,000 in FY 2022. 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, 2021**

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

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**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/](http://www.ci.ceres.ca.us/).

## **BASIC FINANCIAL STATEMENTS**

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**City of Ceres, California**  
**Statement of Net Position**  
**June 30, 2021**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 25,904,274	\$ 34,112,580	\$ 60,016,854
Cash and investments with trustee/fiscal agent	-	20,000,566	20,000,566
Receivables:			
Accounts receivable	4,659,055	2,136,780	6,795,835
Prepaid items	14,342	-	14,342
<b>Total current assets</b>	<b>30,577,671</b>	<b>56,249,926</b>	<b>86,827,597</b>
<b>Noncurrent assets:</b>			
Advances to fiduciary activities	1,954,281	-	1,954,281
Loans receivable	6,079,576	-	6,079,576
Deferred charges	848	2,367,882	2,368,730
Capital assets:			
Nondepreciable	14,753,193	3,291,818	18,045,011
Depreciable	69,626,209	30,727,044	100,353,253
<b>Total noncurrent assets</b>	<b>92,414,107</b>	<b>36,386,744</b>	<b>128,800,851</b>
<b>Total assets</b>	<b>122,991,778</b>	<b>92,636,670</b>	<b>215,628,448</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Plan	13,971,344	2,350,299	16,321,643
<b>Total deferred outflows of resources</b>	<b>13,971,344</b>	<b>2,350,299</b>	<b>16,321,643</b>
<b>Total assets and deferred outflows</b>	<b>136,963,122</b>	<b>94,986,969</b>	<b>231,950,091</b>
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	3,432,696	1,149,708	4,582,404
Deposits payable	2,493,865	525,994	3,019,859
Intergovernmental payable	-	-	-
Unearned revenue	-	67,527	67,527
Interest payable	-	28,994	28,994
Current portion of long-term debt	-	412,000	412,000
<b>Total current liabilities</b>	<b>5,926,561</b>	<b>2,184,223</b>	<b>8,110,784</b>
<b>Noncurrent liabilities:</b>			
Long-term liabilities:			
Claims liabilities	2,367,882	-	2,367,882
Compensated absences	1,842,048	367,055	2,209,103
Due after one year	338,910	28,956,600	29,295,510
Liability for claims	1,018,796	-	1,018,796
Net pension liability	39,455,915	6,709,060	46,164,975
<b>Total noncurrent liabilities</b>	<b>45,023,551</b>	<b>36,032,715</b>	<b>81,056,266</b>
<b>Total liabilities</b>	<b>50,950,112</b>	<b>38,216,938</b>	<b>89,167,050</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension Plan	2,428,676	393,650	2,822,326
<b>Total liabilities and deferred inflows of resources</b>	<b>53,378,788</b>	<b>38,610,588</b>	<b>91,989,376</b>
<b>NET POSITION</b>			
Net investment in capital assets	83,487,997	5,062,262	88,550,259
Restricted	9,065,702	-	9,065,702
Unrestricted	(8,969,365)	51,314,119	42,344,754
<b>Total net position</b>	<b>83,584,334</b>	<b>56,376,381</b>	<b>139,960,715</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 136,963,122</b>	<b>\$ 94,986,969</b>	<b>\$ 231,950,091</b>

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, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 7,671,594	\$ 165,730	\$ 3,726,744	\$ -
Public safety	23,201,443	697,246	5,907,867	-
Engineering and Transportation	641,146	60,080	2,944,045	519,332
Public works	5,176,901	486,075	1,904,078	1,966,595
Community services	3,791,032	103,131	2,010,360	-
Economic development	207,914	1,440	8,640	-
Interest and fiscal charges	12,570	-	-	-
Total governmental activities	<u>40,702,600</u>	<u>1,513,702</u>	<u>16,501,734</u>	<u>2,485,927</u>
Business-type activities:				
Water	22,255,898	16,357,031	-	-
Sewer	9,219,352	10,370,131	-	-
STANCOG	14,584	-	-	-
Total business-type activities	<u>31,489,834</u>	<u>26,727,162</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 72,192,434</u>	<u>\$ 28,240,864</u>	<u>\$ 16,501,734</u>	<u>\$ 2,485,927</u>

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 (MVLTF)

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.

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Totals</b>
\$ (3,779,120)	\$ -	\$ (3,779,120)
(16,596,330)	-	(16,596,330)
2,882,311	-	2,882,311
(820,153)	-	(820,153)
(1,677,541)	-	(1,677,541)
(197,834)	-	(197,834)
(12,570)	-	(12,570)
(20,201,237)	-	(20,201,237)
-	(5,898,867)	(5,898,867)
-	1,150,779	1,150,779
-	(14,584)	(14,584)
-	(4,762,672)	(4,762,672)
(20,201,237)	(4,762,672)	(24,963,909)
2,493,299	-	2,493,299
8,764,804	-	8,764,804
861,325	-	861,325
1,030,586	-	1,030,586
4,059,777	-	4,059,777
275,976	332,682	608,658
96,337	5,256,099	5,352,436
17,582,104	5,588,781	23,170,885
(304,949)	304,949	-
17,277,155	5,893,730	23,170,885
(2,924,082)	1,131,058	(1,793,024)
86,508,416	55,245,323	141,753,739
\$ 83,584,334	\$ 56,376,381	\$ 139,960,715

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**FUND FINANCIAL STATEMENTS**  
**MAJOR FUNDS**

<b>Fund</b>	<b>Description</b>
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, 2021

	Major Funds			
	General Fund	Street Expansion Special Revenue	Home Program Grants Special Revenue	CDBG Grants Special Revenue
<b>ASSETS</b>				
Cash and investments	\$ 8,561,040	\$ 711,625	\$ 787,751	\$ 633,235
Receivables:				
Interest	757	31	-	18
Intergovernmental	-	-	-	-
Loans receivable	-	-	5,760,313	462,088
Other receivable	3,282,916	-	-	6,146
Due from other funds	2,670,379	-	-	-
Advances to Former Redevelopment Agencies				
Private Purpose Trust	1,954,281	-	-	-
Prepaid items	14,342	-	-	-
Inventory	848	-	-	-
<b>Total assets</b>	<b>\$ 16,484,563</b>	<b>\$ 711,656</b>	<b>\$ 6,548,064</b>	<b>\$ 1,101,487</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 2,734,293	\$ -	\$ -	\$ 100
Deposits payable	2,411,589	-	-	-
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Advances from other funds	2,367,882	-	-	-
<b>Total liabilities</b>	<b>7,513,764</b>	<b>-</b>	<b>-</b>	<b>100</b>
Deferred inflows: Unavailable revenue	552,495	-	5,760,314	462,088
<b>Total liabilities and deferred inflows</b>	<b>8,066,259</b>	<b>-</b>	<b>5,760,314</b>	<b>462,188</b>
<b>Fund balances:</b>				
Nonspendable:				
Prepaid items	14,342	-	-	-
Restricted reported in:				
Special revenue funds	-	-	787,750	639,299
Committed	-	-	-	-
Assigned reported in:				
Special revenue funds	-	711,656	-	-
Unassigned (deficit), reported in:				
General fund	8,403,962	-	-	-
Special revenue funds	-	-	-	-
<b>Total fund balances</b>	<b>8,418,304</b>	<b>711,656</b>	<b>787,750</b>	<b>639,299</b>
<b>Total liabilities and fund balances</b>	<b>\$ 16,484,563</b>	<b>\$ 711,656</b>	<b>\$ 6,548,064</b>	<b>\$ 1,101,487</b>

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

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<b>Nonmajor Governmental Funds</b>	<b>Totals</b>
\$10,738,146	\$ 21,431,797
499	1,305
410,409	410,409
409,670	6,632,071
957,279	4,246,341
-	2,670,379
-	1,954,281
-	14,342
	848
<u>\$12,516,003</u>	<u>\$ 37,361,773</u>

\$ 619,716	\$ 3,354,109
82,276	2,493,865
2,274,038	2,274,038
-	-
-	2,367,882
<u>2,976,030</u>	<u>10,489,894</u>
<u>409,670</u>	<u>7,184,567</u>
<u>3,385,700</u>	<u>17,674,461</u>

-	14,342
7,638,653	9,065,702
12,082	12,082
4,056,372	4,768,028
-	8,403,962
(2,576,804)	(2,576,804)
<u>9,130,303</u>	<u>19,687,312</u>
<u>\$12,516,003</u>	<u>\$ 37,361,773</u>

**City of Ceres, California**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2021**

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<b>Total fund balances - total governmental funds</b>		<b>\$ 19,687,312</b>
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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.		81,378,939
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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	\$ (1,719,157)	
Due after one year	(338,910)	
Net pension obligation	<u>(39,455,915)</u>	(41,513,982)

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.		6,632,072
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Pension obligations result in deferred outflows and inflows of resources associated with actuarial value of contributions, assets, and liabilities		
Deferred outflows	13,971,344	
Deferred inflows	<u>(2,428,676)</u>	11,542,668

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	4,473,477	
Noncurrent assets	3,000,463	
Accounts payable and accrued liabilities	(474,928)	
Long-term liabilities	<u>(1,141,687)</u>	5,857,325
<b>Net position of governmental activities</b>		<b><u><u>\$ 83,584,334</u></u></b>

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, 2021

	Governmental Funds Balance Sheet	Reclassifications	Internal Service Funds	Changes in GAAP	Statement of Net Position
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 21,431,797	\$ -	\$ 4,472,477	\$ -	\$ 25,904,274
Receivables:					
Interest	1,305	-	-	-	1,305
Intergovernmental	410,409	-	-	-	410,409
Other receivable	4,246,341	-	1,000	-	4,247,341
Due from other funds	2,670,379	(2,670,379)	-	-	-
Prepaid items	14,342	-	-	-	14,342
<b>Total current assets</b>	<b>28,774,573</b>	<b>(2,670,379)</b>	<b>4,473,477</b>	<b>-</b>	<b>30,577,671</b>
<b>Noncurrent assets:</b>					
Advances to(from) fiduciary activities	1,954,281	-	-	-	1,954,281
Loans/Notes receivable	6,632,071	-	-	(552,495)	6,079,576
Capital assets, net	-	-	3,000,463	81,378,939	84,379,402
<b>Total noncurrent assets</b>	<b>8,587,200</b>	<b>-</b>	<b>3,000,463</b>	<b>80,826,444</b>	<b>92,414,107</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows: Pension Plan	-	-	-	13,971,344	13,971,344
<b>Total assets and deferred outflows of resources</b>	<b>\$ 37,361,773</b>	<b>\$ (2,670,379)</b>	<b>\$ 7,473,940</b>	<b>\$ 94,797,788</b>	<b>\$ 136,963,122</b>
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 3,354,109	\$ -	\$ 78,587	\$ -	\$ 3,432,696
Deposits payable	2,493,865	-	-	-	2,493,865
Due to other funds	2,274,038	(2,670,379)	396,341	-	-
<b>Total current liabilities</b>	<b>8,122,012</b>	<b>(2,670,379)</b>	<b>474,928</b>	<b>-</b>	<b>5,926,561</b>
<b>Noncurrent liabilities:</b>					
Long-term debt:					
Advances from other funds	2,367,882	-	-	-	2,367,882
Compensated absences	-	-	122,891	1,719,157	1,842,048
Due after one year	-	-	-	338,910	338,910
Liability for claims	-	-	1,018,796	-	1,018,796
Net pension obligation	-	-	-	39,455,915	39,455,915
<b>Total noncurrent liabilities</b>	<b>2,367,882</b>	<b>-</b>	<b>1,141,687</b>	<b>41,513,982</b>	<b>45,023,551</b>
<b>Total liabilities</b>	<b>10,489,894</b>	<b>(2,670,379)</b>	<b>1,616,615</b>	<b>41,513,982</b>	<b>50,950,112</b>
Deferred inflows: Grants	6,632,072	-	-	(6,632,072)	-
Deferred inflows: Unavailable revenue	552,495	-	-	(552,495)	-
Deferred inflows: Pension plan	-	-	-	2,428,676	2,428,676
<b>Total liabilities and deferred inflows</b>	<b>17,674,461</b>	<b>(2,670,379)</b>	<b>1,616,615</b>	<b>36,758,091</b>	<b>53,378,788</b>
<b>FUND BALANCES/NET POSITION</b>					
<b>Fund balances:</b>					
Nonspendable	14,342	(14,342)	-	-	-
Restricted	9,065,702	(9,065,702)	-	-	-
Committed	12,082	(12,082)	-	-	-
Assigned	4,768,028	(4,768,028)	-	-	-
Unassigned	5,827,158	(5,827,158)	-	-	-
<b>Net position:</b>					
Net investment in capital assets	-	-	3,000,463	80,487,534	83,487,997
Restricted	-	-	-	9,065,702	9,065,702
Unrestricted	-	19,687,312	2,856,862	(31,513,539)	(8,969,365)
<b>Total fund balances/ net position</b>	<b>19,687,312</b>	<b>-</b>	<b>5,857,325</b>	<b>58,039,697</b>	<b>83,584,334</b>
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 37,361,773</b>	<b>\$ (2,670,379)</b>	<b>\$ 7,473,940</b>	<b>\$ 94,797,788</b>	<b>\$ 136,963,122</b>

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, 2021**

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Street Expansion Special Revenue</b>	<b>Home Program Grants Special Revenue</b>	<b>CDBG Grants Special Revenue</b>
<b>REVENUES:</b>				
Property and other taxes	\$ 17,393,983	\$ -	\$ -	\$ -
Licenses and permits	1,838,076	-	-	-
Fines, forfeitures and penalties	56,237	-	-	-
Charges for services	1,455,796	-	-	-
Intergovernmental	1,449,972	357,291	503,300	8,558
Use of money and property	161,013	3,865	-	2,815
Other revenues	45,035	-	11,421	-
<b>Total revenues</b>	<b>22,400,112</b>	<b>361,156</b>	<b>514,721</b>	<b>11,373</b>
<b>EXPENDITURES:</b>				
Current:				
General government	2,096,332	-	-	-
Public safety	15,760,675	-	-	-
Engineering and Transportation	74,560	3,263	-	-
Public works	320,112	-	-	-
Community services	2,625,385	-	-	-
Economic development	-	-	100,000	824
Capital outlay	14,673	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<b>20,891,737</b>	<b>3,263</b>	<b>100,000</b>	<b>824</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,508,375</b>	<b>357,893</b>	<b>414,721</b>	<b>10,549</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	837,071	-	-	-
Transfers out	(314,045)	-	-	-
<b>Total other financing sources (uses)</b>	<b>523,026</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>2,031,401</b>	<b>357,893</b>	<b>414,721</b>	<b>10,549</b>
<b>FUND BALANCES:</b>				
Beginning of year	6,386,903	353,763	373,029	628,750
End of year	\$ 8,418,304	\$ 711,656	\$ 787,750	\$ 639,299

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

<b>Other Governmental Funds</b>		<b>Totals</b>	
\$	5,656,453	\$	23,050,436
	-		1,838,076
	57,485		113,722
	142,871		1,598,667
	8,862,952		11,182,073
	74,094		241,787
	2,250		58,706
	14,796,105		38,083,467
	2,200,446		4,296,778
	4,005,895		19,766,570
	475,763		553,586
	1,170,226		1,490,338
	632,329		3,257,714
	16,989		117,813
	5,240,781		5,255,454
	106,409		106,409
	12,570		12,570
	13,861,408		34,857,232
	934,697		3,226,235
	15,419		852,490
	(859,129)		(1,173,174)
	(843,710)		(320,684)
	90,987		2,905,551
	9,039,316		16,781,761
\$	9,130,303	\$	19,687,312

# City of Ceres, California

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

For the year ended June 30, 2021

Functions/Programs	Fund Based Totals	Debt/ Compensated Absences	Deferred Revenue	Depreciation	Capital Asset (Additions)/ Retirements	Pension Plan	Internal Service Funds	Government- wide Totals
<b>Governmental activities:</b>								
General government	\$ 4,296,778	\$ 214,585	\$ 554,441	\$ 1,926,175	\$ -	679,615		\$ 7,671,594
Public safety	19,766,570	-	-	308,418	-	3,126,455	-	23,201,443
Engineering and Transportation	553,586	-	-	-	-	87,560	-	641,146
Public works	1,490,338	-	-	3,285,939	923,268	235,725	(758,369)	5,176,901
Community services	3,257,714	-	-	18,049	-	515,269	-	3,791,032
Economic development	117,813	-	-	71,467	-	18,634	-	207,914
Capital outlay	5,255,454	-	-	-	(5,255,454)	-	-	-
Debt service/Interest	118,979	(106,409)	-	-	-	-	-	12,570
<b>Total governmental activities</b>	<b>\$ 34,857,232</b>	<b>\$ 108,176</b>	<b>\$ 554,441</b>	<b>\$ 5,610,048</b>	<b>\$ (4,332,186)</b>	<b>\$ 4,663,258</b>	<b>\$ (758,369)</b>	<b>\$ 40,702,600</b>

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, 2021

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<b>Net change in fund balances - total governmental funds</b>	<b>\$ 2,905,551</b>
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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	\$ 4,332,186	
Depreciation expense	<u>(5,610,048)</u>	(1,277,862)

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.

106,409

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	(214,585)	
Change in pension expense	<u>(4,663,258)</u>	(4,877,843)

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	(554,441)
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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.

1,232,868
(474,499)
15,735
<u>774,104</u>

<b>Change in net position of governmental activities</b>	<b>\$ <u>(2,924,082)</u></b>
--	------------------------------

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, 2021

	General Fund			
	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property and other taxes	\$ 16,885,949	16,885,949	\$ 17,393,983	\$ 508,034
Licenses and permits	2,232,300	2,232,300	1,838,076	(394,224)
Fines, forfeitures and penalties	76,000	76,000	56,237	(19,763)
Charges for services	1,904,500	1,730,289	1,455,796	(274,493)
Intergovernmental	1,480,309	1,483,543	1,449,972	(33,571)
Use of money and property	139,100	105,374	161,013	55,639
Other revenues	52,000	52,000	45,035	(6,965)
Total revenues	22,770,158	22,565,455	22,400,112	(165,343)
EXPENDITURES:				
Current:				
General government	2,748,780	2,998,386	2,096,332	902,054
Public safety	19,497,619	19,503,278	15,760,675	3,742,603
Engineering and Transportation	114,111	114,980	74,560	40,420
Public works	357,624	357,714	320,112	37,602
Community services	2,890,540	2,774,018	2,625,385	148,633
Capital outlay	-	46,877	14,673	32,204
Total expenditures	25,608,674	25,795,253	20,891,737	4,903,516
REVENUES OVER (UNDER) EXPENDITURES	(2,838,516)	(3,229,798)	1,508,375	4,738,173
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of assets	-	-	-	-
Transfers in	828,386	828,386	837,071	8,685
Transfers out	(315,603)	(315,603)	(314,045)	1,558
Total other financing sources (uses)	512,783	512,783	523,026	10,243
Net change in fund balances	(2,325,733)	(2,717,015)	2,031,401	4,748,416
FUND BALANCES:				
Beginning of year	6,386,903	6,386,903	6,386,903	-
End of year	\$ 4,061,170	\$ 3,669,888	\$ 8,418,304	\$ 4,748,416

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

Street Expansion Special Revenue Fund			
Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
Original	Final		
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
250,000	250,000	357,291	107,291
20,000	20,000	3,865	(16,135)
-	-	-	-
270,000	270,000	361,156	91,156
-	-	-	-
-	-	-	-
20,000	605,411	3,263	602,148
-	-	-	-
-	-	-	-
-	-	-	-
20,000	605,411	3,263	602,148
250,000	(335,411)	357,893	693,304
-	-	-	-
-	-	-	-
-	-	-	-
250,000	(335,411)	357,893	693,304
353,763	353,763	353,763	-
\$ 603,763	\$ 18,352	\$ 711,656	\$ 693,304

(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, 2021

	Home Program Grants Special Revenue Fund		
	Budgeted Amounts		Variance w/Final
	Original	Final	Positive (Negative)
<b>REVENUES:</b>			
Property and other taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Fines, forfeitures and penalties	-	-	-
Charges for services	-	-	-
Intergovernmental	1,200	1,200	503,300
Use of money and property	-	-	-
Other revenues	-	-	11,421
<b>Total revenues</b>	<u>1,200</u>	<u>1,200</u>	<u>514,721</u>
<b>EXPENDITURES:</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Engineering and Transportation	-	-	-
Public works	-	-	-
Community services	-	-	-
Economic development	120,140	120,140	100,000
Capital outlay	-	-	-
<b>Total expenditures</b>	<u>120,140</u>	<u>120,140</u>	<u>100,000</u>
<b>REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<u>(118,940)</u>	<u>(118,940)</u>	<u>414,721</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(118,940)</u>	<u>(118,940)</u>	<u>414,721</u>
<b>FUND BALANCES (DEFICIT):</b>			
Beginning of year	<u>373,029</u>	<u>373,029</u>	<u>373,029</u>
End of year	<u>\$ 254,089</u>	<u>\$ 254,089</u>	<u>\$ 787,750</u>

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

CDBG Grants Special Revenue Fund			
Budgeted Amounts		Actual	Variance w/Final
Original	Final		Positive (Negative)
\$ -	\$ -	\$ -	\$ -
-	-	-	-
-	-	-	-
-	-	-	-
152,250	152,250	8,558	(143,692)
4,250	4,250	2,815	(1,435)
-	-	0	-
156,500	156,500	11,373	(145,127)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
302,950	537,893	824	537,069
235,000	235,000	-	235,000
537,950	772,893	824	772,069
(381,450)	(616,393)	10,549	626,942
-	-	-	-
-	-	-	-
-	-	-	-
(381,450)	(616,393)	10,549	626,942
628,750	628,750	628,750	-
\$ 247,300	\$ 12,357	\$ 639,299	\$ 626,942

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## PROPRIETARY FUNDS

<b>Fund</b>	<b>Description</b>
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, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	STANCOG	Totals	Totals
<b>Current assets:</b>					
Cash and investments	\$ 17,008,399	\$ 16,550,208	\$ 553,973	\$ 34,112,580	\$ 4,472,477
Cash and investments with trustee/fiscal agent	20,000,566	-	-	20,000,566	-
Accounts receivable (net of uncollectible)	1,237,296	897,401	-	2,134,697	1,000
Interest receivable	1,310	747	26	2,083	-
Total current assets	38,247,571	17,448,356	553,999	56,249,926	4,473,477
<b>Non-current assets:</b>					
Property, plant and equipment	31,944,810	29,629,346	-	61,574,156	8,560,040
Less accumulated depreciation	(12,874,212)	(14,681,082)	-	(27,555,294)	(5,559,577)
Property, plant, and equipment, net	19,070,598	14,948,264	-	34,018,862	3,000,463
Advances to other funds	-	2,367,882	-	2,367,882	-
Total non-current assets	19,070,598	17,316,146	-	36,386,744	3,000,463
<b>Total assets</b>	57,318,169	34,764,502	553,999	92,636,670	7,473,940
Deferred outflows: Pension Plan	1,170,560	1,163,947	15,792	2,350,299	-
<b>Total assets and deferred outflows</b>	\$ 58,488,729	\$ 35,928,449	\$ 569,791	\$ 94,986,969	\$ 7,473,940
<b>LIABILITIES AND NET POSITION</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 520,950	\$ 628,318	\$ 440	\$ 1,149,708	\$ 78,587
Deposits payable	525,994	-	-	525,994	-
Unearned revenue	66,220	1,307	-	67,527	-
Interest payable	12,412	16,582	-	28,994	-
Due to other funds	-	-	-	-	396,341
Current portion of long-term debt	149,000	263,000	-	412,000	-
Total current liabilities	1,274,576	909,207	440	2,184,223	474,928
<b>Long-term liabilities:</b>					
Compensated absences	160,344	206,711	-	367,055	122,891
Due after one year	23,388,600	5,568,000	-	28,956,600	-
Liability for claims	-	-	-	-	1,018,796
Net pension obligation	3,266,741	3,386,538	55,781	6,709,060	-
Total long-term liabilities	26,815,685	9,161,249	55,781	36,032,715	1,141,687
<b>Total liabilities</b>	28,090,261	10,070,456	56,221	38,216,938	1,616,615
Deferred inflows: Pension Plan	168,028	209,891	15,731	393,650	-
<b>Total liabilities and deferred inflows</b>	28,258,289	10,280,347	71,952	38,610,588	1,616,615
<b>Net Position:</b>					
Net investment in capital assets	(4,318,002)	9,380,264	-	5,062,262	3,000,463
Unrestricted	34,548,442	16,267,838	497,839	51,314,119	2,856,862
<b>Total net position</b>	30,230,440	25,648,102	497,839	56,376,381	5,857,325
<b>Total liabilities, deferred inflows, and net position</b>	\$ 58,488,729	\$ 35,928,449	\$ 569,791	\$ 94,986,969	\$ 7,473,940

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, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	STANCOG	Totals	Totals
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 15,946,068	\$ 10,151,804	\$ -	\$ 26,097,872	\$ -
Interdepartmental charges	-	-	-	-	7,299,738
Other operating	410,963	218,327	-	629,290	2,975
<b>Total operating revenues</b>	<b>16,357,031</b>	<b>10,370,131</b>	<b>-</b>	<b>26,727,162</b>	<b>7,302,713</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	2,920,179	2,930,782	5,135	5,856,096	1,839,613
Contractual and other services	695,222	482,650	9,449	1,187,321	377,949
Materials and supplies	10,041,398	4,434,278	-	14,475,676	1,231,833
Depreciation and amortization	952,422	868,338	-	1,820,760	474,499
Other operating costs	7,421,884	503,304	-	7,925,188	2,163,542
<b>Total operating expenses</b>	<b>22,031,105</b>	<b>9,219,352</b>	<b>14,584</b>	<b>31,265,041</b>	<b>6,087,436</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(5,674,074)</b>	<b>1,150,779</b>	<b>(14,584)</b>	<b>(4,537,879)</b>	<b>1,215,277</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Debt issuance costs	(224,793)	-	-	(224,793)	-
Investment income	201,748	114,192	4,220	320,160	1,856
Gain (Loss) on sale of assets	-	12,522	-	12,522	-
Settlement revenue	5,256,099	-	-	5,256,099	-
<b>Total non-operating revenues</b>	<b>5,233,054</b>	<b>126,714</b>	<b>4,220</b>	<b>5,363,988</b>	<b>1,856</b>
<b>NET INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(441,020)</b>	<b>1,277,493</b>	<b>(10,364)</b>	<b>826,109</b>	<b>1,217,133</b>
Transfers in	212,262	304,687	-	516,949	15,735
Transfers out	(212,000)	-	-	(212,000)	-
<b>Total Transfers</b>	<b>262</b>	<b>304,687</b>	<b>-</b>	<b>304,949</b>	<b>15,735</b>
<b>CHANGE IN NET POSITION</b>	<b>(440,758)</b>	<b>1,582,180</b>	<b>(10,364)</b>	<b>1,131,058</b>	<b>1,232,868</b>
<b>NET POSITION:</b>					
Beginning of year	30,671,198	24,065,922	508,203	55,245,323	4,624,457
End of year	<u>\$ 30,230,440</u>	<u>\$ 25,648,102</u>	<u>\$ 497,839</u>	<u>\$ 56,376,381</u>	<u>\$ 5,857,325</u>

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, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	STANCOG	Totals	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from interfund services provided	\$ -	\$ -	\$ -	\$ -	\$ 7,298,894
Cash receipts from customers	16,235,251	10,195,949	20,175	26,451,375	-
Cash payments to suppliers for goods and services	(17,786,217)	(4,924,878)	(104,979)	(22,816,074)	(1,721,513)
Cash payments to employees for services	(2,893,278)	(2,887,362)	(5,135)	(5,785,775)	(1,823,888)
Cash receipts (payments) for loss claims	-	-	-	-	(2,183,000)
<b>Net cash used by operating activities</b>	<b>(4,444,244)</b>	<b>2,383,709</b>	<b>(89,939)</b>	<b>(2,150,474)</b>	<b>1,570,493</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Other income received	(224,793)	-	-	(224,793)	-
Transfers received (paid)	262	530,865	-	531,127	411,841
Changes in pension obligations	418,762	422,770	-	841,532	-
Non-operating revenue received	5,256,099	-	-	5,256,099	-
<b>Net cash provided by noncapital financing activities</b>	<b>5,450,330</b>	<b>953,635</b>	<b>-</b>	<b>6,403,965</b>	<b>411,841</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
(Acquisition) Disposal and construction of capital assets	(4,146,944)	(641,282)	-	(4,788,226)	(885,663)
Proceeds from sale of capital assets	-	-	-	-	-
Interest paid	(2,428)	-	-	(2,428)	-
Payments on long-term debt	20,033,600	(254,000)	-	19,779,600	-
<b>Net cash (used) by capital and related financing activities</b>	<b>15,884,228</b>	<b>(895,282)</b>	<b>-</b>	<b>14,988,946</b>	<b>(885,663)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Investment income received	205,683	117,118	4,350	327,151	1,856
<b>Net cash provided by investing activities</b>	<b>205,683</b>	<b>117,118</b>	<b>4,350</b>	<b>327,151</b>	<b>1,856</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>17,095,997</b>	<b>2,559,180</b>	<b>(85,589)</b>	<b>19,569,588</b>	<b>1,098,527</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	19,912,968	13,991,028	639,562	34,543,558	3,373,950
End of year	<u>\$ 37,008,965</u>	<u>\$ 16,550,208</u>	<u>\$ 553,973</u>	<u>\$ 54,113,146</u>	<u>\$ 4,472,477</u>
Presentation in Statement of Net Position:					
Cash and investments	\$ 17,008,399	\$ 16,550,208	\$ 553,973	\$ 34,112,580	\$ 4,472,477
Cash and investments with trustee/fiscal agent	20,000,566	-	-	20,000,566	-
Total cash and investments	<u>\$ 37,008,965</u>	<u>\$ 16,550,208</u>	<u>\$ 553,973</u>	<u>\$ 54,113,146</u>	<u>\$ 4,472,477</u>
<b>Reconciliation of income (loss) from operations to net cash used by operating activities:</b>					
Operating income (loss)	\$ (5,674,074)	\$ 1,150,779	\$ (14,584)	\$ (4,537,879)	\$ 1,215,277
Adjustments to reconcile operating income (loss) to net cash used in operating activities:					
Depreciation and amortization	952,422	868,338	-	1,820,760	474,499
(Increase) decrease in current assets:					
Accounts receivable	(355,124)	(175,489)	20,175	(510,438)	(844)
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	372,287	495,354	(95,530)	772,111	18,133
Deposits payable	228,601	-	-	228,601	-
Unearned revenue	4,743	1,307	-	6,050	-
Compensated absences	26,901	43,420	-	70,321	15,725
Increase (decrease) in claims liability	-	-	-	-	(152,297)
<b>Net cash used by operating activities</b>	<b>\$ (4,444,244)</b>	<b>\$ 2,383,709</b>	<b>\$ (89,939)</b>	<b>\$ (2,150,474)</b>	<b>\$ 1,570,493</b>

There were no noncash investing, capital, or financing activities affecting recognized assets and liabilities for the year ended June 30, 2021.

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, 2021

	Successor Agencies Private Purpose Trust Funds	Westpointe Assessment District Debt Service Custodial Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 5,692,951	\$ 327,717
Cash and investments with trustee/fiscal agent	2,061,500	-
Interest receivable	280	15
Total current assets	<u>7,754,731</u>	<u>327,732</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>
Other assets:		
Deferred charges		
Total other assets	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u>22,469,249</u>	<u>327,732</u>
Deferred outflows: Pension plan	107,756	-
<b>Total assets and deferred outflows</b>	<u><u>\$ 22,577,005</u></u>	<u><u>\$ 327,732</u></u>
<b>LIABILITIES AND NET POSITION</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,065	\$ -
Interest payable	8,591	-
Compensated absences - current	14,812	-
Current portion of long term debt	1,662,415	-
Total current liabilities	<u>1,690,883</u>	<u>-</u>
Long-term liabilities:		
Advances from other government agencies	266,702	-
Advances from Governmental Activities	1,954,281	-
Due after one year	29,213,809	-
Net pension obligation	324,054	-
Total long-term liabilities	<u>31,758,846</u>	<u>-</u>
<b>Total liabilities</b>	<u>33,449,729</u>	<u>-</u>
Deferred inflows: Pension plan	36,652	-
<b>Total liabilities and deferred inflows</b>	<u>33,486,381</u>	<u>-</u>
<b>Net Position (Deficit):</b>		
Restricted for:		
Redevelopment Dissolution	(10,909,376)	-
Individuals, organizations, and other governments	-	327,732
<b>Total liabilities, deferred inflows, and net position</b>	<u><u>\$ 22,577,005</u></u>	<u><u>\$ 327,732</u></u>

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

# City of Ceres, California

## Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the year ended June 30, 2021

	Successor Agencies Private Purpose Trust Funds	Westpointe Assessment District Debt Service Custodial Fund
<b>ADDITIONS:</b>		
Property taxes	\$ 2,926,674	\$ -
Investment earnings	40,034	3,450
Other revenue	137,662	-
<b>Total additions</b>	<b>3,104,370</b>	<b>3,450</b>
<b>DEDUCTIONS:</b>		
General and administrative	42,719	-
Salaries and benefits	164,216	-
Contractual and other services	107,270	-
Materials and supplies	-	379,417
Interest and debt service expenses	599,791	-
<b>Total deductions</b>	<b>913,996</b>	<b>379,417</b>
<b>CHANGE IN FIDUCIARY NET ASSETS</b>	<b>2,190,374</b>	<b>(375,967)</b>
<b>NET POSITION (DEFICIT):</b>		
Beginning of year	(13,099,750)	703,699
End of year	<u>\$ (10,909,376)</u>	<u>\$ 327,732</u>

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, 2021**

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**City of Ceres, California**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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**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, 2021**

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**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, 2021**

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**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, 2021**

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**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, 2021**

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**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, 2021**

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**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, 2021**

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**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, 2021**

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**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, 2021**

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**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:

<u>Years of Service</u>	<u>Annual Vacation Earned</u>
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, 2021**

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**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, 2021**

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**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, 2021**

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**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, 2021**

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**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, 2021, were not significant.

Appropriations lapse at the end of the fiscal year and then are re-budgeted for the coming year.

Under Article XIII B 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, 2021, 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, 2021**

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**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, 2021**

**2. CASH AND INVESTMENTS**

At June 30, 2021, the City's pooled cash and investments, classified by maturity, consisted of the following stated at fair market value:

	Maturities (in years)				Fair		
	< 1	1 to 2	> 2	Deposits	Market Value		
<u>Cash equivalents and investments pooled</u>							
Pooled cash, at fair value:							
Cash in bank	\$ -	\$ -	\$ -	\$ 42,422,571	\$ 42,422,571		
Petty cash	-	-	-	4,250	4,250		
Total pooled items	-	-	-	42,426,821	42,426,821		
Pooled investments, at fair value							
<u>Interest obligations</u>							
<u>Par</u>	<u>Rtae</u>						
\$4,446,000	1.4 - 3.3%	Domestic Time Deposits	2,228,000	2,218,000	-	-	4,446,000
\$8,500,000	.070 - 2.375%	US Government Agency Securities	-	499,528	8,010,488	-	8,510,016
\$1,000,000	2.503%	Corporates Securities	-	1,013,290	-	-	1,013,290
Municipal Investor Account			27,191,901	-	-	-	27,191,901
State of California Local Agency Investment Fund			4,511,560	-	-	-	4,511,560
Total pooled investments - interest obligations			33,931,461	3,730,818	8,010,488	-	45,672,767
Total cash equivalents and investments pooled			\$ 33,931,461	\$ 3,730,818	\$ 8,010,488	\$ 42,426,821	\$ 88,099,588
Amounts reported in:							
Government activities							\$ 25,904,274
Business-type activities:							
Unrestricted cash and investments							34,112,580
Cash and investments with trustee/fiscal agent							20,000,566
Fiduciary activities:							
Unrestricted cash and investments							6,020,668
Cash and investments with trustee/fiscal agent							2,061,500
Total							\$ 88,099,588

Investment Type	Fair Value	Maturity (in years)
Domestic Time Deposits	\$ 4,446,000	1.08
US Governments Agency Securities	8,510,016	3.65
Corporate Securities	1,013,290	1.31
Municipal Investor Account	27,191,901	0.00
Local Agency Investment Fund	4,511,560	0.00
Total fair value	\$ 45,672,767	

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, 2021, 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, 2021**

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**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, 2021, 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 2.31% 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, 2021, the carrying amount of the City’s deposits was \$42,422,571 and the balance in financial institutions was \$46,722,088. Of the balance in financial institutions, \$500,000 was covered by federal depository insurance and \$46,222,088 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, 2021, 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, 2021**

**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, 2021 was \$37,066,592,514 of which the City had a balance of \$4,511,560. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2021 has a portfolio with market valuation of \$193,463,490 thousand. Of the total invested, 97.69% was invested in non-derivative financial products and 2.31% 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, 2021:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Current:				
Accounts	\$ -	\$ 2,134,697	\$ -	\$ 2,134,697
Taxes	-	-	-	-
Interest	1,305	2,083	-	3,388
Intergovernmental	410,409	-	-	410,409
Other receivable	4,573,762	-	-	4,573,762
Total current	4,985,476	2,136,780	-	7,122,256
Noncurrent:				
Loans receivable	6,079,576	-	2,214,371	8,293,947
Total noncurrent	6,079,576	-	2,214,371	8,293,947
Total receivables	\$ 11,065,052	\$ 2,136,780	\$ 2,214,371	\$ 15,416,203

These amounts resulted in the following concentrations in receivables:

Other Governments	2.66%
Individuals/Businesses	67.65%
Financial	0.02%
Other	29.67%

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, 2021**

**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, 2021, consisted of the following:

Description	Beginning July 1, 2020	Additions	(Deletions)	Ending June 30, 2021
First-Time Homebuyer Loans	\$ 2,614,144	\$ -	\$ (294,609)	\$ 2,319,535
Housing Rehabilitation Loans:				
CDBG Loan	221,327	-	(1,930)	219,397
Emergency Repair Loan	332,752	-	(1,043)	331,709
Begin Home Grant	666,530	-	(256,860)	409,670
Total Housing Rehabilitation Loans	1,220,609	-	(259,833)	960,776
Whitmore Oaks	865,361	-	-	865,361
Della Tiara	2,486,399	-	-	2,486,399
Total loans receivable	\$ 7,186,513	\$ -	\$ (554,442)	\$ 6,632,071

The following is a summary of the loans and notes receivable outstanding as of June 30, 2021:

**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, 2021 were \$2,319,535.

**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, 2021 were \$960,776.



**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**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, 2021 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 2020, 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, 2021 was \$2,486,399.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**5. CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<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	40,277,593	784,149	-	41,061,742
Machinery & equipment	18,282,764	1,078,141	(585,184)	18,775,721
Infrastructure	104,077,459	2,422,298	-	106,499,757
Total depreciable assets	<u>162,637,816</u>	<u>4,284,588</u>	<u>(585,184)</u>	<u>166,337,220</u>
Total	<u>177,391,009</u>	<u>4,284,588</u>	<u>(585,184)</u>	<u>181,090,413</u>
Accumulated depreciation:				
Buildings and improvements	(16,900,919)	(1,473,192)	-	(18,374,111)
Machinery & equipment	(12,676,673)	(973,554)	585,184	(13,065,043)
Infrastructure	(62,108,555)	(3,163,302)	-	(65,271,857)
Total accumulated depreciation	<u>(91,686,147)</u>	<u>(5,610,048)</u>	<u>585,184</u>	<u>(96,711,011)</u>
Net depreciable assets	<u>70,951,669</u>	<u>(1,325,460)</u>	<u>-</u>	<u>69,626,209</u>
Total net capital assets	<u>\$ 85,704,862</u>	<u>\$ (1,325,460)</u>	<u>\$ -</u>	<u>\$ 84,379,402</u>

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

General government	\$ 1,926,175
Public safety	308,418
Public works	3,285,939
Community services	18,049
Economic development	<u>71,467</u>
Total	<u>\$ 5,610,048</u>

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**5. CAPITAL ASSETS, Continued**

Capital asset activity for business-type activities for the year ended June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
<u>Business-type activities:</u>				
Nondepreciable assets:				
Land	\$ 1,783,812	\$ 1,508,006	\$ -	\$ 3,291,818
Total nondepreciable assets	<u>1,783,812</u>	<u>1,508,006</u>	<u>-</u>	<u>3,291,818</u>
Depreciable assets:				
Buildings and improvements	9,510,944	-	-	9,510,944
Machinery & equipment	6,576,131	26,175	-	6,602,306
Infrastructure	38,902,522	3,266,566	-	42,169,088
Total depreciable assets	<u>54,989,597</u>	<u>3,292,741</u>	<u>-</u>	<u>58,282,338</u>
Total	<u>56,773,409</u>	<u>4,800,747</u>	<u>-</u>	<u>61,574,156</u>
Accumulated depreciation:				
Buildings and improvements	(5,761,134)	(291,630)	-	(6,052,764)
Machinery & equipment	(5,147,965)	(273,000)	-	(5,420,965)
Infrastructure	(14,825,435)	(1,256,130)	-	(16,081,565)
Total accumulated depreciation	<u>(25,734,534)</u>	<u>(1,820,760)</u>	<u>-</u>	<u>(27,555,294)</u>
Net depreciable assets	<u>29,255,063</u>	<u>1,471,981</u>	<u>-</u>	<u>30,727,044</u>
Total net capital assets	<u>\$ 31,038,875</u>	<u>\$ 2,979,987</u>	<u>\$ -</u>	<u>\$ 34,018,862</u>

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

Water	\$ 952,422
Sewer	868,338
STANCOG	-
Total	<u>\$ 1,820,760</u>

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consisted of the following at June 30, 2021:

	Governmental Activities	Business-type Activities	Fiduciary Activities	Total
Accounts payable	\$ 2,397,389	\$ 1,149,708	\$ 5,065	\$ 3,552,162
Accrued payroll and related liabilities	1,361,728	-	-	1,361,728
Total	<u>\$ 3,759,117</u>	<u>\$ 1,149,708</u>	<u>\$ 5,065</u>	<u>\$ 4,913,890</u>

These amounts resulted in the following concentrations in payables:

Vendors	72%
Employees	28%

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, 2021:

**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, 2021, 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, 2021**

**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, 2021:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due Within One Year
<b><u>Business-type Activities:</u></b>					
2020 Water Refunding Bonds	\$ 3,504,000	\$ -	\$ (145,000)	\$ 3,359,000	\$ 149,000
2020 Water Revenue Bonds	-	20,280,000	-	20,280,000	-
Bond discount	-	(101,400)	-	(101,400)	-
2020 Wastewater Refunding Bonds	6,085,000	-	(254,000)	5,831,000	263,000
Total business-type activities	<u>\$ 9,589,000</u>	<u>\$ 20,178,600</u>	<u>\$ (399,000)</u>	<u>\$ 29,368,600</u>	<u>\$ 412,000</u>

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

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. On March 1, 2020, the City issued \$3,658,000 principal amount of 2021 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. The bonds mature annually through June 1, 2038, in amounts ranging from \$145,000 to \$251,000. The interest rate is 3.27% 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 outstanding balance at June 30, 2021 is \$3,359,000.

**2020 Water Revenue Bond – Original Issue \$20,280,000**

On March 1 2021, The City issues \$20,280,000 principal amount of 2020 Water Revenue Bonds, Interim Financing to finance a portion of the initial design and construction costs of a Regional Water Supply Project and to pay costs incurred in connection with the issuance of the Bonds. The principal of the bonds are payable annually starting on June 1, 2023 through June 1, 2050, in amounts ranging from \$675,000 to \$775,000. The interest rate is 0.50% 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 outstanding balance at June 30, 2021 is \$20,280,000.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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

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

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. 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. The principal of the bonds are payable annually starting on June 1, 2020 through June 1, 2038, in amounts ranging from \$270,000 to \$438,000. The interest rate is 3.27% 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 outstanding balance at June 30, 2021 is \$5,831,000.

Future debt service at June 30, 2021, is as follows for all remaining debt except claims liabilities:

Year Ending June 30,	Business-type Activities					
	2020 Water Refunding Bonds		2020 Water Revenue Bonds		2020 Wastewater Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 149,000	\$ 109,839	\$ -	\$ 101,400	\$ 263,000	\$ 190,674
2023	154,000	104,967	675,000	101,400	272,000	182,074
2024	163,000	99,931	680,000	98,025	281,000	173,179
2025	167,000	94,601	685,000	94,625	289,000	163,991
2026	171,000	89,140	685,000	91,200	297,000	154,540
2027-2031	948,000	357,607	3,485,000	404,200	1,643,000	620,025
2032-2036	1,110,000	192,603	3,575,000	316,150	1,925,000	33,867
2037-2041	497,000	24,460	3,665,000	225,900	861,000	42,477
2042-2046	-	-	3,755,000	133,400	-	-
2047-2051	-	-	3,075,000	38,525	-	-
Total	<u>\$ 3,359,000</u>	<u>\$ 1,073,148</u>	<u>\$ 20,280,000</u>	<u>\$ 1,604,825</u>	<u>\$ 5,831,000</u>	<u>\$ 1,560,827</u>
Due within one year	\$ 149,000	\$ 109,839	\$ -	\$ 101,400	\$ 263,000	\$ 190,674
Due after one year	<u>3,210,000</u>	<u>963,309</u>	<u>20,280,000</u>	<u>1,503,425</u>	<u>5,568,000</u>	<u>1,370,153</u>

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**9. NET POSITION/ FUND BALANCES**

**Net Position**

	Governmental Activities	Business-type Activities	Totals
Net investment in capital assets	\$ 83,487,997	\$ 5,062,262	\$ 88,550,259
Restricted	9,065,702	-	9,065,702
Unrestricted	(8,968,506)	51,314,119	42,345,613
Total	<u>\$ 83,585,193</u>	<u>\$ 56,376,381</u>	<u>\$ 139,961,574</u>

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

**Fund Balance**

Nonspendable, Restricted and Committed fund balance consisted of the following at June 30, 2021:

Nonspendable:	
Prepaid items	\$ 14,342
Total nonspendable	<u>\$ 14,342</u>
Restricted for:	
Home Program	\$ 787,750
CDBG Programs	639,299
Storm Drain Benefit Districts	817,219
Eastgate Street Benefit District	69,550
BEGIN Grant Program	387,844
Program Income BEGIN	228,437
Measure H Income	1,734,762
SLESF	27,690
Dept of Conservation Grant	68,422
Fire Hydrant Benefit District	128,697
Transportation Development Act	27,050
Ceres Community Foundation	142,751
Measure L	3,180,052
Road Maintenance and Rehab	826,179
Total restricted	<u>\$ 9,065,702</u>
Committed:	
Community Facilities District	\$ 12,082
Total committed	<u>\$ 12,082</u>

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**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, 2021**

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**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* - \$105,067 – resulted from the depletion of the fund balance through operational expenditures.

*Street Light - Landscape District* - \$187,538 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, 2021**

**9. NET POSITION/ FUND BALANCES, Continued**

*CMAQ* – \$250,181 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* - \$1,934,847 resulted from operational costs in excess of revenues. The City plans to address this deficit in the next fiscal year.

*Daniel Whitmore House* - \$121 resulted from the advance of funds from the City with revenues to be received in future years.

*RiverBluff Regional Park* - \$24,546 resulted from the advance of funds from the City with revenues to be received in future years.

*Clinton Whitmore Mansion* - \$70,241 resulted from the advance of funds from the City with revenues to be received in future years.

*SB2 Planning Grants Program Fund* - \$263 resulted from depletion of the fund balance through operational expenditures.

**Excess of Expenditures and Transfers Over Appropriations:** Expenditures and transfers exceeded appropriations for the year ended June 30, 2021, 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:			
Neighborhood Park Fees	\$ 45,550	\$ 862,126	\$ (816,576)
SLESF	-	138,683	(138,683)
Street-Light Landscape District	504,596	547,775	(43,179)
Traffic Safety	-	57,485	(57,485)
Department of Conservation Grant	-	3,961	(3,961)
Transportation Development Act	2,500	3,077	(577)
LLEBG	-	40,255	(40,255)
Clinton Whitmore Mansion	15,620	23,914	(8,294)

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**10. INTERFUND TRANSACTIONS**

Due to and due from other funds consisted of the following as of June 30, 2021:

	Due from Other Funds	Due to Other Funds
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 2,670,379	\$ -
Total Major Funds	<u>2,670,379</u>	<u>-</u>
Non-major Funds:		
Special Revenue Funds:		
State Gas Tax	-	92,390
Street Light-Landscape District	-	170,390
Traffic Safety	-	23,694
CMAQ	-	19,992
Transportation Development Act	-	21,014
Community Center	-	1,847,536
RiverBluff Regional Park	-	24,546
Clinton Whitmore Mansion	-	74,213
SB2 Planning Grants Program Fund	-	263
Total Non-major Special Revenue Funds	<u>-</u>	<u>2,274,038</u>
Total Non-major Funds	<u>-</u>	<u>2,274,038</u>
Internal Service Funds:		
Equipment Revolving	-	396,106
Risk Management	-	235
Total Governmental Activities	<u>\$ 2,670,379</u>	<u>\$ 2,670,379</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, 2021**

**10. INTERFUND TRANSACTIONS, Continued**

Activity for advances for the year ended June 30, 2021, was as follows:

	Advances to Other Funds	Advances from Other Funds
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 1,954,281	\$ -
Total Governmental Activities	<u>1,954,281</u>	<u>-</u>
<u>Successor Agency</u>		
CRA	-	1,422,787
SCRC	-	531,494
Total Successor Agency	<u>-</u>	<u>1,954,281</u>
Total Advances	<u>\$ 1,954,281</u>	<u>\$ 1,954,281</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, 2021**

**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, 2021:

	Transfers In	Transfers Out
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 837,071	\$ 314,045
Total Major Funds	<u>837,071</u>	<u>314,045</u>
Non-major Funds:		
Special Revenue Funds:		
Measure H	8,336	152,000
State Gas Tax	229	-
Community Facilities District	-	671,438
Community Center	62	-
Daniel Whitmore House	6,792	-
CARES Act	-	35,691
Total Non-major Special Revenue Funds	<u>15,419</u>	<u>859,129</u>
Total Non-major Funds	<u>15,419</u>	<u>859,129</u>
Internal Service Funds		
Equipment Revolving	78	-
Information Technology	5,038	-
Building Maintenance	10,619	-
Total Governmental Activities	<u>868,225</u>	<u>1,173,174</u>
<u>Proprietary Funds</u>		
Water	212,262	212,000
Sewer	304,687	-
Total Proprietary Funds	<u>516,949</u>	<u>212,000</u>
Total Transfers	<u>\$ 1,385,174</u>	<u>\$ 1,385,174</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, 2021**

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**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, 2021, the most recent available, is presented below:

Total assets	\$	150,621,596
Total liabilities		129,774,819
Total equities		20,846,777
Total revenues		55,391,674
Total expenses		54,084,619
Revenues over (under) expenses		1,307,055

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 2020-2021, 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, 2021**

**11. RISK MANAGEMENT, Continued**

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

<u>Fiscal Year</u>	<u>Beginning of Year Liability</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments for Current and Prior Years</u>	<u>End of Year Liability</u>
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
2020-2021	1,171,093	2,104,386	(2,256,683)	1,018,796

**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, 2021**

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**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, 2021**

**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 2	27.81%	4.63-11.67%
General Tier 4	18.51%	3.32-7.96%
General Tier 5	32.21%	5.41-12.96%
General Tier 6	28.06%	8.63%
Safety Tier 5	48.61%	7.54-17.21%
Safety Tier 6	42.87%	14.11%

**Contributions**

The City's contributions to StanCERA for the fiscal year ended June 30, 2021, 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.

<u>Fiscal Year End</u>	<u>Contributions</u>
June 30, 2020	\$ 5,910,578
June 30, 2021	5,676,413

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 78.85% actuarially funded as of June 30, 2021.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**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, 2019 rolled forward to June 30, 2020 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, 2021 actuarial valuations was determined using the following actuarial assumptions:

Actuarial Assumptions	
Valuation date	June 30, 2019
Measurement date	June 30, 2020
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 2020 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, 2021**

**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, 2021 are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	2021 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, 2021, the City reported net pension liabilities for its proportionate share of the net pension liability of the Plan of \$46,489,029.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**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, 2021, 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, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension 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, 2021 and 2020 was 5.7019% and 5.5842% respectively.

For the year ended June 30, 2021, the City recognized pension expense of \$10,319,238. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Pension contributions subsequent to measurement date	\$ 5,676,414	\$ -
Differences between actual and expected experience	2,252,093	277,614
Changes in proportions	1,913,950	1,003,577
Differences between the employer's contributions and the employer's proportionate share of the contributions	234,792	2,423
Net differences between projected and actual earnings on plan investments	6,352,150	-
Changes in assumptions	-	1,575,364
Total	<u>\$ 16,429,399</u>	<u>\$ 2,858,978</u>

\$5,676,414 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended 30-Jun	
2021	\$ 905,951
2022	2,181,643
2023	2,769,256
2024	2,037,158
2025	-
Thereafter	-

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**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	\$ 70,547,617	\$ 46,489,029	\$ 26,849,218

*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, 2021 as follows:

Revenues	\$ 46,717
Expenditures:	
Public safety	<u>36,637</u>
Revenues (under) expenditures	10,080
Fund balances:	
Beginning balance	<u>72,834</u>
Ending balance	<u><u>\$ 82,914</u></u>

AVA expenditures for 2021 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, 2021**

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**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, 2021**

**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, 2021 for the Successor Agency, consisted of the following:

Description	Beginning July 1, 2020	Additions	(Deletions)	Ending June 30, 2021
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
Della Tiara	633,000	-	-	633,000
Total loans receivable	<u>\$ 2,214,371</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,214,371</u>

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**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, 2021:

**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, 2021 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, 2021 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, 2021 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, 2021 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 2020, 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, 2021 was \$633,000.



**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

**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, 2021:

	Balance July 1, 2020	Transfers/ Additions	Retirements	Balance June 30, 2021	Due Within One Year
<b><u>Fiduciary Activities:</u></b>					
2000 SCRC Tax Allocation Bonds	\$ 850,000	\$ -	\$ (55,000)	\$ 795,000	\$ 60,000
2015 Successor CRA Tax Allocation Refunding Bonds	7,010,000	-	(315,000)	6,695,000	325,000
Bond premium	196,313		(12,270)	184,043	12,270
2020 CRA Non-Housing Refunding Tax Allocation Bonds	20,615,000	-	(1,165,000)	19,450,000	1,015,000
Bond premium	4,002,326	-	(250,145)	3,752,181	250,145
Total fiduciary activities	<u>\$ 32,673,639</u>	<u>\$ -</u>	<u>\$ (1,797,415)</u>	<u>\$ 30,876,224</u>	<u>\$ 1,662,415</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, 2020, 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, 2021**

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

**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 2021 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, 2021, there were no arbitrage liabilities.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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

Future debt service at June 30, 2021, 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
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	75,000	33,649	390,000	256,000	1,175,000	607,600
2021-2031	465,000	82,243	2,200,000	780,141	6,525,000	2,295,400
2032-2036	-	-	2,725,000	154,016	7,490,000	1,037,800
2037-2041	-	-	-	-	-	-
Total	\$ 795,000	\$ 295,541	\$ 6,695,000	\$ 2,264,257	\$ 19,450,000	\$ 6,794,450
Due within one year	\$ 60,000	\$ 51,105	\$ 325,000	\$ 227,825	\$ 1,015,000	\$ 767,850
Due after one year	735,000	244,436	6,370,000	2,036,432	18,435,000	6,026,600
Total	\$ 795,000	\$ 295,541	\$ 6,695,000	\$ 2,264,257	\$ 19,450,000	\$ 6,794,450

Year Ending June 30,	Premium 2015 CRA Tax Allocation Refunding Bonds		Premium2020 CRA Non-Housing Refunding Tax Allocation Bonds		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
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	12,270	-	250,145	-	1,902,415	897,249
2021-2031	61,350	-	1,250,727	-	10,502,077	3,157,784
2032-2036	61,347	-	1,250,725	-	11,527,072	1,191,816
2037-2041	-	-	-	-	-	-
Total	\$ 184,047	\$ -	\$ 3,752,177	\$ -	\$ 30,876,224	\$ 9,354,248
Due within one year	\$ 12,270	\$ -	\$ 250,145	\$ -	\$ 1,662,415	\$ 1,046,780
Due after one year	171,777	-	3,502,032	-	29,213,809	9,354,248
Total	\$ 184,047	\$ -	\$ 3,752,177	\$ -	\$ 30,876,224	\$ 10,401,028

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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

Activity for advances for the year ended June 30, 2021, was as follows:

	Advances to Other Funds	Advances from Other Funds
<u>Governmental Activities</u>		
Major Funds:		
General Fund	\$ 1,954,281	\$ -
Total Major Funds	1,954,281	-
Total Governmental Activities	1,954,281	-
Fiduciary Activities:		
Private Purpose Trust Funds:		
Former Ceres Redevelopment Agency		
Non-Housing	-	1,422,787
Former Stanislaus - Ceres Redevelopment		
Commission Successor Agency Non-Housing	-	531,494
Total Private Purpose Trust Funds	-	1,954,281
Total Fiduciary Activities	-	1,954,281
Totals	\$ 1,954,281	\$ 1,954,281

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. 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.

**City of Ceres, California**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2021**

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**16. NEW ACCOUNTING PRONOUNCEMENTS, Continued**

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, 2022.

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.

The GASB has issued statement No. 92, "*Omnibus 2020*". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. 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. 93, "*Replacement of Interbank Offered Rates*". The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. 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. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*". The objective of this Statement is to better meet the information needs of financial statement users by improving the comparability of financial statements among governments that enter into PPPs and APAs and by enhancing the understandability, reliability, relevance, and consistency of information about PPPs and APAs. 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, 2021**

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**16. NEW ACCOUNTING PRONOUNCEMENTS, Continued**

The GASB has issued statement No. 96, “*Subscription-Based Information Technology Arrangements*”. The objective of this Statement is to better meet the information needs of financial statement users by (a) establishing uniform accounting and financial reporting requirements for SBITAs; (b) improving the comparability of financial statements among governments that have entered into SBITAs; and (c) enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. 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. 97, “*Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*”. The primary objectives of this Statement are to (a) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (b) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (c) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution (actuarially determined)	\$ 5,281,755	\$ 5,036,102	\$ 4,265,800	\$ 3,831,916	\$ 3,554,625	\$ 3,393,450
Contributions in relation to the actuarially determined contributions	<u>5,281,755</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 14,028,282	\$ 12,808,104	\$ 11,548,404	\$ 12,342,021	\$ 13,228,342	\$ 13,055,073
Contribution as a percentage of covered-employee payroll	37.65%	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\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Plan's Proportion of the Net Pension Liability/(Asset)	5.7019%	5.5842%	5.1682%	5.5554%	5.8514%	5.6629%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 46,489,029	\$ 36,868,449	\$ 33,371,414	\$ 36,959,387	\$ 43,142,269	\$ 16,714,375
Plan's Covered-Employee Payroll	<u>\$ 14,028,282</u>	<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	331.40%	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	73.00%	77.00%	76.70%	75.00%	70.60%	86.10%
Plan's Proportionate Share of Aggregate Employer Contribution	\$ 5,281,755	\$ 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.
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.
SB2 Planning Grants Program Fund	SB2 Planning Grants Program Funds through the State Department of Housing and Community Development (HCD) is designed to provide technical planning assistance monies related to the preparation, adoption, and implementation of plans that streamline housing approvals and lead to the acceleration of housing production.
CARES Act	The Corona Virus Aid, Relief, and Economic Security (CARES) Act was passed by Congress and signed into law on March 27, 2020. It established a \$150 billion Coronavirus Relief Fund to provide State, Local, and Tribal governments impacted by the virus outbreak. The U.S. Department of Treasury has made payments from the Fund to States and eligible units of local governments. The payment made to the city are used to cover expense that are necessary expenditures incurred due to the virus and incurred from March 1, 2020 to December 30, 2020.

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**City of Ceres, California**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

	Street Tree	Storm Drain Benefit Districts	Brown Annex	Eastgate Street Benefit District	AB 939
<b>ASSETS</b>					
Cash and investments	\$ 101,008	\$ 817,181	\$ 7,053	\$ 69,547	\$ 281,226
Receivables:					
Taxes	-	-	-	-	-
Interest	5	38	-	3	13
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<u><u>\$ 101,013</u></u>	<u><u>\$ 817,219</u></u>	<u><u>\$ 7,053</u></u>	<u><u>\$ 69,550</u></u>	<u><u>\$ 281,239</u></u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows: Grants	-	-	-	-	-
<b>Total liabilities and deferred inflows</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted	-	817,219	-	69,550	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	101,013	-	7,053	-	281,239
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<u>101,013</u>	<u>817,219</u>	<u>7,053</u>	<u>69,550</u>	<u>281,239</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 101,013</u></u>	<u><u>\$ 817,219</u></u>	<u><u>\$ 7,053</u></u>	<u><u>\$ 69,550</u></u>	<u><u>\$ 281,239</u></u>



Neighborhood Park Fees	BEGIN Grant	Program Income BEGIN	Measure H Income	State Gas Tax	SLESF
\$ 916,012	\$ 387,828	\$ 228,426	\$ 917,899	\$ -	\$ 27,690
-	-	-	-	-	-
43	16	11	42	-	-
-	-	-	-	-	-
-	409,670	-	-	-	-
-	-	-	837,185	366	-
-	-	-	-	-	-
<u>\$ 916,055</u>	<u>\$ 797,514</u>	<u>\$ 228,437</u>	<u>\$ 1,755,126</u>	<u>\$ 366</u>	<u>\$ 27,690</u>
\$ -	\$ -	\$ -	\$ 20,364	\$ 13,043	\$ -
-	-	-	-	92,390	-
-	-	-	20,364	105,433	-
-	409,670	-	-	-	-
-	409,670	-	20,364	105,433	-
-	387,844	228,437	1,734,762	-	27,690
-	-	-	-	-	-
916,055	-	-	-	-	-
-	-	-	-	(105,067)	-
<u>916,055</u>	<u>387,844</u>	<u>228,437</u>	<u>1,734,762</u>	<u>(105,067)</u>	<u>27,690</u>
<u>\$ 916,055</u>	<u>\$ 797,514</u>	<u>\$ 228,437</u>	<u>\$ 1,755,126</u>	<u>\$ 366</u>	<u>\$ 27,690</u>

(continued)

**City of Ceres, California**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds, Continued**  
**June 30, 2021**

	Abandoned Vehicle Abatement	Seized Property	Downtown Revitalization	Street Light- Landscape District	Traffic Offender
<b>ASSETS</b>					
Cash and investments	\$ 82,910	\$ 59,762	\$ 80,644	\$ -	\$ 45,580
Receivables:					
Taxes	-	-	-	-	-
Interest	4	3	4	-	-
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	4,704	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<u><u>\$ 82,914</u></u>	<u><u>\$ 59,765</u></u>	<u><u>\$ 80,648</u></u>	<u><u>\$ 4,704</u></u>	<u><u>\$ 45,580</u></u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 44,092	\$ 979	\$ 21,852	\$ -
Due to other funds	-	-	-	170,390	-
<b>Total liabilities</b>	<u>-</u>	<u>44,092</u>	<u>979</u>	<u>192,242</u>	<u>-</u>
Deferred inflows: Grants	-	-	-	-	-
<b>Total liabilities and deferred inflows</b>	<u>-</u>	<u>44,092</u>	<u>979</u>	<u>192,242</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	82,914	15,673	79,669	-	45,580
Unassigned (deficit)	-	-	-	(187,538)	-
<b>Total fund balances</b>	<u>82,914</u>	<u>15,673</u>	<u>79,669</u>	<u>(187,538)</u>	<u>45,580</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 82,914</u></u>	<u><u>\$ 59,765</u></u>	<u><u>\$ 80,648</u></u>	<u><u>\$ 4,704</u></u>	<u><u>\$ 45,580</u></u>

Traffic Safety	Used Oil Grants	Dept of Conservation Grant	CMAQ	Community Facilities District	Fire Hydrant Benefit District
\$ -	\$ 27,267	\$ 68,419	\$ -	\$ 8,245	\$ 128,697
-	-	-	-	-	-
-	1	3	-	27	-
-	-	-	-	-	-
-	-	-	-	-	-
23,694	-	-	-	3,810	-
-	-	-	-	-	-
<u>\$ 23,694</u>	<u>\$ 27,268</u>	<u>\$ 68,422</u>	<u>\$ -</u>	<u>\$ 12,082</u>	<u>\$ 128,697</u>
\$ -	\$ -	\$ -	\$ 230,189	\$ -	\$ -
23,694	-	-	19,992	-	-
<u>23,694</u>	<u>-</u>	<u>-</u>	<u>250,181</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>23,694</u>	<u>-</u>	<u>-</u>	<u>250,181</u>	<u>-</u>	<u>-</u>
-	-	68,422	-	-	128,697
-	-	-	-	12,082	-
-	27,268	-	-	-	-
-	-	-	(250,181)	-	-
<u>-</u>	<u>27,268</u>	<u>68,422</u>	<u>(250,181)</u>	<u>12,082</u>	<u>128,697</u>
<u>\$ 23,694</u>	<u>\$ 27,268</u>	<u>\$ 68,422</u>	<u>\$ -</u>	<u>\$ 12,082</u>	<u>\$ 128,697</u>

(continued)

**City of Ceres, California**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds, Continued**  
**June 30, 2021**

	Transportation Development Act	Community Center	LLEBG	Public Facilities Fees	Daniel Whitmore House
<b>ASSETS</b>					
Cash and investments	\$ 48,064	\$ -	\$ 43,656	\$ 2,455,535	\$ (76)
Receivables:					
Taxes	-	-	-	-	-
Interest	-	-	1	115	-
Intergovernmental	-	-	-	-	-
Loans receivable	-	-	-	-	-
Other receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 48,064</b>	<b>\$ -</b>	<b>\$ 43,657</b>	<b>\$ 2,455,650</b>	<b>\$ (76)</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 5,035	\$ -	\$ -	\$ 45
Deposits payable	-	82,276	-	-	-
Due to other funds	21,014	1,847,536	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>21,014</b>	<b>1,934,847</b>	<b>-</b>	<b>-</b>	<b>45</b>
Deferred inflows: Grants	-	-	-	-	-
<b>Total liabilities and deferred inflows</b>	<b>21,014</b>	<b>1,934,847</b>	<b>-</b>	<b>-</b>	<b>45</b>
<b>Fund Balances:</b>					
Restricted	27,050	-	-	-	-
Committed	-	-	-	-	-
Assigned, reported in:					
Special revenue funds	-	-	43,657	2,455,650	-
Unassigned (deficit)	-	(1,934,847)	-	-	(121)
<b>Total fund balances</b>	<b>27,050</b>	<b>(1,934,847)</b>	<b>43,657</b>	<b>2,455,650</b>	<b>(121)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 48,064</b>	<b>\$ -</b>	<b>\$ 43,657</b>	<b>\$ 2,455,650</b>	<b>\$ (76)</b>

RiverBluff Regional Park	Ceres Community Foundation	Clinton Whitmore Mansion	Measure L	Road Maintenance and Rehab	SB2 Planning Grants Program Fund	CARESA Act	Totals
\$ -	\$ 143,703	\$ -	\$ 2,952,372	838,897	\$ -	\$ 601	\$ 10,738,146
-	-	-	-	-	-	-	-
-	7	-	125	38	-	-	499
-	-	-	410,409	-	-	-	410,409
-	-	-	-	-	-	-	409,670
-	-	-	-	87,520	-	-	957,279
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 143,710</u>	<u>\$ -</u>	<u>\$ 3,362,906</u>	<u>\$ 926,455</u>	<u>\$ -</u>	<u>\$ 601</u>	<u>\$ 12,516,003</u>
\$ -	\$ 959	\$ 28	\$ 182,854	\$ 100,276	\$ -	\$ -	\$ 619,716
-	-	-	-	-	-	-	82,276
24,546	-	74,213	-	-	263	-	2,274,038
-	-	-	-	-	-	-	-
<u>24,546</u>	<u>959</u>	<u>74,241</u>	<u>182,854</u>	<u>100,276</u>	<u>263</u>	<u>-</u>	<u>2,976,030</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>409,670</u>
<u>24,546</u>	<u>959</u>	<u>74,241</u>	<u>182,854</u>	<u>100,276</u>	<u>263</u>	<u>-</u>	<u>3,385,700</u>
-	142,751	-	3,180,052	826,179	-	-	7,638,653
-	-	-	-	-	-	-	12,082
-	-	-	-	-	-	601	4,056,372
(24,546)	-	(74,241)	-	-	(263)	-	(2,576,804)
<u>(24,546)</u>	<u>142,751</u>	<u>(74,241)</u>	<u>3,180,052</u>	<u>826,179</u>	<u>(263)</u>	<u>601</u>	<u>9,130,303</u>
<u>\$ -</u>	<u>\$ 143,710</u>	<u>\$ -</u>	<u>\$ 3,362,906</u>	<u>\$ 926,455</u>	<u>\$ -</u>	<u>\$ 601</u>	<u>\$ 12,516,003</u>

(concluded)

# City of Ceres, California

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

### Nonmajor Governmental Funds

For the year ended June 30, 2021

	Street Tree	Storm Drain Benefit Districts	Brown Annex	Eastgate Street Benefit District
<b>REVENUES:</b>				
Property and other taxes	\$ -	\$ 13,962	\$ -	\$ -
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	754	6,924	809	518
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>754</u>	<u>20,886</u>	<u>809</u>	<u>518</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Engineering and Transportation	-	373,286	-	-
Public works	-	-	-	-
Community services	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>373,286</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>754</u>	<u>(352,400)</u>	<u>809</u>	<u>518</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>754</u>	<u>(352,400)</u>	<u>809</u>	<u>518</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	100,259	1,169,619	6,244	69,032
End of year	<u>\$ 101,013</u>	<u>\$ 817,219</u>	<u>\$ 7,053</u>	<u>\$ 69,550</u>

AB 939		Neighborhood Park Fees	BEGIN Grant	Program Income BEGIN	Measure H	State Gas Tax	SLESF
\$	-	\$	-	\$	-	\$	-
	-		-		-		-
	-		-		-		-
	22,308		-		-		-
6,075	-	309,008	-		-	1,055,242	109,637
2,206	8,848	1,832	1,705	5,817	199		-
	-		-		1,440		-
8,281	31,156	310,840	1,705	4,534,969	1,056,881		109,637
-	-	-	-	-	-	-	-
-	-	-	-	3,628,520	-		138,683
46,330	-	-	-	-	6,472		-
-	9,453	-	-	-	890,702		-
-	-	-	-	-	-		-
-	-	-	-	-	-		-
-	852,673	-	-	0	1,678		-
-	-	-	-	-	106,409		-
-	-	-	-	-	12,570		-
46,330	862,126	-	-	3,628,520	1,017,831		138,683
(38,049)	(830,970)	310,840	1,705	906,449	39,050		(29,046)
-	-	-	-	8,336	229		-
-	-	-	-	(152,000)	-		-
-	-	-	-	(143,664)	229		-
(38,049)	(830,970)	310,840	1,705	762,785	39,279		(29,046)
319,288	1,747,025	77,004	226,732	971,977	(144,346)		56,736
\$ 281,239	\$ 916,055	\$ 387,844	\$ 228,437	\$ 1,734,762	\$ (105,067)		\$ 27,690

(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, 2021

	Abandoned Vehicle Abatement	Seized Property	Downtown Revitalization	Street Light- Landscape District	Traffic Offender
<b>REVENUES:</b>					
Property and other taxes	\$ -	\$ -	\$ -	\$ 434,542	\$ -
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	-	8,640	-	54,123
Intergovernmental	46,143	-	-	-	-
Use of money and property	574	492	625	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<u>46,717</u>	<u>492</u>	<u>9,265</u>	<u>434,542</u>	<u>54,123</u>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	36,637	-	-	-	60,271
Engineering and Transportation	-	-	-	-	-
Public works	-	-	-	212,462	-
Community services	-	-	-	335,313	-
Economic development	-	-	16,989	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<u>36,637</u>	<u>-</u>	<u>16,989</u>	<u>547,775</u>	<u>60,271</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>10,080</u>	<u>492</u>	<u>(7,724)</u>	<u>(113,233)</u>	<u>(6,148)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources and uses</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	<u>10,080</u>	<u>492</u>	<u>(7,724)</u>	<u>(113,233)</u>	<u>(6,148)</u>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year	72,834	15,181	87,393	(74,305)	51,728
End of year	<u>\$ 82,914</u>	<u>\$ 15,673</u>	<u>\$ 79,669</u>	<u>\$ (187,538)</u>	<u>\$ 45,580</u>



Traffic Safety	Used Oil Grants	Dept of Conservation Grant	CMAQ	Community Facilities District	Fire Hydrant Benefit District
\$ -	\$ -	\$ -	\$ -	\$ 678,797	\$ -
-	-	-	-	-	-
57,485	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,334,043	-	-
-	222	526	-	1,750	-
-	-	-	-	-	-
57,485	222	526	1,334,043	680,547	-
-	-	-	-	-	-
57,485	-	-	-	-	-
-	-	3,961	45,714	-	-
-	12,530	-	-	7,359	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	909,010	-	-
-	-	-	-	-	-
-	-	-	-	-	-
57,485	12,530	3,961	954,724	7,359	-
-	(12,308)	(3,435)	379,319	673,188	-
-	-	-	-	-	-
-	-	-	-	(671,438)	-
-	-	-	-	(671,438)	-
-	(12,308)	(3,435)	379,319	1,750	-
-	39,576	71,857	(629,500)	10,332	128,697
\$ -	\$ 27,268	\$ 68,422	\$ (250,181)	\$ 12,082	\$ 128,697

(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, 2021

	Transportation Development Act	Community Center	LLEBG	Public Facilities Fees	Daniel Whitmore House
<b>REVENUES:</b>					
Property and other taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures and penalties	-	-	-	-	-
Charges for services	-	39,047	-	18,497	-
Intergovernmental	-	-	40,255	-	-
Use of money and property	-	-	229	18,801	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	-	39,047	40,484	37,298	-
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	40,255	44,044	-
Engineering and Transportation	-	-	-	-	-
Public works	3,077	-	-	-	-
Community services	-	266,309	-	-	6,793
Economic development	-	-	-	-	-
Capital outlay	-	-	-	133,506	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	3,077	266,309	40,255	177,550	6,793
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(3,077)	(227,262)	229	(140,252)	(6,793)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	62	-	-	6,792
Transfers out	-	-	-	-	-
<b>Total other financing sources and uses</b>	-	62	-	-	6,792
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)</b>	(3,077)	(227,200)	229	(140,252)	(1)
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of year	30,127	(1,707,647)	43,428	2,595,902	(120)
End of year	\$ 27,050	\$ (1,934,847)	\$ 43,657	\$ 2,455,650	\$ (121)

RiverBluff Regional Park	Ceres Community Foundation	Clinton Whitmore Mansion	Measure L	Road Maintenance and Rehab	SB2 Planning Grants Program Fund	CARES Act	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,656,453
-	-	-	-	-	-	-	57,485
256	-	-	-	-	-	-	142,871
-	-	-	2,837,874	890,937	-	2,233,738	8,862,952
-	1,079	-	15,507	4,677	-	-	74,094
-	810	-	-	-	-	-	2,250
256	1,889	-	2,853,381	895,614	-	2,233,738	14,796,105
-	3,000	-	-	-	-	2,197,446	2,200,446
-	-	-	-	-	-	-	4,005,895
-	-	-	-	-	-	-	475,763
-	-	-	34,380	-	263	-	1,170,226
-	-	23,914	-	-	-	-	632,329
-	-	-	-	-	-	-	16,989
-	-	-	2,312,089	1,031,825	-	-	5,240,781
-	-	-	-	-	-	-	106,409
-	-	-	-	-	-	-	12,570
-	3,000	23,914	2,346,469	1,031,825	263	2,197,446	13,861,408
256	(1,111)	(23,914)	506,912	(136,211)	(263)	36,292	934,697
-	-	-	-	-	-	-	15,419
-	-	-	-	-	-	(35,691)	(859,129)
-	-	-	-	-	-	(35,691)	(843,710)
256	(1,111)	(23,914)	506,912	(136,211)	(263)	601	90,987
(24,802)	143,862	(50,327)	2,673,140	962,390	-	-	9,039,316
\$ (24,546)	\$ 142,751	\$ (74,241)	\$ 3,180,052	\$ 826,179	\$ (263)	\$ 601	\$ 9,130,303

(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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 900	\$ 900	\$ 754	\$ (146)
<b>Total revenues</b>	900	900	754	(146)
<b>EXPENDITURES:</b>				
Current:				
Community services	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	900	900	754	(146)
<b>Net change in fund balances</b>	900	900	754	(146)
<b>FUND BALANCES:</b>				
Beginning of year	100,259	100,259	100,259	-
End of year	\$ 101,159	\$ 101,159	\$ 101,013	\$ (146)

# 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, 2021

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 13,000	\$ 13,000	\$ 13,962	\$ 962
Use of money and property	21,520	21,520	6,924	(14,596)
<b>Total revenues</b>	<u>34,520</u>	<u>34,520</u>	<u>20,886</u>	<u>(13,634)</u>
<b>EXPENDITURES:</b>				
Engineering and Transportation	-	461,504	373,286	88,218
<b>Total expenditures</b>	<u>-</u>	<u>461,504</u>	<u>373,286</u>	<u>88,218</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>34,520</u>	<u>(426,984)</u>	<u>(352,400)</u>	<u>74,584</u>
<b>Net change in fund balances</b>	34,520	(426,984)	(352,400)	74,584
<b>FUND BALANCES:</b>				
Beginning of year	1,169,619	1,169,619	1,169,619	-
End of year	<u>\$ 1,204,139</u>	<u>\$ 742,635</u>	<u>\$ 817,219</u>	<u>\$ 74,584</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 3,973	\$ 3,973	\$ -	\$ (3,973)
Use of money and property	180	180	809	629
<b>Total revenues</b>	<u>4,153</u>	<u>4,153</u>	<u>809</u>	<u>(3,344)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>4,153</u>	<u>4,153</u>	<u>809</u>	<u>(3,344)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>4,153</u>	<u>4,153</u>	<u>809</u>	<u>(3,344)</u>
<b>FUND BALANCES:</b>				
Beginning of year	<u>6,244</u>	<u>6,244</u>	<u>6,244</u>	<u>-</u>
End of year	<u>\$ 10,397</u>	<u>\$ 10,397</u>	<u>\$ 7,053</u>	<u>\$ (3,344)</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ -	\$ -	\$ -	\$ -
Use of money and property	1,000	1,000	518	(482)
<b>Total revenues</b>	1,000	1,000	518	(482)
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	0	14,076	-	14,076
<b>Total expenditures</b>	-	14,076	-	14,076
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,000	(13,076)	518	13,594
<b>Net change in fund balances</b>	1,000	(13,076)	518	13,594
<b>FUND BALANCES:</b>				
Beginning of year	69,032	69,032	69,032	-
End of year	<u>\$ 70,032</u>	<u>\$ 55,956</u>	<u>\$ 69,550</u>	<u>\$ 13,594</u>

**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, 2021**

	Budgeted Amounts			Variance w/Final
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 6,075	\$ 6,075
Use of money and property	3,500	3,500	2,206	(1,294)
<b>Total revenues</b>	<u>3,500</u>	<u>3,500</u>	<u>8,281</u>	<u>4,781</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	53,203	53,225	46,330	6,895
<b>Total expenditures</b>	<u>53,203</u>	<u>53,225</u>	<u>46,330</u>	<u>6,895</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(49,703)</u>	<u>(49,725)</u>	<u>(38,049)</u>	<u>11,676</u>
<b>Net change in fund balances</b>	<u>(49,703)</u>	<u>(49,725)</u>	<u>(38,049)</u>	<u>11,676</u>
<b>FUND BALANCES:</b>				
Beginning of year	319,288	319,288	319,288	-
End of year	<u>\$ 269,585</u>	<u>\$ 269,563</u>	<u>\$ 281,239</u>	<u>\$ 11,676</u>



# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Charges for services	\$ 151,000	\$ 151,000	\$ 22,308	\$ (128,692)
Intergovernmental	-	-	-	-
Use of money and property	19,000	19,000	8,848	(10,152)
<b>Total revenues</b>	<u>170,000</u>	<u>170,000</u>	<u>31,156</u>	<u>(138,844)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	-	-
Public works	20,550	20,550	9,453	11,097
Capital outlay	25,000	1,813,461	852,673	960,788
<b>Total expenditures</b>	<u>45,550</u>	<u>1,834,011</u>	<u>862,126</u>	<u>971,885</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>124,450</u>	<u>(1,664,011)</u>	<u>(830,970)</u>	<u>833,041</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	124,450	(1,664,011)	(830,970)	833,041
<b>FUND BALANCES:</b>				
Beginning of year	1,747,025	1,747,025	1,747,025	-
End of year	<u>\$ 1,871,475</u>	<u>\$ 83,014</u>	<u>\$ 916,055</u>	<u>\$ 833,041</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 309,008	\$ 309,008
Use of money and property	50	50	1,832	1,782
<b>Total revenues</b>	50	50	310,840	310,790
<b>EXPENDITURES:</b>				
Current:				
Economic development	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	50	50	310,840	310,790
<b>Net change in fund balances</b>	50	50	310,840	310,790
<b>FUND BALANCES:</b>				
Beginning of year	77,004	77,004	77,004	-
End of year	\$ 77,054	\$ 77,054	\$ 387,844	\$ 310,790

**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, 2021**

	Budgeted Amounts			Variance w/Final
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	2,200	2,200	1,705	(495)
<b>Total revenues</b>	2,200	2,200	1,705	(495)
<b>EXPENDITURES:</b>				
Current:				
Economic development	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	2,200	2,200	1,705	(495)
<b>Net change in fund balances</b>	2,200	2,200	1,705	(495)
<b>FUND BALANCES:</b>				
Beginning of year	226,732	226,732	226,732	-
End of year	\$ 228,932	\$ 228,932	\$ 228,437	\$ (495)

# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Property and other taxes	\$ 3,516,912	\$ 3,516,912	\$ 4,529,152	\$ 1,012,240
Use of money and property	-	-	5,817	5,817
<b>Total revenues</b>	<u>3,516,912</u>	<u>3,516,912</u>	<u>4,534,969</u>	<u>1,018,057</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	3,676,953	3,726,533	3,628,520	98,013
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>3,676,953</u>	<u>3,726,533</u>	<u>3,628,520</u>	<u>98,013</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(160,041)</u>	<u>(209,621)</u>	<u>906,449</u>	<u>1,116,070</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	8,336	8,336
Transfers out	(152,000)	(152,000)	(152,000)	-
<b>Total other financing sources (uses)</b>	<u>(152,000)</u>	<u>(152,000)</u>	<u>(143,664)</u>	<u>8,336</u>
<b>Net change in fund balances</b>	<u>(312,041)</u>	<u>(361,621)</u>	<u>762,785</u>	<u>1,124,406</u>
<b>FUND BALANCES:</b>				
Beginning of year	971,977	971,977	971,977	-
End of year	<u>\$ 659,936</u>	<u>\$ 610,356</u>	<u>\$ 1,734,762</u>	<u>\$ 1,124,406</u>

# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental	\$ 1,234,115	\$ 1,234,115	\$ 1,055,242	\$ (178,873)
Use of money and property	500	500	199	(301)
Other revenues	1,350	1,350	1,440	90
<b>Total revenues</b>	<u>1,235,965</u>	<u>1,235,965</u>	<u>1,056,881</u>	<u>(179,084)</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	7,155	7,155	6,472	683
Public works	1,040,197	1,058,606	890,702	167,904
Capital outlay	<u>0</u>	<u>7,328</u>	<u>1,678</u>	<u>5,650</u>
<b>Total expenditures</b>	<u>1,166,331</u>	<u>1,192,068</u>	<u>1,017,831</u>	<u>174,237</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>69,634</u>	<u>43,897</u>	<u>39,050</u>	<u>(4,847)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>-</u>	<u>-</u>	<u>229</u>	<u>229</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>229</u>	<u>229</u>
<b>Net change in fund balances</b>	<u>69,634</u>	<u>43,897</u>	<u>39,279</u>	<u>(4,618)</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>(144,346)</u>	<u>(144,346)</u>	<u>(144,346)</u>	<u>-</u>
End of year	<u>\$ (74,712)</u>	<u>\$ (100,449)</u>	<u>\$ (105,067)</u>	<u>\$ (4,618)</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 109,637	\$ 9,637
<b>Total revenues</b>	100,000	100,000	109,637	9,637
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	138,683	(138,683)
<b>Total expenditures</b>	-	-	138,683	(138,683)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	100,000	100,000	(29,046)	(129,046)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(100,000)	(100,000)	-	100,000
<b>Total other financing sources (uses)</b>	(100,000)	(100,000)	-	100,000
<b>Net change in fund balances</b>	-	-	(29,046)	(29,046)
<b>FUND BALANCES:</b>				
Beginning of year	56,736	56,736	56,736	-
End of year	<u>\$ 56,736</u>	<u>\$ 56,736</u>	<u>\$ 27,690</u>	<u>\$ (29,046)</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 26,900	\$ 26,900	\$ 46,143	\$ 19,243
Use of money and property	950	950	574	(376)
<b>Total revenues</b>	<u>27,850</u>	<u>27,850</u>	<u>46,717</u>	<u>18,867</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	66,369	66,369	36,637	29,732
<b>Total expenditures</b>	<u>66,369</u>	<u>66,369</u>	<u>36,637</u>	<u>29,732</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(38,519)</u>	<u>(38,519)</u>	<u>10,080</u>	<u>48,599</u>
<b>Net change in fund balances</b>	(38,519)	(38,519)	10,080	48,599
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	72,834	72,834	72,834	-
End of year	<u>\$ 34,315</u>	<u>\$ 34,315</u>	<u>\$ 82,914</u>	<u>\$ 48,599</u>

# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental	\$ 1,800	\$ 1,800	\$ -	\$ (1,800)
Use of money and property	500	500	492	(8)
<b>Total revenues</b>	<u>2,300</u>	<u>2,300</u>	<u>492</u>	<u>(1,808)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,300</u>	<u>2,300</u>	<u>492</u>	<u>(1,808)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>2,300</u>	<u>2,300</u>	<u>492</u>	<u>(1,808)</u>
<b>FUND BALANCES:</b>				
Beginning of year	15,181	15,181	15,181	-
End of year	<u>\$ 17,481</u>	<u>\$ 17,481</u>	<u>\$ 15,673</u>	<u>\$ (1,808)</u>



**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Charges for services	\$ 12,800	\$ 12,800	\$ 8,640	\$ (4,160)
Use of money and property	1,000	1,000	625	(375)
<b>Total revenues</b>	<u>13,800</u>	<u>13,800</u>	<u>9,265</u>	<u>(4,535)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic development	<u>68,150</u>	<u>68,150</u>	<u>16,989</u>	<u>51,161</u>
<b>Total expenditures</b>	<u>68,150</u>	<u>68,150</u>	<u>16,989</u>	<u>51,161</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(54,350)</u>	<u>(54,350)</u>	<u>(7,724)</u>	<u>46,626</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(54,350)</u>	<u>(54,350)</u>	<u>(7,724)</u>	<u>46,626</u>
<b>FUND BALANCES:</b>				
Beginning of year	<u>87,393</u>	<u>87,393</u>	<u>87,393</u>	<u>-</u>
End of year	<u>\$ 33,043</u>	<u>\$ 33,043</u>	<u>\$ 79,669</u>	<u>\$ 46,626</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property and other taxes	\$ 439,296	\$ 439,296	\$ 434,542	\$ (4,754)
Use of money and property	-	-	-	-
<b>Total revenues</b>	<u>439,296</u>	<u>439,296</u>	<u>434,542</u>	<u>(4,754)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	218,256	218,256	212,462	5,794
Community services	<u>286,340</u>	<u>286,340</u>	<u>335,313</u>	<u>(48,973)</u>
<b>Total expenditures</b>	<u>504,596</u>	<u>504,596</u>	<u>547,775</u>	<u>(43,179)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(65,300)</u>	<u>(65,300)</u>	<u>(113,233)</u>	<u>(47,933)</u>
<b>Net change in fund balances</b>	(65,300)	(65,300)	(113,233)	(47,933)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>(74,305)</u>	<u>(74,305)</u>	<u>(74,305)</u>	<u>-</u>
End of year	<u>\$ (139,605)</u>	<u>\$ (139,605)</u>	<u>\$ (187,538)</u>	<u>\$ (47,933)</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 69,000	\$ 69,000	\$ 54,123	\$ (14,877)
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>69,000</u>	<u>69,000</u>	<u>54,123</u>	<u>(14,877)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	<u>69,076</u>	<u>69,076</u>	<u>60,271</u>	<u>8,805</u>
<b>Total expenditures</b>	<u>69,076</u>	<u>69,076</u>	<u>60,271</u>	<u>8,805</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(76)</u>	<u>(76)</u>	<u>(6,148)</u>	<u>(6,072)</u>
<b>Net change in fund balances</b>	(76)	(76)	(6,148)	(6,072)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>51,728</u>	<u>51,728</u>	<u>51,728</u>	<u>-</u>
End of year	<u>\$ 51,652</u>	<u>\$ 51,652</u>	<u>\$ 45,580</u>	<u>\$ (6,072)</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Fines and forfeitures	\$ 36,000	\$ 36,000	\$ 57,485	\$ 21,485
<b>Total revenues</b>	36,000	36,000	57,485	21,485
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	57,485	(57,485)
<b>Total expenditures</b>	-	-	57,485	(57,485)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	36,000	36,000	-	(36,000)
<b>Net change in fund balances</b>	36,000	36,000	-	(36,000)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	-	-	-	-
End of year	\$ 36,000	\$ 36,000	\$ -	\$ (36,000)

# 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, 2021

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 13,000	\$ 13,000	\$ -	\$ (13,000)
Use of money and property	300	300	222	(78)
<b>Total revenues</b>	<u>13,300</u>	<u>13,300</u>	<u>222</u>	<u>(13,078)</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	-	-	-	-
Public works			12,530	(12,530)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>12,530</u>	<u>(12,530)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>13,300</u>	<u>13,300</u>	<u>(12,308)</u>	<u>(25,608)</u>
<b>Net change in fund balances</b>	13,300	13,300	(12,308)	(25,608)
<b>FUND BALANCES:</b>				
Beginning of year	39,576	39,576	39,576	-
End of year	<u>\$ 52,876</u>	<u>\$ 52,876</u>	<u>\$ 27,268</u>	<u>\$ (25,608)</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 12,150	\$ 12,150	\$ -	\$ (12,150)
Use of money and property	900	900	526	(374)
<b>Total revenues</b>	<u>13,050</u>	<u>13,050</u>	<u>526</u>	<u>(12,524)</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	-	-	3,961	(3,961)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>3,961</u>	<u>(3,961)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>13,050</u>	<u>13,050</u>	<u>(3,435)</u>	<u>(16,485)</u>
<b>Net change in fund balances</b>	13,050	13,050	(3,435)	(16,485)
<b>FUND BALANCES:</b>				
Beginning of year	<u>71,857</u>	<u>71,857</u>	<u>71,857</u>	<u>-</u>
End of year	<u>\$ 84,907</u>	<u>\$ 84,907</u>	<u>\$ 68,422</u>	<u>\$ (16,485)</u>

# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ 1,334,043	\$ 334,043
<b>Total revenues</b>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,334,043</u>	<u>334,043</u>
<b>EXPENDITURES:</b>				
Current:				
Engineering and Transportation	10,765	10,765	45,714	(34,949)
Capital outlay	<u>527,673</u>	<u>4,235,739</u>	<u>909,010</u>	<u>3,326,729</u>
<b>Total expenditures</b>	<u>538,438</u>	<u>4,246,504</u>	<u>954,724</u>	<u>3,291,780</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>461,562</u>	<u>(3,246,504)</u>	<u>379,319</u>	<u>3,625,823</u>
<b>Net change in fund balances</b>	461,562	(3,246,504)	379,319	3,625,823
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>(629,500)</u>	<u>(629,500)</u>	<u>(629,500)</u>	<u>-</u>
End of year	<u>\$ (167,938)</u>	<u>\$ (3,876,004)</u>	<u>\$ (250,181)</u>	<u>\$ 3,625,823</u>

# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Property and other taxes	\$ 673,136	\$ 673,136	\$ 678,797	\$ 5,661
Use of money and property	400	400	1,750	1,350
<b>Total revenues</b>	<u>673,536</u>	<u>673,536</u>	<u>680,547</u>	<u>7,011</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	7,500	7,500	7,359	141
<b>Total expenditures</b>	<u>7,500</u>	<u>7,500</u>	<u>7,359</u>	<u>141</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>666,036</u>	<u>666,036</u>	<u>673,188</u>	<u>7,152</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(673,135)	(673,135)	(671,438)	1,697
<b>Total other financing sources (uses)</b>	<u>(673,135)</u>	<u>(673,135)</u>	<u>(671,438)</u>	<u>1,697</u>
<b>Net change in fund balances</b>	<u>(7,099)</u>	<u>(7,099)</u>	<u>1,750</u>	<u>8,849</u>
<b>FUND BALANCES:</b>				
Beginning of year	10,332	10,332	10,332	-
End of year	<u>\$ 3,233</u>	<u>\$ 3,233</u>	<u>\$ 12,082</u>	<u>\$ 8,849</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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Property and other taxes	\$ 200	\$ 200	\$ -	\$ (200)
<b>Total revenues</b>	200	200	-	(200)
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	200	200	-	(200)
<b>Net change in fund balances</b>	200	200	-	(200)
<b>FUND BALANCES:</b>				
Beginning of year	128,697	128,697	128,697	-
End of year	\$ 128,897	\$ 128,897	\$ 128,697	\$ (200)

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Use of money and property	500	500	-	(500)
<b>Total revenues</b>	500	500	-	(500)
<b>EXPENDITURES:</b>				
Current:				
Public works	2,500	2,500	3,077	(577)
<b>Total expenditures</b>	2,500	2,500	3,077	(577)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(2,000)	(2,000)	(3,077)	(1,077)
<b>Net change in fund balances</b>	(2,000)	(2,000)	(3,077)	(1,077)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	30,127	30,127	30,127	-
End of year	\$ 28,127	\$ 28,127	\$ 27,050	\$ (1,077)

# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Charges for services	\$ 82,500	\$ 42,500	\$ 39,047	\$ (3,453)
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>82,500</u>	<u>42,500</u>	<u>39,047</u>	<u>(3,453)</u>
<b>EXPENDITURES:</b>				
Current:				
Community services	<u>434,740</u>	<u>398,240</u>	<u>266,309</u>	<u>131,931</u>
<b>Total expenditures</b>	<u>434,740</u>	<u>398,240</u>	<u>266,309</u>	<u>131,931</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(352,240)</u>	<u>(355,740)</u>	<u>(227,262)</u>	<u>128,478</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	62	62
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
<b>Net change in fund balances</b>	<u>(352,240)</u>	<u>(355,740)</u>	<u>(227,200)</u>	<u>128,540</u>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>(1,707,647)</u>	<u>(1,707,647)</u>	<u>(1,707,647)</u>	<u>-</u>
End of year	<u>\$ (2,059,887)</u>	<u>\$ (2,063,387)</u>	<u>\$ (1,934,847)</u>	<u>\$ 128,540</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 40,374	\$ 40,255	\$ (119)
Use of money and property	450	450	229	(221)
<b>Total revenues</b>	450	40,824	40,484	(340)
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	40,255	(40,255)
<b>Total expenditures</b>	-	-	40,255	(40,255)
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	450	40,824	229	(40,595)
<b>Net change in fund balances</b>	450	40,824	229	(40,595)
<b>FUND BALANCES:</b>				
Beginning of year	43,428	43,428	43,428	-
End of year	\$ 43,878	\$ 84,252	\$ 43,657	\$ (40,595)

# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Charges for services	\$ 121,000	\$ 121,000	\$ 18,497	\$ (102,503)
Use of money and property	29,000	29,000	18,801	(10,199)
Other revenues	-	-	-	-
<b>Total revenues</b>	<u>150,000</u>	<u>150,000</u>	<u>37,298</u>	<u>(112,702)</u>
<b>EXPENDITURES:</b>				
Current:				
General government				
Public safety	44,042	44,042	44,044	(2)
Capital outlay	-	1,440,203	133,506	1,306,697
<b>Total expenditures</b>	<u>44,042</u>	<u>1,484,245</u>	<u>177,550</u>	<u>1,306,695</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>105,958</u>	<u>(1,334,245)</u>	<u>(140,252)</u>	<u>1,193,993</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>105,958</u>	<u>(1,334,245)</u>	<u>(140,252)</u>	<u>1,193,993</u>
<b>FUND BALANCES:</b>				
Beginning of year	2,595,902	2,595,902	2,595,902	-
End of year	<u>\$ 2,701,860</u>	<u>\$ 1,261,657</u>	<u>\$ 2,455,650</u>	<u>\$ 1,193,993</u>

# 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, 2021

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Community services	8,353	8,353	6,793	1,560
<b>Total expenditures</b>	8,353	8,353	6,793	1,560
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(8,353)	(8,353)	(6,793)	1,560
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	8,353	8,353	6,792	(1,561)
<b>Total other financing sources (uses)</b>	8,353	8,353	6,792	(1,561)
<b>Net change in fund balances</b>	-	-	(1)	(1)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(120)	(120)	(120)	-
End of year	<u>\$ (120)</u>	<u>\$ (120)</u>	<u>\$ (121)</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, 2021**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,200	\$ 1,200	\$ 256	(944)
<b>Total revenues</b>	1,200	1,200	256	(944)
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,200	1,200	256	(944)
<b>Net change in fund balances</b>	1,200	1,200	256	(944)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(24,802)	(24,802)	(24,802)	-
End of year	<u>\$ (23,602)</u>	<u>\$ (23,602)</u>	<u>\$ (24,546)</u>	<u>\$ (944)</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Use of money and property	\$ 1,500	\$ 1,500	\$ 1,079	\$ (421)
Other revenues	22,600	22,600	810	(21,790)
<b>Total revenues</b>	24,100	24,100	1,889	(22,211)
<b>EXPENDITURES:</b>				
Current:				
General government	6,120	6,120	3,000	3,120
Community services	-	-	-	-
<b>Total expenditures</b>	6,120	6,120	3,000	3,120
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	17,980	17,980	(1,111)	(19,091)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	-	-	-	-
<b>Net change in fund balances</b>	17,980	17,980	(1,111)	(19,091)
<b>FUND BALANCES:</b>				
Beginning of year	143,862	143,862	143,862	-
End of year	\$ 161,842	\$ 161,842	\$ 142,751	\$ (19,091)



**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, 2021**

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

# 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, 2021

	Budgeted Amounts			Variance w/Final
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Other revenues	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	-	-	-	-
<b>EXPENDITURES:</b>				
Current:				
Community services	15,620	15,620	23,914	(8,294)
<b>Total expenditures</b>	15,620	15,620	23,914	(8,294)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	(15,620)	(15,620)	(23,914)	(8,294)
<b>Net change in fund balances</b>	(15,620)	(15,620)	(23,914)	(8,294)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	(50,327)	(50,327)	(50,327)	-
End of year	<u>\$ (65,947)</u>	<u>\$ (65,947)</u>	<u>\$ (74,241)</u>	<u>\$ (8,294)</u>

# 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, 2021

	Budgeted Amounts			Variance w/Final Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Intergovernmental	\$ 1,588,724	\$ 1,588,724	\$ 2,837,874	\$ 1,249,150
Use of money and property	12,000	12,000	15,507	3,507
<b>Total revenues</b>	<u>1,600,724</u>	<u>1,600,724</u>	<u>2,853,381</u>	<u>1,252,657</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	45,700	74,514	34,380	40,134
Capital outlay	895,000	6,120,802	2,312,089	3,808,713
<b>Total expenditures</b>	<u>940,700</u>	<u>6,195,316</u>	<u>2,346,469</u>	<u>3,848,847</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>660,024</u>	<u>(4,594,592)</u>	<u>506,912</u>	<u>5,101,504</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	660,024	(4,594,592)	506,912	5,101,504
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	2,673,140	2,673,140	2,673,140	-
End of year	<u>\$ 3,333,164</u>	<u>\$ (1,921,452)</u>	<u>\$ 3,180,052</u>	<u>\$ 5,101,504</u>

**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, 2021**

	Budgeted Amounts		Actual	Variance w/Final Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 935,088	\$ 935,088	\$ 890,937	\$ (44,151)
Use of money and property	2,000	2,000	4,677	2,677
<b>Total revenues</b>	<u>937,088</u>	<u>937,088</u>	<u>895,614</u>	<u>(41,474)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	-	-
Capital outlay	<u>450,000</u>	<u>1,554,314</u>	<u>1,031,825</u>	<u>522,489</u>
<b>Total expenditures</b>	<u>450,000</u>	<u>1,554,314</u>	<u>1,031,825</u>	<u>522,489</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>487,088</u>	<u>(617,226)</u>	<u>(136,211)</u>	<u>481,015</u>
<b>Net change in fund balances</b>	487,088	(617,226)	(136,211)	481,015
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	<u>962,390</u>	<u>962,390</u>	<u>962,390</u>	<u>-</u>
End of year	<u>\$ 1,449,478</u>	<u>\$ 345,164</u>	<u>\$ 826,179</u>	<u>\$ 481,015</u>

**City of Ceres, California****Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual****SB2 Planning Grants Program Special Revenue Fund****For the year ended June 30, 2021**

	Budgeted Amounts		Actual	Variance w/Final
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	160,000	\$ -	\$ (160,000)
Use of money and property	-	-	-	-
<b>Total revenues</b>	-	160,000	-	(160,000)
<b>EXPENDITURES:</b>				
Current:				
Public works	-	160,000	263	159,737
<b>Total expenditures</b>	-	160,000	263	159,737
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	(263)	(263)
<b>Net change in fund balances</b>	-	-	(263)	(263)
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ (263)	\$ (263)

# City of Ceres, California

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

### CARES Act Special Revenue Fund

For the year ended June 30, 2021

	Budgeted Amounts			Variance w/Final
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 2,233,738	\$ 2,233,738
Use of money and property	-	-	-	-
<b>Total revenues</b>	-	-	2,233,738	2,233,738
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	2,197,446	(2,197,446)
<b>Total expenditures</b>	-	-	2,197,446	(2,197,446)
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	-	-	36,292	36,292
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(35,691)	(35,691)
<b>Total other financing sources (uses)</b>	-	-	(35,691)	(35,691)
<b>Net change in fund balances</b>	-	-	601	601
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ 601	\$ 601

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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.

<b>Fund</b>	<b>Description</b>
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, 2021

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and investments	\$ 2,535,183	\$ 190,695	\$ 1,098,832	\$ 647,767	\$ 4,472,477
Accounts receivable	-	-	1,000	-	1,000
<b>Total current assets</b>	<u>2,535,183</u>	<u>190,695</u>	<u>1,099,832</u>	<u>647,767</u>	<u>4,473,477</u>
<b>Noncurrent assets:</b>					
Machinery and equipment	7,852,425	383,724	-	323,891	8,560,040
Less accumulated depreciation	(5,223,036)	(217,844)	-	(118,697)	(5,559,577)
<b>Total noncurrent assets</b>	<u>2,629,389</u>	<u>165,880</u>	<u>-</u>	<u>205,194</u>	<u>3,000,463</u>
<b>Total assets</b>	<u>\$ 5,164,572</u>	<u>\$ 356,575</u>	<u>\$ 1,099,832</u>	<u>\$ 852,961</u>	<u>\$ 7,473,940</u>
<b>LIABILITIES AND NET POSITION</b>					
<b>Liabilities:</b>					
<b>Current liabilities:</b>					
Accounts payable and accrued liabilities	\$ 60,853	\$ 6,176	\$ 1,050	\$ 10,508	\$ 78,587
Due to other funds	396,106	-	235	-	396,341
<b>Total current liabilities</b>	<u>456,959</u>	<u>6,176</u>	<u>1,285</u>	<u>10,508</u>	<u>474,928</u>
<b>Noncurrent liabilities:</b>					
Compensated absences	63,121	-	-	59,770	122,891
Liability for claims	-	-	1,018,796	-	1,018,796
<b>Total noncurrent liabilities</b>	<u>63,121</u>	<u>-</u>	<u>1,018,796</u>	<u>59,770</u>	<u>1,141,687</u>
<b>Total liabilities</b>	<u>520,080</u>	<u>6,176</u>	<u>1,020,081</u>	<u>70,278</u>	<u>1,616,615</u>
<b>Net Position:</b>					
Net investment in capital assets	2,629,389	165,880	-	205,194	3,000,463
Unrestricted net position (deficit)	2,015,103	184,519	79,751	577,489	2,856,862
<b>Total net position</b>	<u>4,644,492</u>	<u>350,399</u>	<u>79,751</u>	<u>782,683</u>	<u>5,857,325</u>
<b>Total liabilities and net position</b>	<u>\$ 5,164,572</u>	<u>\$ 356,575</u>	<u>\$ 1,099,832</u>	<u>\$ 852,961</u>	<u>\$ 7,473,940</u>

# City of Ceres, California

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

Internal Service Funds

For the year ended June 30, 2021

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
<b>OPERATING REVENUES:</b>					
Interdepartmental charges	\$ 2,514,142	\$ 1,133,484	\$ 2,145,799	\$ 1,506,313	\$ 7,299,738
Other	-	-	2,975	-	2,975
<b>Total operating revenues</b>	<b>2,514,142</b>	<b>1,133,484</b>	<b>2,148,774</b>	<b>1,506,313</b>	<b>7,302,713</b>
<b>OPERATING EXPENSES:</b>					
Salaries and benefits	523,456	598,644	(80,367)	797,880	1,839,613
Contractual and other services	81,818	193,281	-	102,850	377,949
Materials and supplies	759,460	173,819	-	298,554	1,231,833
Depreciation	415,470	42,115	-	16,914	474,499
Other operating costs	77,109	-	2,033,678	52,755	2,163,542
<b>Total operating expenses</b>	<b>1,857,313</b>	<b>1,007,859</b>	<b>1,953,311</b>	<b>1,268,953</b>	<b>6,087,436</b>
<b>OPERATING INCOME (LOSS)</b>	<b>656,829</b>	<b>125,625</b>	<b>195,463</b>	<b>237,360</b>	<b>1,215,277</b>
<b>NONOPERATING REVENUE (EXPENSE):</b>					
Investment earnings	1,856	-	-	-	1,856
Transfers in (out)	78	5,038	-	10,619	15,735
<b>Total non-operating revenue</b>	<b>1,934</b>	<b>5,038</b>	<b>-</b>	<b>10,619</b>	<b>17,591</b>
<b>NET INCOME (LOSS)</b>	<b>658,763</b>	<b>130,663</b>	<b>195,463</b>	<b>247,979</b>	<b>1,232,868</b>
<b>CHANGE IN NET POSITION</b>	<b>658,763</b>	<b>130,663</b>	<b>195,463</b>	<b>247,979</b>	<b>1,232,868</b>
<b>NET POSITION (DEFICIT):</b>					
Beginning of year	3,985,729	219,736	(115,712)	534,704	4,624,457
End of year	<u>\$ 4,644,492</u>	<u>\$ 350,399</u>	<u>\$ 79,751</u>	<u>\$ 782,683</u>	<u>\$ 5,857,325</u>

**City of Ceres, California**  
**Combining Statement of Cash Flows**  
Internal Service Funds  
For the year ended June 30, 2021

	Equipment Revolving	Information Technology	Risk Management	Building Maintenance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from other funds for services	\$ 2,514,298	\$ 1,133,484	\$ 2,144,799	\$ 1,506,313	\$ 7,298,894
Cash received from loss claim recoveries	-	-	2,975	-	2,975
Cash payments to suppliers for goods and services	(897,265)	(364,347)	(1,050)	(458,851)	(1,721,513)
Cash payments to employees for services	(509,816)	(598,644)	80,367	(795,795)	(1,823,888)
Cash payments for loss claims	-	-	(2,185,975)	-	(2,185,975)
<b>Net cash provided (used) by operating activities</b>	<b>1,107,217</b>	<b>170,493</b>	<b>41,116</b>	<b>251,667</b>	<b>1,570,493</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>					
Transfers received (paid)	396,184	5,038	-	10,619	411,841
<b>Net cash provided by noncapital financing activities</b>	<b>396,184</b>	<b>5,038</b>	<b>-</b>	<b>10,619</b>	<b>411,841</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Acquisition and construction of capital assets	(707,255)	(117,148)	-	(61,260)	(885,663)
<b>Net cash (used) by capital and related financing activities</b>	<b>(707,255)</b>	<b>(117,148)</b>	<b>-</b>	<b>(61,260)</b>	<b>(885,663)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest earning	1,856	-	-	-	1,856
<b>Net increase in cash and cash equivalents</b>	<b>798,002</b>	<b>58,383</b>	<b>41,116</b>	<b>201,026</b>	<b>1,098,527</b>
<b>CASH AND CASH EQUIVALENTS:</b>					
Beginning of year	1,737,181	132,312	1,057,716	446,741	3,373,950
End of year	<u>\$ 2,535,183</u>	<u>\$ 190,695</u>	<u>\$ 1,098,832</u>	<u>\$ 647,767</u>	<u>\$ 4,472,477</u>
<b>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:</b>					
Income (loss) from operations	\$ 656,829	\$ 125,625	\$ 195,463	\$ 237,360	\$ 1,215,277
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:					
Depreciation	415,470	42,115	-	16,914	474,499
(Increase) decrease in current assets:					
Accounts receivable	156	-	(1,000)	-	(844)
Increase (decrease) in liabilities:					
Accounts payable and accrued liabilities	21,122	2,753	(1,050)	(4,692)	18,133
Compensated absences	13,640	-	-	2,085	15,725
Increase (decrease) in claims liability - noncurrent	-	-	(152,297)	-	(152,297)
<b>Net cash provided (used) by operating activities</b>	<b>\$ 1,107,217</b>	<b>\$ 170,493</b>	<b>\$ 41,116</b>	<b>\$ 251,667</b>	<b>\$ 1,570,493</b>

## TRUST AND AGENCY FUNDS

Fund	Description
<b>Private Purpose Trust Funds</b>	
<b>Former Ceres Redevelopment Agency</b>	
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.
<b>Former Stanislaus-Ceres Redevelopment Commission</b>	
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.

**City of Ceres, California**  
**Combining Statement of Net Position**  
Private Purpose Trust Funds  
June 30, 2021

	Former Ceres Redevelopment Agency Successor Agency		Former Stanislaus - Ceres Redevelopment Commission Successor Agency		Totals
	Non-Housing	Housing	Non-Housing	Housing	2021
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>					
Current assets:					
Cash and investments	\$ 4,956,676	\$ 600,019	\$ 136,256	\$ -	\$ 5,692,951
Cash and investments with trustee/fiscal agent	2,061,500	-	-	-	2,061,500
Interest receivable	280	-	-	-	280
Total current assets	<u>7,018,456</u>	<u>600,019</u>	<u>136,256</u>	<u>-</u>	<u>7,754,731</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>
<b>Total assets</b>	<u>19,518,603</u>	<u>4,448,548</u>	<u>136,256</u>	<u>192,522</u>	<u>24,295,929</u>
Deferred outflows: Pension plan	16,613	-	91,143	-	107,756
<b>Total assets and deferred outflows</b>	<u>\$ 19,535,216</u>	<u>\$ 4,448,548</u>	<u>\$ 227,399</u>	<u>\$ 192,522</u>	<u>24,403,685</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 3,956	\$ -	\$ 1,109	\$ -	\$ 5,065
Interest payable	-	8,591	-	-	8,591
Compensated absences - current	11,481	-	3,331	-	14,812
Current portion of long term debt	1,602,415	-	60,000	-	1,662,415
Total current liabilities	<u>1,617,852</u>	<u>8,591</u>	<u>64,440</u>	<u>-</u>	<u>1,690,883</u>
Long-term liabilities:					
Advances from Stanislaus County	-	-	266,702	-	266,702
Advances from City of Ceres General Fund	1,422,787	-	531,494	-	1,954,281
Advances from other funds	1,826,680	-	-	-	1,826,680
Due after one year	28,478,809	-	735,000	-	29,213,809
Net pension obligation	144,948	-	179,106	-	324,054
Total long-term liabilities	<u>31,873,224</u>	<u>-</u>	<u>1,712,302</u>	<u>-</u>	<u>33,585,526</u>
<b>Total liabilities</b>	<u>33,491,076</u>	<u>8,591</u>	<u>1,776,742</u>	<u>-</u>	<u>35,276,409</u>
Deferred inflows: Pension plan	28,911	-	7,741	-	36,652
<b>Total liabilities and deferred inflows</b>	<u>33,519,987</u>	<u>8,591</u>	<u>1,784,483</u>	<u>-</u>	<u>35,313,061</u>
<b>Net Position (Deficit):</b>					
Net position held in trust for Redevelopment Dissolution	<u>(13,984,771)</u>	<u>4,439,957</u>	<u>(1,557,084)</u>	<u>192,522</u>	<u>(10,909,376)</u>
<b>Total liabilities, deferred inflows, and net position</b>	<u>\$ 19,535,216</u>	<u>\$ 4,448,548</u>	<u>\$ 227,399</u>	<u>\$ 192,522</u>	<u>\$ 24,403,685</u>

# City of Ceres, California

## Combining Statement of Changes in Fiduciary Net Position

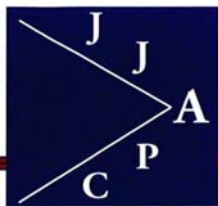
Private Purpose Trust Funds

For the year ended June 30, 2021

	Former Ceres Redevelopment Agency Successor Agency		Former Stanislaus - Ceres Redevelopment Commission Successor Agency		Totals
	Non-Housing	Housing	Non-Housing	Housing	2021
<b>ADDITIONS:</b>					
Property taxes	\$ 2,782,792	\$ -	\$ 143,882	\$ -	\$ 2,926,674
Investment earnings	36,778	-	3,256	-	40,034
Other revenue	58,048	79,614	-	-	137,662
<b>Total additions</b>	<u>2,877,618</u>	<u>79,614</u>	<u>147,138</u>	<u>-</u>	<u>3,104,370</u>
<b>DEDUCTIONS:</b>					
General and administrative	26,643	-	16,076	-	42,719
Salaries and benefits	118,369	-	45,847	-	164,216
Contractual and other services	92,497	-	14,773	-	107,270
Interest and debt service expenses	544,863	-	54,928	-	599,791
<b>Total deductions</b>	<u>782,372</u>	<u>-</u>	<u>131,624</u>	<u>-</u>	<u>913,996</u>
<b>CHANGE IN FIDUCIARY NET POSITION</b>	2,095,246	79,614	15,514	-	2,190,374
<b>NET POSITION (DEFICIT):</b>					
Beginning of year	(16,080,017)	4,360,343	(1,572,598)	192,522	(13,099,750)
End of year	<u>\$ (13,984,771)</u>	<u>\$ 4,439,957</u>	<u>\$ (1,557,084)</u>	<u>\$ 192,522</u>	<u>\$ (10,909,376)</u>

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**JJACPA, Inc.**

A Professional Accounting Services Corp.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

**Independent Auditor's Report**

The Honorable City Council  
City of Ceres  
Ceres, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the 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, and have issued our report thereon dated June 28, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

June 28, 2022

*JJACPA, Inc.*

**JJACPA, Inc.**  
**Dublin, CA**