



## AMENDED AGENDA REGULAR MEETING

### JOINT CHOWCHILLA CITY COUNCIL / ★ REDEVELOPMENT SUCCESSOR AGENCY

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**APRIL 14, 2015**

Items denoted with a ★ are Redevelopment Successor Agency items and will be acted upon by the Redevelopment Successor Agency Board. Agendas for all City Council/Redevelopment Successor Agency meetings are posted at least 72 hours prior to the meeting at the Civic Center, 130 S. Second St., Written communications from the public for the agenda must be received by Administrative Services no less than 7 days prior to the meeting date.

Any writing or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the City Clerk's Counter. In addition, most documents will be posted on the city website at [www.ci.Chowchilla.CA.US](http://www.ci.Chowchilla.CA.US).

The City of Chowchilla complies with the Americans with Disabilities Act (ADA of 1990). The Council Chambers is accessible to the physically disabled. If you need special assistance, please call (559) 665-8615, ext. 102 at least 4 days prior to the meeting.

#### CALL TO ORDER

#### ROLL CALL

Mayor/Chairman: John Chavez

Mayor Pro Tem/Vice Chair: Waseem Ahmed

Council/Board Member: Mary Gaumnitz, Dennis Haworth, Richard Walker

City staff and contract employees present at the meeting will be noted in the minutes

#### PUBLIC ADDRESS – CLOSED SESSION

This time is reserved for members of the audience to address the City Council/Agency Board on items of interest that are not on the Agenda and that are within the subject matter jurisdiction of the Council/Agency Board.

It is recommended that speakers limit their comments to no more than 3 minutes each and it is requested that no comments be made during this period on items on the Agenda. Members of the public wishing to address the Council/Agency Board on items on the Agenda should notify the Mayor/Chairman when that Agenda item is called.

The Council/Agency Board is prohibited by law from taking any action on matters discussed that are not on the Agenda. No adverse conclusions should be drawn if the Council/Agency Board does not respond to public comment at this time.

Speakers are asked to please use the microphone and provide their name for the record. Prior to addressing the Council/Agency Board, any handouts are to be provided to City Clerk/Board Clerk who will distribute them to the Council/Agency Board and the appropriate staff.

#### CLOSED SESSION – 6:00 PM

This time has been set aside for the City Council to meet in a closed session to discuss matters pursuant to Government Code Section 54957 (b)(1) 54957.6, and 54956.9(d) (2). Based on the advice of the City Attorney, discussion in open session concerning these matters would prejudice the position of the City in this litigation. The City Attorney will give an additional oral report regarding the Closed Session at the beginning of the next regular City Council meeting.

**1. Public Employee Appointment**

City Administrator

**2. Conference with Legal Counsel – Anticipated Litigation, Gov. Code Section 54956.9 (d)(2)**

Claimant Name: Doreen Houk

Agency Claimed Against: City of Chowchilla

**3. Conference with Labor Negotiators, Gov. Code Section 54957.6**

Negotiating Parties: CPOA

In the event that not all the items on the closed session agenda have been deliberated in the time provided, the City Council may continue the closed session until the end of the regularly scheduled Council Meeting.

**OPEN SESSION – 7:00 PM****PLEDGE OF ALLEGIANCE:****INVOCATION:****CLOSED SESSION REPORT:****CEREMONIAL / PRESENTATIONS – Section 1**

- 1.1 Oath of Office – Charles Robertson – Police Officer I
- 1.2 Telecommunications Week Proclamation
- 1.3 Relay for Life Proclamation
- 1.4 Paint the Town Purple Day Proclamation
- 1.5 Dispatcher of the Year Presentation
- 1.6 Officer of the Year Presentation
- 1.7 Madera Animal Shelter Presentation

**PUBLIC ADDRESS**

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**COUNCIL AND STAFF REPORTS – Section 2****2.1 COUNCIL REPORTS**

Legislative Items

Oral / Written Reports

## **2.2 COLLABORATIVE AGENCY COMMITTEE UPDATES**

Oral / Written Reports

## **2.3 STAFF REPORTS**

Written/Oral Reports

- Fall Festival (Piepenbrok)
- Movies in the Park (Piepenbrok)
- K9 (Riviere)

### **CONSENT CALENDAR – Section 3**

All items listed under Consent Calendar are considered to be routine and will be enacted by one motion. For discussion of any Consent Item, it will be made a part of the Regular Agenda at the request of any member of the City Council or any person in the audience.

**3.1 Consideration of Council Minutes from the March 19, 2015 Special Meeting (Lima)**

**3.2 Consideration of Council Minutes from the March 24, 2015 Meeting (Lima)**

**3.3 Consideration of Council Minutes from the March 30, 2015 Special Meeting (Lima)**

**3.4 Consideration of Council Minutes from the April 8, 2015 Special Meeting (Lima)**

**3.5 Consideration of General Payments and Payroll for the Month of March 2015 (Pruett)**

### **PUBLIC HEARINGS – Section 4**

### **DEFERRED BUSINESS – Section 5**

### **NEW BUSINESS – Section 6**

**6.1 Presentation of Fiscal Year 2013/2014 Audit (Pruett/Price Paige & Co.)**

**6.2 Resolution # -15, Budget Amendment for Mayor to attend the Mayor and Council Member Leadership Forum (Lima)**

**6.3 Resolution # -15, Amend Contract With Cota Cole LLP to Provide Specialized Code Enforcement Legal Services (Crane)**

**6.4 Resolution # -15, to Accept K-9 and Related Training Donation and Authorize Execution of Necessary Documents (Riviere)**

### **ANNOUNCEMENTS – Section 7**

Apr 15 Planning Commission Meeting – Chowchilla City Hall 7:00 PM  
 Apr 15 First 5 Celebrate Children's Day – Veterans Memorial Park – 4:00-6:00 PM  
 Apr 17 City Offices Closed

- Apr 17 Chowchilla Athletic Foundation Golf Tournament – Pheasant Run Golf Course 1:00 PM
- Apr 21 Parks & Recreation Commission Meeting – Chowchilla City Hall 7:00 PM
- Apr 23 RDA Successor Agency Meeting – Chowchilla City Hall 9:00 AM
- Apr 25 The GREAT Chowchilla YARD SALE – Trinity Avenue & RC Wisener Park 8:00 AM-12 NOON
- Apr 25-26 Relay for Life of Chowchilla – CUHS Football Field 9:00 AM – 9:00 AM
- Apr 28 City Council Meeting – Chowchilla City Hall 7:00 PM

<b>ADJOURNMENT</b>
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**PUBLIC NOTIFICATION**

I, Nanci Lima, City Clerk for the City of Chowchilla, declare under penalty of perjury that I posted the above City Council/ Redevelopment Successor Agency Agenda for the meeting of April 14, 2015 at the Chowchilla Civic Center, 130 S Second Street on April 9, 2015 at 12:35 p.m.

/s/

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Nanci C. O. Lima, MMC  
City Clerk

# *Proclamation*

DESIGNATING APRIL 12–18, 2015, AS

## **NATIONAL PUBLIC SAFETY TELECOMMUNICATOR'S WEEK**

WHEREAS, emergencies can occur at any time requiring police, fire or emergency medical services; and

WHEREAS, when an emergency occurs the prompt response of law enforcement, firefighters and paramedics is critical to the protection of life and preservation of property; and

WHEREAS, the safety of our police officers, and firefighters is dependent upon the quality and accuracy of information obtained from citizens who telephone the Chowchilla Police Department Communications Center; and

WHEREAS, public safety dispatchers are the first and most critical contact our citizens have with emergency services; and

WHEREAS, public safety dispatchers are the single vital link for our law enforcement and fire personnel by monitoring their activities by radio, providing them information and ensuring their safety; and

WHEREAS, public safety dispatchers of the Chowchilla Police Department Communications Center have contributed substantially to the apprehension of criminals, suppression of fires and treatment of patients; and

WHEREAS, each dispatcher has exhibited compassion, understanding and professionalism during the performance of their job in the past year.

NOW THEREFORE, BE IT RESOLVED, the City of Chowchilla City Council hereby proclaims the week of April 12–18, 2015, as "National Telecommunicator's Week" and joins in honoring the telecommunications specialists whose diligence and professionalism keep our community and citizens safe.

Presented this 14th day of April, 2015

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**JOHN CHAVEZ, MAYOR**

City of Chowchilla, County of Madera, State of California

# *Proclamation*

DECLARING APRIL 25 AND 26, 2015, AS

## **RELAY FOR LIFE DAYS IN CHOWCHILLA**

WHEREAS, Relay For Life is the signature event of the American Cancer Society and celebrates cancer survivors and caregivers, and remembers those lost to the disease; and empowers individuals and communities to fight back against cancer; and

WHEREAS, the Relay For Life event is an opportunity to inspire hope by raising funds and awareness to help those facing the disease; and

WHEREAS, every year, the Relay For Life movement in 5,200 communities and 20 countries raises more than \$400 million; and

WHEREAS, money raised during the Relay For Life supports the American Cancer Society's mission of saving lives and creating a world with less cancer and more birthdays, by helping people stay well, by helping people get well, by finding cures for cancer and by fight back; and

WHEREAS, the American Cancer Society puts these donations to work, investing in groundbreaking research in every type of cancer and providing free information and services to cancer patients and their caregivers; and

WHEREAS, support networks and cancer care specialists are available to answer questions 24 hours a day, 7 days a week at 1-800-227-2345; and

WHEREAS, the Relay For Life of Chowchilla overnight event will be held at the Chowchilla Union High School Football Field; and

WHEREAS, all citizens are encouraged to participate in this life-changing overnight event to celebrate those who have battled cancer, remember loved ones lost to the disease and fight back to put an end to cancer.

NOW THEREFORE, BE IT RESOLVED, the City of Chowchilla City Council hereby proclaims April 25 and 26, 2015, as RELAY FOR LIFE DAYS IN CHOWCHILLA.

Presented this 14th day of April, 2015

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**JOHN CHAVEZ, MAYOR**

City of Chowchilla, County of Madera, State of California

# *Proclamation*

DECLARING APRIL 18, 2015

## **PAINT THE TOWN PURPLE DAY**

WHEREAS, the American Cancer Society is a voluntary community-based coalition of local citizens dedicated to eliminating cancer as a major health problem through financial support and education awareness; and

WHEREAS, the color purple is the signature color of the American Cancer Society 's Relay for Life events; and

WHEREAS, the Paint It Purple campaign is a promotional and awareness event of the American Cancer Society designed to draw interest and further engage the community in celebrating the local Relay For Life event; and

WHEREAS, Paint the Town Purple is an activity that encourages individuals to decorate themselves, their homes, storefronts, and cars, with purple themes to help raise cancer awareness; and

WHEREAS, Relay For Life of Chowchilla has selected the Saturday before the community's Relay For Life overnight event on April 25 and 26 as the day to Paint the Town Purple; and

WHEREAS, local volunteers will walk through downtown Chowchilla on that Saturday, painting storefront windows with themes of honor and tying purple ribbons to display support for Relay For Life; and

WHEREAS, we the members of the Chowchilla City Council call upon all citizens to do what they can to further show their support for cancer awareness by participating in Paint the Town Purple and encourage them to support the fundraising efforts of Relay For Life of Chowchilla.

NOW THEREFORE, BE IT RESOLVED, the City of Chowchilla City Council hereby proclaims April 18, 2015, as PAINT THE TOWN PURPLE DAY IN CHOWCHILLA.

Presented this 14th day of April, 2015

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**JOHN CHAVEZ, MAYOR**

City of Chowchilla, County of Madera, State of California

# FRIENDS OF MADERA ANIMAL SHELTER

NOVEMBER 2014

# MADERA COUNTY ANIMAL SHELTER

- The original Madera County Animal Shelter was built before 1970.
- Since that time it has served our growing community and over 352,000 animals during those 44+ years.
- After 44 years of moisture, cleaning solutions, insects, and rodents, the animal shelter structure has deteriorated.

# EXISTING PROBLEMS

- Inadequate and unsafe intake area.
- Antiquated and small animal enclosures.
- No separation of kennels, cat cages, and isolation areas.
- Non existent euthanasia area
- 19<sup>th</sup> century washing area for dishes and laundry
- Inadequate air circulation and temperature controls

# STRAY BUILDING HOLDING AREA FOR CATS AND DOGS



# BUILDING DETERIORATION



# OTHER EXISTING PROBLEMS

- Inadequate storage areas.
- Non ADA compliant bathroom.
- Non-existent staff area for breaks or lunches.
- Numerous health and safety hazards for staff, constituents, and animals.
- Noise pollution

# SICK BAY



# OUTSIDE WASH AREA



# FOOD STORAGE



# ROBERTA WILLS ADOPTION CENTER

- Built in 2008 as a temporary solution to overcrowding in the old shelter building.
- Funding for the adoption center came from a teacher in Madera named Roberta Wills who left approximately \$400,000 for the animals in Madera.
- Additional funding of approximately \$200,000 from the County of Madera and the City of Madera.
- The Adoption Center added 4,000 square feet of space to the animal shelter operation.

# ADOPTION CENTER



# ADOPTION CENTER PROBLEMS

- The metal building and constant moisture from cleaning has resulted in major rust and deterioration issues of the sheet metal throughout the building.
- Multiple overhead doors are in need of major repairs or replacement due to rust at a substantial cost.
- Temperature control and air quality are hard to balance in extreme temperatures which affects staff, animals, and the public.

# ADOPTION CENTER RUST



# CRACKED CEMENT



# MORE CRACKED CEMENT



# ANIMAL SHELTER

- TWO OPTIONS EXIST IN ADDRESSING THE PROBLEMS WITH THE ANIMAL SHELTER

1. Major and expensive renovation of existing buildings.

2. Investing in a new and modern facility that will accommodate the growth of Madera County and its animal population for decades to come.

# COMMUNITY PARTNERS

- F.M.A.S. (Friends of Madera Animal Shelter) has partnered with the animal shelter for 14 years.
- F.M.A.S. has benefited the entire County of Madera and its animal population by:
  1. Donating hundreds of thousands of hours of volunteer services.
  2. Donating over \$1 million in medications, vaccinations, equipment, supplies, and services.
  3. Administering the FREE Red and Nancy Arnold Spay and Neuter Program.

# FMAS COMMITMENT TO MADERA COUNTY

- FMAS is committed to partnering with Madera County, Madera City, and Chowchilla City
- FMAS is committed to the residents of Madera County and the animals they care about.
- FMAS has the support of the animal loving community and hundreds of active volunteers.
- FMAS is committed to a fund raising campaign to build a modern community animal shelter that we can all be proud of.

# FMAS NEEDS YOUR SUPPORT!

- FMAS is requesting that you acknowledge the tremendous need for a new animal shelter to serve our growing community and its animals.
- FMAS is requesting your support of our fund raising endeavors by using your personal and professional network to support our efforts.
- FMAS is requesting your long term commitment as a partner to assist us in our fund raising campaign that will benefit the entire community.

# F.M.A.S. INVESTMENT

- F.M.A.S. is an all volunteer group that is a non-profit organization. 95 cents of every \$1 goes directly to help the animals in Madera.
- Madera is a community that cares about animals and how they are treated. Invest in a new shelter NOW.
- Plan for the future, plan to invest, commit to building a shelter where innocent animals can find comfort.
- Can F.M.A.S. get your commitment today?

# MADERA RESIDENTS AND ANIMALS DESERVE BETTER!





## MINUTES SPECIAL MEETING

### JOINT CHOWCHILLA CITY COUNCIL / ★ REDEVELOPMENT SUCCESSOR AGENCY

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**March 19, 2015**

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#### CALL TO ORDER

#### ROLL CALL

Mayor/Chairman: John Chavez  
Mayor Pro Tem/Vice Chair: Waseem Ahmed  
Council/Board Member: Mary Gaumnitz, Richard Walker

Absent: Council/Board Member: Dennis Haworth

City staff and contract employees present; Interim City Administrator Carolyn Lehr, City Attorney Laura Crane, Interim Police Chief David Riviere, Fire Chief Harry Turner, Public Works Director/City Engineer Craig Locke, Finance Director Rod Pruett, and City Clerk Nanci Lima.

#### OPEN SESSION – 2:00 PM

#### PUBLIC ADDRESS

There was no one in the audience.

#### NEW BUSINESS – Section 1

##### 1.1 Consideration of Setting Council Goals (Lehr/Piepenbrok)

Community Relations Manager Marty Piepenbrok lead the Goal Setting session.

The Mayor recessed at 3:40 pm and reconvened at 3:55 pm.

*Motion by Council Member Walker, seconded by Council Member Gaumnitz to adopt the following goals*

- *Building on the community values to develop a sense of pride as a cohesive community.*
- *To achieve and maintain a safe and secure community.*
- *Enhance the engagement with the citizenry to instill confidence.*
- *Deliver exemplary government services.*
- *Develop infrastructure to meet the current needs and support growth.*

*Motion passed unanimously by roll call vote, with Council member Haworth absent.*

The Mayor recessed at 5:15 pm and reconvened at 5:30 pm.

<b>ADJOURNMENT</b>
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Motion by Council Member Walker, seconded by Council Member Ahmed to adjourn the meeting to April 8, 2015 at 2:30 pm. Motion passed unanimously by voice vote, with Council Members Gaumnitz and Haworth absent.

ATTEST:

APPROVED:

\_\_\_\_\_  
Nanci C. O. Lima, MMC  
City Clerk

\_\_\_\_\_  
Mayor John Chavez



## MINUTES

### REGULAR MEETING JOINT CHOWCHILLA CITY COUNCIL / ★ REDEVELOPMENT SUCCESSOR AGENCY

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**March 24, 2015**

#### CALL TO ORDER

#### ROLL CALL

Mayor/Chairman: John Chavez

Mayor Pro Tem/Vice Chair: Waseem Ahmed

Council/Board Member: Mary Gaumnitz, Dennis Haworth, Richard Walker

City staff and contract employees present: City Clerk Nanci Lima, City Attorney Laura Crane, Interim Police Chief David Riviere, Fire Chief Harry Turner, Public Works Director/City Engineer Craig Locke, Finance Director Rod Pruett, and Deputy City Clerk Joann McClendon.

#### OPEN SESSION – 7:00 PM

**PLEDGE OF ALLEGIANCE:** Council Member Gaumnitz

**INVOCATION:** Council Member Haworth

#### CEREMONIAL / PRESENTATIONS – Section 1

None.

#### PUBLIC ADDRESS

Sherie Willet, Relay for Life Team Chowchilla, invited Council to attend the event April 25 and 26 at the Chowchilla High School football field. She also asked permission to add purple ribbons on trees lining Robertson Blvd.

Mattie Mendez, Executive Director Community Action Partnership of Madera County, and staff introduced themselves to the council and noted the various services they provide to low-income individuals and families, including home energy/water assistance programs, Head Start, (domestic violence/sexual assault) victim Services, homeless shelter assistance and senior services.

April is Sexual Assault Awareness month. the 8<sup>th</sup> Annual Walk a Mile in Her Shoes will be held on Friday April 10, 5pm registration, at the Courthouse Park in Madera.

Don Brumfield approached the podium asking for clarification of the sale of water to Madera County.

Mike Ward approached council regarding water conservation education for its residents.

## **COUNCIL AND STAFF REPORTS – Section 2**

### **2.1 COUNCIL REPORTS**

Legislative Items  
Oral / Written Reports

Council Member Gaumnitz Mary attended softball opening ceremony; neighborhood watch meeting and a Lions dinner. She also attended and participated in the live fire training our Volunteer Fire Department held over the weekend. She was very impressed with the difficult job the firefighters have when they are called out to a structure fire and would like to see more opportunities offered to the Department to assist with obtaining newer equipment and additional training.

Mayor Pro Tem Ahmed attended a Fossil Discovery Center fundraising event.

Council Member Haworth attended (camarena center) health fair.

Mayor Chavez attended the well-received Neighborhood Watch meeting and the live fire training. He also expressed respect and admiration for the City's Volunteer Fire Department and would like to see more funding opportunities geared towards them for equipment and training.

### **2.2 COLLABORATIVE AGENCY COMMITTEE UPDATES**

Oral / Written Reports

### **2.3 STAFF REPORTS**

Written/Oral Reports

Fire Chief Harry Turner reported on the live fire training. Other agencies participated and the cost was covered by a grant. The department is looking into a grant to actually purchase their own live fire training trailer.

Chief Turner also attended the auction that sold the surplus equipment Council authorized. He should have detailed information of the actual profits by next week.

## **CONSENT CALENDAR – Section 3**

**3.1 Approval of Council Minutes from the March 10, 2015 Meeting (Lima)**

**3.2 Approval of Council Minutes from the March 17, 2015 Special Meeting (Lima)**

**3.3 Acceptance of the Monthly Financial Reports (Pruett)**

*Motion by Council Member Walker seconded by Council Member Haworth to approve the Consent Calendar as presented. Motion passed unanimously by roll call vote.*

## **PUBLIC HEARINGS – Section 4**

## **DEFERRED BUSINESS – Section 5**

**5.1 Council Resolution # 21-15, Replace the Key Messaging Point No. 3 in the Approved Chowchilla Communications Plan (Piepenbrok)**

*Motion by Council Member Haworth seconded by Council Member Walker to approve Resolution # 21-15, Replace the Key Messaging Point No. 3 in the Approved Chowchilla Communications Plan. Motion passed unanimously by roll call vote.*

**NEW BUSINESS – Section 6**

**6.1 Consideration of Traffic Control Signage at Humboldt Avenue on South Sixth Street and South Seventh Street (Locke)**

*Motion by Council Member Walker seconded by Council Member Haworth to authorize the Public Works Director to install stop signs to control north-south traffic at the intersections of South Sixth Street and Humboldt Avenue and South Seventh Street and Humboldt Avenue. Motion passed unanimously by roll call vote.*

**6.2 Presentation of the City’s Mid-Year Budget Adjustments and Highlights (Pruett)**

*Motion by Council Member Gaumnitz seconded by Council Member Walker to read and file the Mid-Year Budget report. Motion passed unanimously by roll call vote.*

**ANNOUNCEMENTS – Section 7**

- Mar 26 ~~RDA Successor Agency Meeting – Chowchilla City Hall 9:00 AM~~ **CANCELLED**
- Mar 28 Chowchilla Fair Horse Show – Chowchilla Fairgrounds 8:00 AM
- Mar 28 Easter Egg Hunt, Ed Ray Park, 10:00 AM
- Annual K-9 Dinner Fundraiser, Eastman Hall, 530 PM
- April 3 City Offices Closed
- April 10 City Offices Closed
- April 14 City Council Meeting – Chowchilla City Hall 7:00 PM

**ADJOURNMENT**

Motion by Council Member Walker seconded by Council Member to adjourn the March 24, 2015 Joint Chowchilla City Council/Redevelopment Successor Agency meeting at 7:52pm. Motion passed unanimously by voice vote.

ATTEST:

APPROVED:

\_\_\_\_\_  
Joann McClendon  
Deputy City Clerk

\_\_\_\_\_  
Mayor John Chavez



**MINUTES  
SPECIAL MEETING  
JOINT CHOWCHILLA CITY COUNCIL /  
★ REDEVELOPMENT SUCCESSOR AGENCY**

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**March 30, 2015**

**CALL TO ORDER**

**ROLL CALL**

Mayor/Chairman: John Chavez

Mayor Pro Tem/Vice Chair: Waseem Ahmed

Council/Board Member: Mary Gaumnitz, Dennis Haworth, Richard Walker

City staff and contract employees present: Interim City Administrator Carolyn Lehr and City Clerk Nanci Lima.

**OPEN SESSION – 9:00 AM**

**PUBLIC ADDRESS**

There was no one in the audience.

**CLOSED SESSION – Section 1**

- 1. Pursuant to Gov. Code Section 54957  
PUBLIC EMPLOYMENT  
TITLE: City Administrator**

**CLOSED SESSION REPORT:** The Mayor left at 4:10 pm. Direction was given to staff.

**ADJOURNMENT**

Moved by Council Member Walker, seconded by Council Member Haworth to adjourn the March 30, 2105 Special Joint City Council/Redevelopment Successor Agency Meeting at 4:41 pm. Motion carried by voice vote.

ATTEST:

APPROVED:

\_\_\_\_\_  
Nanci C. O. Lima, MMC, City Clerk

\_\_\_\_\_  
John Chavez, Mayor



**MINUTES**  
**SPECIAL MEETING ADJOURNED FROM**  
**MARCH 19, 2015**  
**JOINT CHOWCHILLA CITY COUNCIL /**  
**★ REDEVELOPMENT SUCCESSOR AGENCY**

Council Chambers, Chowchilla City Hall  
130 S. Second Street, Chowchilla, CA 93610

**April 8, 2015**

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**CALL TO ORDER**

**ROLL CALL**

Mayor/Chairman: John Chavez

Mayor Pro Tem/Vice Chair: Waseem Ahmed

Council/Board Member: Dennis Haworth arrived at 2:35 pm, Richard Walker

Absent:

Council/Board Member: Mary Gaumnitz

City staff and contract employees present: Interim City Administrator Carolyn Lehr, City Attorney Laura Crane, Interim Police Chief David Riviere, Fire Chief Harry Turner, Public Works Director/City Engineer Craig Locke via telephone, Public Works Supervisor Joe Roman, Finance Director Rod Pruett, Community Relations Manager Marty Piepenbrok, and City Clerk Nanci Lima.

**OPEN SESSION – 2:30 PM**

**PLEDGE OF ALLEGIANCE:** Mayor John Chavez

**INVOCATION:** Council Member Richard Walker

**PUBLIC ADDRESS**

There was no one in the audience.

**DEFERRED BUSINESS – Section 1**

**1.1 Consideration of Setting Council Goals (Lehr/Piepenbrok)**

Council recessed at 4:10 pm and reconvened at 4:22 pm.

Council Member Walker left at 4:40 pm

Council recessed at 4:46 pm and reconvened at 4:47 pm.

Direction given to staff to compile the workshop list of strategies, consolidate them to generate objectives, and bring them to City Council for discussion and action.

**ADJOURNMENT**

Motion by Council Member Haworth, seconded by Council Member Ahmed to adjourn the April 8, 2015 Special Joint City Council/Redevelopment Successor Agency Meeting at 5:10 pm.  
Motion passed by voice vote.

ATTEST:

APPROVED:

\_\_\_\_\_  
Nanci C. O. Lima, MMC

\_\_\_\_\_  
Mayor John Chavez



# REPORT TO THE CITY COUNCIL

Council Meeting of April 14, 2015

<b>Agenda Section:</b>	<u>CONSENT</u>
<b>SUBJECT:</b>	<b>Consideration of Monthly Invoice Payment Authorization Request</b>
<b>Prepared By:</b>	<u>Irene Fisher, Senior Accountant</u>
<b>Authorized By:</b>	<u>Rod Pruett, Finance Director</u>
<b>Approved By:</b>	<u>Carolyn Lehr, Interim City Administrator</u>

## **RECOMMENDATION**

Approve by minute order, the release of the payments for the invoices shown in the attached listing of invoices.

## **HISTORY / BACKGROUND**

Presented this evening is a list of invoices awaiting payment. Included in the list are a number of items related to employee pay, benefits and deductions which have been estimated for future payments. The report issued next month will reflect the actual amounts paid. Certain payments like insurance premiums and the payroll related items cannot be held due to deadlines associated with the payment in order to ensure timely receipt.

## **FINANCIAL ANALYSIS**

Each item shown on the invoice list includes a description of that item and the amount of the invoice.

## **ATTACHMENTS**

Invoice listing & warrants

Report Criteria:  
 Report type: Invoice detail

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/02/2015	45791	12002	Abraugh, Steve D	Deposit refund for 524 Adams	205-0200-0000-043	64.21
Total 45791:							64.21
03/15	03/02/2015	45792	196	AFLAC	Employee Contribution	702-0200-0000-040	352.15
Total 45792:							352.15
03/15	03/02/2015	45793	12181	American Fidelity	Section 125 for February 2015	702-0200-0000-040	1,495.82
Total 45793:							1,495.82
03/15	03/02/2015	45794	421	AmeriPride	Supplies for the Garage	601-3615-0000-315	41.85
03/15	03/02/2015	45794	421	AmeriPride	Supplies for Public Works	310-3625-0000-315	98.47
03/15	03/02/2015	45794	421	AmeriPride	supplies for Animal shelter	100-2805-0000-315	66.25
03/15	03/02/2015	45794	421	AmeriPride	Supplies for the Garage	601-3615-0000-315	41.85
03/15	03/02/2015	45794	421	AmeriPride	Supplies for Public Works	310-3625-0000-315	98.47
03/15	03/02/2015	45794	421	AmeriPride	Supplies for the Garage	601-3615-0000-315	51.35
03/15	03/02/2015	45794	421	AmeriPride	Supplies for Public Works	310-3625-0000-315	130.97
03/15	03/02/2015	45794	421	AmeriPride	Supplies for the WWTP	215-5705-0000-315	15.68
03/15	03/02/2015	45794	421	AmeriPride	supplies for PD	100-2610-0000-315	33.18
03/15	03/02/2015	45794	421	AmeriPride	Supplies for the garage	601-3615-0000-315	41.85
03/15	03/02/2015	45794	421	AmeriPride	Supplies for Public Works	310-3625-0000-315	101.47
03/15	03/02/2015	45794	421	AmeriPride	Supplies for the Garage	601-3615-0000-315	51.35
03/15	03/02/2015	45794	421	AmeriPride	Supplies for Public Works	310-3625-0000-315	132.97
03/15	03/02/2015	45794	421	AmeriPride	Supplies for the WWTP	215-5705-0000-315	15.68
03/15	03/02/2015	45794	421	AmeriPride	supplies for Civic center	100-1705-0000-315	59.18
03/15	03/02/2015	45794	421	AmeriPride	Suipplies for the Senior Center	100-6615-0000-315	33.68
Total 45794:							1,014.25
03/15	03/02/2015	45795	526	Applied Industrial Tech	Repair parts for the WWTP	215-5705-0000-317	883.95
Total 45795:							883.95
03/15	03/02/2015	45796	12638	Arredondo, John and Barbara	refund fine for water Citation 2783	205-7605-0000-876	200.00

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 45796:							200.00
03/15	03/02/2015	45797	691	A-Z Bus Sales Inc.	supplies veh# 22	325-3705-0000-320	23.60
Total 45797:							23.60
03/15	03/02/2015	45798	986	Best Uniforms	supplies for Fire Dept	100-2705-0000-301	1,043.05
Total 45798:							1,043.05
03/15	03/02/2015	45799	1281	BSK Associates	Water Dept testing	205-7605-0000-350	432.00
Total 45799:							432.00
03/15	03/02/2015	45800	1856	CDW Government, Inc.	Printer for Admin	100-1710-0000-300	82.50
03/15	03/02/2015	45800	1856	CDW Government, Inc.	IT supplies	100-1710-0000-300	88.29
Total 45800:							170.79
03/15	03/02/2015	45801	12371	Central Valley Plumbing Repair Service	replace strainer trap	100-2610-0000-315	184.21
Total 45801:							184.21
03/15	03/02/2015	45802	12052	Central Valley Veterinary Clinic	Vet Services	100-2805-0000-324	817.50
03/15	03/02/2015	45802	12052	Central Valley Veterinary Clinic	Vet Services	100-2805-0000-324	70.00
03/15	03/02/2015	45802	12052	Central Valley Veterinary Clinic	Vet Services	100-2805-0000-324	142.08
03/15	03/02/2015	45802	12052	Central Valley Veterinary Clinic	Vet services	100-2805-0000-324	138.25
03/15	03/02/2015	45802	12052	Central Valley Veterinary Clinic	Vet services	100-2805-0000-324	405.40
Total 45802:							1,573.23
03/15	03/02/2015	45803	2046	Chem Quip	Chlorine for Water Wells;	205-7605-0000-346	678.24
Total 45803:							678.24
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Supplies for the Parks dept	100-6620-0000-315	32.90
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Supplies for the Parks Dept	100-6620-0000-315	4.37
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Return parts/ Parks Dept	100-6620-0000-315	1.84-

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Graffiti Abatement Supplies	100-6620-0000-315	12.51
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Supplies for the Parks dept	100-6620-0000-315	.98
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Irrigation repair parts/ parks Dept	100-6620-0000-317	5.83
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Irrigation repair parts/ Parks Dept	100-6620-0000-317	20.57
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Supplies for the Parks dept	100-6620-0000-315	2.67
03/15	03/02/2015	45804	2131	Chowchilla Dolt Best	Parts for the Corp Yard Building	205-7605-0000-315	8.58
Total 45804:							86.57
03/15	03/02/2015	45805	12637	Claus, Shoji	refund for water citation 2538	205-7605-0000-876	100.00
Total 45805:							100.00
03/15	03/02/2015	45806	12074	Comcast	cable service for PD	100-2610-0000-315	2.10
Total 45806:							2.10
03/15	03/02/2015	45807	12311	Crown Services Co	portable toilet- shelter	100-2805-0000-315	75.21
Total 45807:							75.21
03/15	03/02/2015	45808	3031	Department of Justice/Acc	Fingerprinting for Jan 2015	100-2610-0000-891	113.00
Total 45808:							113.00
03/15	03/02/2015	45809	3036	Department of Justice/Acc B/A	Blood Alcohol Analysis for JAN 2015	100-2610-0000-350	140.00
Total 45809:							140.00
03/15	03/02/2015	45810	12641	Donahoo, Rose	Deposit Refund for 512 Adams Dr.	205-0200-0000-043	70.14
Total 45810:							70.14
03/15	03/02/2015	45811	3676	Ewing Irrigation Products Inc.	New irrigation booster pump/ Parks Dept	100-6620-0000-317	1,073.33
Total 45811:							1,073.33
03/15	03/02/2015	45812	3711	Farmers Hardware	Parts for Unit #364	305-3620-0000-316	7.19
03/15	03/02/2015	45812	3711	Farmers Hardware	Supplies for the water Dept	205-7605-0000-317	4.31

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/02/2015	45812	3711	Farmers Hardware	Supplies for the parks Dept	100-6620-0000-301	18.80
Total 45812:							30.30
03/15	03/02/2015	45813	12212	Fastenal Company	Safety Vest	305-3620-0000-302	58.08
03/15	03/02/2015	45813	12212	Fastenal Company	safety Supplies/ Parks dept	100-6620-0000-302	42.08
Total 45813:							100.16
03/15	03/02/2015	45814	3966	Franklin Pet Cemetery	Animal Disposal	100-2805-0000-324	104.00
Total 45814:							104.00
03/15	03/02/2015	45815	12460	Fresno-Madera Area Agency on Aging	site supplies	100-6615-0000-314	165.14
Total 45815:							165.14
03/15	03/02/2015	45816	12634	Global Capital Fund 3, LLC	deposit refund for 1021 Ventura	205-0200-0000-043	61.25
Total 45816:							61.25
03/15	03/02/2015	45817	5246	Interstate Battery	Battery for Unit #73	305-3620-0000-320	250.45
Total 45817:							250.45
03/15	03/02/2015	45818	12593	Lehr, Carolyn	Lodging for 2/15/15-2/18/15	100-1710-0000-336	439.96
03/15	03/02/2015	45818	12593	Lehr, Carolyn	Lodging for 2/8/15-2/12/15 per Contract	100-1710-0000-336	439.96
Total 45818:							879.92
03/15	03/02/2015	45819	6191	Mace Pest Control	Monthly Services at the Senior center	100-6615-0000-315	80.00
Total 45819:							80.00
03/15	03/02/2015	45820	6246	Madera Co Auditor/Controller	2 QTR 14/15 Gas tax Revenue share	101-3606-0000-851	17,617.20
Total 45820:							17,617.20
03/15	03/02/2015	45821	12633	Metzger Parker Co	deposit refund for 817 Robertson	205-0200-0000-043	64.12

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 45821:							64.12
03/15	03/02/2015	45822	11541	Meyers Nave	Legal Services	100-1615-0000-335	15,099.05
Total 45822:							15,099.05
03/15	03/02/2015	45823	12282	Mid Valley Disposal Inc.	Disposal Services for City roll off bins	210-5605-0000-350	579.46
Total 45823:							579.46
03/15	03/02/2015	45824	6886	Mid-Valley Pipe & Steele, Inc	Dead End barrier repairs supplies/ Streets Dept	305-3620-0000-317	600.05
Total 45824:							600.05
03/15	03/02/2015	45825	7176	Myers Stevens & Toohey & Co In	PD Disability Insurance for March 2015	100-2805-0000-341	494.50
Total 45825:							494.50
03/15	03/02/2015	45826	12471	Nichols Consulting	state mandated cost consulting services	100-1705-0000-336	900.00
Total 45826:							900.00
03/15	03/02/2015	45827	12639	O'banion, Mike and Deena	refund credit for water citation 2646	205-7605-0000-876	200.00
Total 45827:							200.00
03/15	03/02/2015	45828	7516	Office Depot	supplies for Finance	100-1720-0000-300	2.73
03/15	03/02/2015	45828	7516	Office Depot	supplies for PD	100-2610-0000-300	169.19
03/15	03/02/2015	45828	7516	Office Depot	Office Supplies for the WWTP	215-5705-0000-300	56.30
03/15	03/02/2015	45828	7516	Office Depot	supplies for Fire Dept	100-2705-0000-301	224.91
03/15	03/02/2015	45828	7516	Office Depot	supplies for finance	100-1720-0000-300	192.22
Total 45828:							645.35
03/15	03/02/2015	45829	12330	Pacific Plan Review Inc	additional hrs over contracted amount-Cen Cal machining	100-4805-0000-337	212.50
Total 45829:							212.50

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Light for Mid Valley	100-1712-0000-315	618.07
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Supplies for light repairs at RCW	100-6620-0000-315	352.33
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Lights for PD	100-2610-0000-300	29.11
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Supplies for PD	100-2610-0000-300	48.60
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Electrical supplies for the WWTP	215-5705-0000-315	276.15
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Electrical supplies for the WWTP	215-5705-0000-315	84.61
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Supplies for light repairs at RCW	100-6620-0000-315	22.68
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Returned supplies/ WWTP	215-5705-0000-315	42.30-
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Electrical supplies for the parks Shop	100-6620-0000-315	373.30
03/15	03/02/2015	45830	7966	Platt Electrical Supply	Electrical supplies for the parks Shop	100-6620-0000-315	356.40
Total 45830:							2,118.95
03/15	03/02/2015	45831	7996	Praxair Dist. Inc.	Supplies for the Garage	601-3615-0000-321	95.39
Total 45831:							95.39
03/15	03/02/2015	45832	8051	Pro Realty	credit refund for water Admin citation 2540	205-7605-0000-876	200.00
Total 45832:							200.00
03/15	03/02/2015	45833	11612	ProClean Supply	Janitorial Supplies/ City Facilities	100-6620-0000-315	56.95
03/15	03/02/2015	45833	11612	ProClean Supply	Janitorial Supplies/ City Facilities	100-6620-0000-315	193.70
03/15	03/02/2015	45833	11612	ProClean Supply	Janitorial Supplies/ City Facilities	100-6620-0000-315	179.15
Total 45833:							429.80
03/15	03/02/2015	45834	12642	Rios, Andrew & Eva	Deposit Refund for 721 Sonoma Ave	205-0200-0000-043	61.62
Total 45834:							61.62
03/15	03/02/2015	45835	12632	Rodriguez, Israel	deposit refund for 2015 Truman	205-0200-0000-043	56.80
Total 45835:							56.80
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Parts for Unit #1	100-1710-0000-320	68.55
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	supplies PD unit 61	100-2610-0000-320	68.96
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	supplies PD unit 49	100-2610-0000-320	53.78
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	supplies PD unit 49	100-2610-0000-320	17.06

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Supplies for the Parks Dept	100-6620-0000-301	102.06
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Supplies for the Water Dept	205-7605-0000-320	23.95
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Supplies for the garage	601-3615-0000-321	17.26
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Parts for Unit #164	305-3620-0000-320	14.88
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Parts for the Spray Rig	305-3620-0000-301	69.66
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Parts for Unit #27	100-6620-0000-320	21.59
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Parts for the Spray Rig	305-3620-0000-301	12.66
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Parts for Unit #29	325-3705-0000-320	20.48
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Parts for Unit #115	305-3620-0000-301	18.91
03/15	03/02/2015	45836	8796	S & W Auto Parts Inc.	Parts for Unit #115	305-3620-0000-301	53.99
Total 45836:							563.79
03/15	03/02/2015	45837	8896	San Diego Police Equipment Co.	Ammo for PD	100-2610-0000-301	811.91
Total 45837:							811.91
03/15	03/02/2015	45838	12245	San Joaquin Sand and Gravel	Street Patching Materials	305-3620-0000-317	825.43
Total 45838:							825.43
03/15	03/02/2015	45839	9206	Self Help Enterprises	Loan Portfolio Mgmt for Jan 2015- C1588	415-4810-0000-336	1,808.00
Total 45839:							1,808.00
03/15	03/02/2015	45840	1136	Silva Ford Madera	supplies for PD unit 48	100-2610-0000-320	94.66
03/15	03/02/2015	45840	1136	Silva Ford Madera	supplies for PD unit 51	100-2610-0000-320	145.67
03/15	03/02/2015	45840	1136	Silva Ford Madera	supplies for PD unit 43	100-2610-0000-320	793.63
03/15	03/02/2015	45840	1136	Silva Ford Madera	supplies for PD unit 49	100-2610-0000-320	503.88
03/15	03/02/2015	45840	1136	Silva Ford Madera	Parts for Unit #164	305-3620-0000-320	669.60
03/15	03/02/2015	45840	1136	Silva Ford Madera	repairs PD unit	100-2610-0000-320	481.49
Total 45840:							2,688.93
03/15	03/02/2015	45841	12635	Spangler, Cynthia	deposit refund for 516 Riverside	205-0200-0000-043	102.65
Total 45841:							102.65
03/15	03/02/2015	45842	12640	Tea Garden Chinese Restaurant	Deposit Refund for 346 Roberston Blvd	205-0200-0000-043	456.98

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 45842:							456.98
03/15	03/02/2015	45843	10116	Tesei Petroleum Inc.	Fuel for Shelter	100-2805-0000-320	298.08
03/15	03/02/2015	45843	10116	Tesei Petroleum Inc.	Fuel for City	325-3705-0000-320	2,321.36
Total 45843:							2,619.44
03/15	03/02/2015	45844	10131	TF Tire & Service	Stock Tire for CATX	325-3705-0000-320	892.67
03/15	03/02/2015	45844	10131	TF Tire & Service	Flat tire repair / Streets Dept trailer	305-3620-0000-301	20.00
03/15	03/02/2015	45844	10131	TF Tire & Service	Tire for Unit #22	325-3705-0000-320	615.48
Total 45844:							1,528.15
03/15	03/02/2015	45845	10176	The Presort Center	Newsletter & Utility Billings Feb 15	210-1720-0000-336	2,606.67
03/15	03/02/2015	45845	10176	The Presort Center	Shut off notice Feb	210-1720-0000-336	227.47
Total 45845:							2,834.14
03/15	03/02/2015	45846	10221	Thomson Reuters-West	CA Vehicle Code 2015	100-2610-0000-300	345.60
Total 45846:							345.60
03/15	03/02/2015	45847	12544	Tracy Power Equipment	Parts for Unit #19	100-6620-0000-301	273.94
03/15	03/02/2015	45847	12544	Tracy Power Equipment	Mower Blades for Unit #19	100-6620-0000-301	43.40
Total 45847:							317.34
03/15	03/02/2015	45848	10571	US BANK (I.M.P.A.C. CAL-CARD)	Armstrong- Food for Warco	100-2618-1202-324	273.97
03/15	03/02/2015	45848	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal card Expenses	305-3620-0000-301	1,248.44
Total 45848:							1,522.41
03/15	03/02/2015	45849	12325	US Bank National Association	Fees for services	207-7705-0000-337	1,492.50
Total 45849:							1,492.50
03/15	03/02/2015	45850	31	A.B.P.A	Back Flow Class - Breashears	205-7605-0000-305	150.00
03/15	03/02/2015	45850	31	A.B.P.A	Back Flow Class - Eggert	205-7605-0000-305	150.00

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/02/2015	45850	31	A.B.P.A	Back Flow Class - Acree	205-7605-0000-305	150.00
Total 45850:							450.00
03/15	03/04/2015	45851	12643	David Leonard Associates	Rancho Calera Project-Reimburse by developer	701-0200-0000-042	1,674.00
03/15	03/04/2015	45851	12643	David Leonard Associates	Legacy Development	100-4605-0000-336	525.00
Total 45851:							2,199.00
03/15	03/05/2015	45852	11944	Madera County Records Office	Two Lien Releases	100-4605-0000-345	24.00
Total 45852:							24.00
03/15	03/09/2015	45853	12645	AIMS	Refund Overpayment for W/C Claim	100-2610-0000-898	603.42
Total 45853:							603.42
03/15	03/09/2015	45854	2136	Chowchilla Employees Assn.	Employee Contribution	702-0200-0000-040	50.00
Total 45854:							50.00
03/15	03/09/2015	45855	12408	Chowchilla Mid-Management	Employee Contributions	702-0200-0000-040	300.00
Total 45855:							300.00
03/15	03/09/2015	45856	2166	Chowchilla Office	Employee Contributions	702-0200-0000-040	175.00
Total 45856:							175.00
03/15	03/09/2015	45857	2171	Chowchilla Peace Officers	Employee Contribution	702-0200-0000-040	860.00
Total 45857:							860.00
03/15	03/09/2015	45858	3836	Fitness Peak	Employee Contribution	702-0200-0000-040	122.50
Total 45858:							122.50
03/15	03/09/2015	45859	11944	Madera County Records Office	To Record Lien Release	100-1600-0000-849	12.00

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 45859:							12.00
03/15	03/11/2015	45860	12593	Lehr, Carolyn	Lodging for 2/22/15-2/26/15 Per contract	100-1710-0000-336	549.95
03/15	03/11/2015	45860	12593	Lehr, Carolyn	Lodging for 3/1/15-3/6/15 per contract	100-1710-0000-336	659.94
Total 45860:							1,209.89
03/15	03/11/2015	45861	11496	Ramirez, Manuel	Payroll	702-0200-0000-043	2,723.93
Total 45861:							2,723.93
03/15	03/13/2015	45862	10081	Telford, Richard John	Payroll	702-0200-0000-043	8.75
Total 45862:							8.75
03/15	03/18/2015	50000	2136	Chowchilla Employees Assn.	Employee Contribution	702-0200-0000-040	50.00
Total 50000:							50.00
03/15	03/18/2015	50001	12408	Chowchilla Mid-Management	Employee Contributions	702-0200-0000-040	300.00
Total 50001:							300.00
03/15	03/18/2015	50002	2166	Chowchilla Office	Employee Contributions	702-0200-0000-040	175.00
Total 50002:							175.00
03/15	03/18/2015	50003	2171	Chowchilla Peace Officers	Employee Contribution	702-0200-0000-040	903.00
Total 50003:							903.00
03/15	03/18/2015	50004	3836	Fitness Peak	Employee Contribution	702-0200-0000-040	122.50
Total 50004:							122.50
03/15	03/18/2015	50005	9526	Smith, Wendy	Public Employees Training	205-7605-0000-305	46.26

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 50005:							46.26
03/15	03/18/2015	50006	16	A & R Refrigeration	Repair Heater at the WWTP	215-5705-0000-315	258.49
Total 50006:							258.49
03/15	03/18/2015	50007	421	AmeriPride	Supplies for the Senior center	100-6615-0000-315	33.68
03/15	03/18/2015	50007	421	AmeriPride	supplies for animal shelter	100-2805-0000-315	66.25
03/15	03/18/2015	50007	421	AmeriPride	supplies for PD	100-2610-0000-315	33.18
03/15	03/18/2015	50007	421	AmeriPride	Supplies for the WWTP	215-5705-0000-315	15.68
03/15	03/18/2015	50007	421	AmeriPride	Supplies for the Senior Center	100-6615-0000-315	33.68
03/15	03/18/2015	50007	421	AmeriPride	Credit	205-7605-0000-301	15.68-
Total 50007:							166.79
03/15	03/18/2015	50008	691	A-Z Bus Sales Inc.	3 Metal first aid kits and two storage pouch for w/c restraints	325-3705-0000-502	266.13
Total 50008:							266.13
03/15	03/18/2015	50009	12652	Bates, Krystal	deposit refund for 1312 Humboldt Ave	205-0200-0000-043	55.34
Total 50009:							55.34
03/15	03/18/2015	50010	12654	Biscay, Leon Jr	deposit refund for 4620 Broadmore	205-0200-0000-043	61.10
Total 50010:							61.10
03/15	03/18/2015	50011	1281	BSK Associates	Waste Water Testing	215-5705-0000-350	65.00
03/15	03/18/2015	50011	1281	BSK Associates	Water Dept testing	205-7605-0000-350	256.00
03/15	03/18/2015	50011	1281	BSK Associates	Water Dept testing	205-7605-0000-350	256.00
03/15	03/18/2015	50011	1281	BSK Associates	Waste Water Testing	215-5705-0000-350	65.00
03/15	03/18/2015	50011	1281	BSK Associates	Waste Water Testing	215-5705-0000-350	65.00
03/15	03/18/2015	50011	1281	BSK Associates	Water Dept testing	205-7605-0000-350	344.00
Total 50011:							1,051.00
03/15	03/18/2015	50012	1511	California Consulting LLC	Grant Writing Services 3/1/15-3/31/15	205-7605-0000-336	2,500.00

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 50012:							2,500.00
03/15	03/18/2015	50013	12478	California Fresno Oil Co	Street Patching Materials for the Streets dept	305-3620-0000-317	172.08
Total 50013:							172.08
03/15	03/18/2015	50014	1781	Caselle, Inc.	credit on invoice 63385	602-1715-0000-302	80.00-
03/15	03/18/2015	50014	1781	Caselle, Inc.	Contracted Support Services Jan 2015	602-1715-0000-302	80.00
03/15	03/18/2015	50014	1781	Caselle, Inc.	Support for Updating Workstations	602-1715-0000-302	110.00
Total 50014:							110.00
03/15	03/18/2015	50015	1856	CDW Government, Inc.	Shortel Support 1 Year	602-1715-0000-302	3,166.25
03/15	03/18/2015	50015	1856	CDW Government, Inc.	supplies for IT	602-1715-0000-302	186.84
Total 50015:							3,353.09
03/15	03/18/2015	50016	1921	Central SJV RMA	Liability Insurance	100-1730-0000-340	86,312.00
Total 50016:							86,312.00
03/15	03/18/2015	50017	12052	Central Valley Veterinary Clinic	Vet services	100-2805-0000-324	85.00
Total 50017:							85.00
03/15	03/18/2015	50018	2046	Chem Quip	Credit for Container Deposit	205-7605-0000-346	180.00-
03/15	03/18/2015	50018	2046	Chem Quip	Chlorine for Water Wells;	205-7605-0000-346	678.24
03/15	03/18/2015	50018	2046	Chem Quip	Chlorine for Water Wells;	205-7605-0000-346	787.66
Total 50018:							1,285.90
03/15	03/18/2015	50019	2116	Chowchilla Chevron	car wash Oct 2014- Jan 2015	100-2610-0000-320	69.00
Total 50019:							69.00
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the parks dept	100-6620-0000-317	4.85
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Irrigation supplies for the parks Dept	100-6620-0000-317	13.82
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the parks dept	100-6620-0000-301	3.78

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the WWTP	215-5705-0000-315	6.25
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the Ed Ray park Sign	100-6625-0000-332	1.61
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Parts for unit #364	305-3620-0000-316	14.22
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the Parks dept	100-6620-0000-315	31.64
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the Parks dept	100-6620-0000-302	27.30
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	supplies for IT	602-1715-0000-302	5.39
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	IT tools	602-1715-0000-320	13.82
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the Parks Dept	100-6620-0000-315	7.66
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the Parks Dept	100-6620-0000-301	29.14
03/15	03/18/2015	50020	2131	Chowchilla Dolt Best	Supplies for the Parks dept	100-6620-0000-315	59.71
Total 50020:							155.91
03/15	03/18/2015	50021	2251	City of Chowchilla-CH	petty cash- copies from County recorder	956-9950-0000-337	180.58
Total 50021:							180.58
03/15	03/18/2015	50022	12553	Clean Energy	Replace valves on the CNG fueling station	305-3620-0000-317	973.25
Total 50022:							973.25
03/15	03/18/2015	50023	12074	Comcast	Cable for 3/6/15-4/5/15	100-2610-0000-315	2.10
Total 50023:							2.10
03/15	03/18/2015	50024	2446	Consolidated Electrical	Supplies for the Streets dept	305-3620-0000-317	22.62
Total 50024:							22.62
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.224	100-1615-0000-335	331.50
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.232	100-1615-0000-335	1,254.87
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.000	100-1615-0000-335	9,521.23
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees - special counsel	100-1615-0000-335	665.00
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.229	100-1615-0000-335	988.00
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees - 10158.230	100-1615-0000-335	121.28
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.227	100-1615-0000-335	229.50
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.220	100-1615-0000-335	57.00
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.218	100-1615-0000-335	324.00
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees - 10158.225	100-1615-0000-335	60.00

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.228	100-1615-0000-335	3,806.41
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158.221	100-1615-0000-335	4.00
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees - 10158.006	100-1615-0000-335	1,311.00
03/15	03/18/2015	50025	11622	Cota Cole LLP	Professional Fees- 10158002	100-1615-0000-335	6,950.71
Total 50025:							25,624.50
03/15	03/18/2015	50026	12643	David Leonard Associates	service- Rancho Calera	701-0200-0000-042	562.50
Total 50026:							562.50
03/15	03/18/2015	50027	3031	Department of Justice/Acc	Fingerprinting for February 2015	100-2610-0000-891	32.00
Total 50027:							32.00
03/15	03/18/2015	50028	3036	Department of Justice/Acc B/A	Blood Alcohol Analysis for Feb 2015	100-2610-0000-302	140.00
Total 50028:							140.00
03/15	03/18/2015	50029	3451	Econo-Ag	Parts for Unit #364	305-3620-0000-316	4.19
03/15	03/18/2015	50029	3451	Econo-Ag	Parts for Unit #364	305-3620-0000-316	102.24
Total 50029:							106.43
03/15	03/18/2015	50030	3676	Ewing Irrigation Products Inc.	Return supplies for the Parks Dept	100-6620-0000-317	1,073.33-
03/15	03/18/2015	50030	3676	Ewing Irrigation Products Inc.	Irrigation booster pump for the RC Wisener Park	100-6620-0000-317	1,186.17
Total 50030:							112.84
03/15	03/18/2015	50031	3711	Farmers Hardware	Supplies for the Parks dept	100-6620-0000-317	31.83
03/15	03/18/2015	50031	3711	Farmers Hardware	Part for Unit #364	305-3620-0000-316	15.68
03/15	03/18/2015	50031	3711	Farmers Hardware	Part for Unit #364	305-3620-0000-316	15.68
03/15	03/18/2015	50031	3711	Farmers Hardware	Supplies for the WWTP	215-5705-0000-317	12.94
03/15	03/18/2015	50031	3711	Farmers Hardware	Part for the Welder	305-3620-0000-301	17.23
03/15	03/18/2015	50031	3711	Farmers Hardware	Supplies for the parks dept	100-6620-0000-317	26.96
03/15	03/18/2015	50031	3711	Farmers Hardware	Part for Unit #364	305-3620-0000-316	2.81
03/15	03/18/2015	50031	3711	Farmers Hardware	Parts for Unit #364	305-3620-0000-316	1.07
03/15	03/18/2015	50031	3711	Farmers Hardware	Part for Unit #364	305-3620-0000-316	10.52
03/15	03/18/2015	50031	3711	Farmers Hardware	Supplies for the Street Dept	305-3620-0000-316	16.04

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/18/2015	50031	3711	Farmers Hardware	Supplies for the Parks dept	100-6620-0000-317	12.94
Total 50031:							163.70
03/15	03/18/2015	50032	12212	Fastenal Company	Safety Supplies / parks dept	100-6620-0000-302	9.42
03/15	03/18/2015	50032	12212	Fastenal Company	Safety Supplies/ parks Dept	100-6620-0000-302	18.63
03/15	03/18/2015	50032	12212	Fastenal Company	Supplies for the Parks dept	100-6620-0000-315	13.29
03/15	03/18/2015	50032	12212	Fastenal Company	Supplies for the Garage	601-3615-0000-321	1.16
03/15	03/18/2015	50032	12212	Fastenal Company	Safety supplies for Public Works	100-6620-0000-302	66.66
03/15	03/18/2015	50032	12212	Fastenal Company	Supplies for the garage	601-3615-0000-320	26.40
Total 50032:							135.56
03/15	03/18/2015	50033	4056	Fresno Police Department	POST Perishable Skills Training for 2 Officer	100-2610-0000-305	488.00
Total 50033:							488.00
03/15	03/18/2015	50034	4561	Grainger	Parts for Unit #364	305-3620-0000-316	815.94
Total 50034:							815.94
03/15	03/18/2015	50035	4616	Grover Landscape Services Inc.	Monthly Landscape for February 2015	310-3625-0000-336	2,535.00
Total 50035:							2,535.00
03/15	03/18/2015	50036	5006	Hi-Tech Emergency Vehicle	Repair Eng 6 Pump	100-2705-0000-320	271.35
03/15	03/18/2015	50036	5006	Hi-Tech Emergency Vehicle	Repairs to Air shifter	100-2705-0000-320	219.69
Total 50036:							491.04
03/15	03/18/2015	50037	12225	Home Depot Credit Services	Restroom repair supplies	100-6620-0000-315	583.65
Total 50037:							583.65
03/15	03/18/2015	50038	12443	Home Sweet Home Properties	Credit refund for 2122 Harrison	205-7605-0000-876	12.35
Total 50038:							12.35
03/15	03/18/2015	50039	11469	Intellipay, Inc.	Credit Card Transactions Fees	205-1720-0000-302	53.05

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 50039:							53.05
03/15	03/18/2015	50040	5626	Kellogg Supply	Supplies for the Streets dept	305-3620-0000-316	172.79
Total 50040:							172.79
03/15	03/18/2015	50041	6191	Mace Pest Control	Monthly Service RCW Park Storage Conatiner	100-6620-0000-315	35.00
Total 50041:							35.00
03/15	03/18/2015	50042	12531	Madera County Fairmead Landfill	Disposal Services for February	210-5605-0000-351	12,347.30
Total 50042:							12,347.30
03/15	03/18/2015	50043	11944	Madera County Recorders Office	Release of Lien	100-4605-0000-345	12.00
Total 50043:							12.00
03/15	03/18/2015	50044	12585	Magnatag Visible Systems		500-2650-0000-505	4,246.62
Total 50044:							4,246.62
03/15	03/18/2015	50045	6551	Marty Buttram Electric	Light repairs at the WWTP	215-5705-0000-315	240.00
03/15	03/18/2015	50045	6551	Marty Buttram Electric	Replace electrical panel at the parks shop	100-6620-0000-315	1,500.00
Total 50045:							1,740.00
03/15	03/18/2015	50046	6641	McCombs, Claude & Rose	Rent for Garage for April, May June 2015	601-3615-0000-315	4,500.00
Total 50046:							4,500.00
03/15	03/18/2015	50047	6791	Merced Sun-Star	water meter bids	207-7705-0000-337	180.48
Total 50047:							180.48
03/15	03/18/2015	50048	12282	Mid Valley Disposal Inc.	Dispoal Services for City roll off bin	210-5605-0000-350	334.23

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 50048:							334.23
03/15	03/18/2015	50049	7116	Moy, Ellen	services Jan-Feb 2015	325-3705-0000-336	7,844.00
Total 50049:							7,844.00
03/15	03/18/2015	50050	11445	MuniServices LLC	Sales Tax Reporting System	100-1600-0000-801	833.89
Total 50050:							833.89
03/15	03/18/2015	50051	12214	NR Cleaning Services	Monthly Janitorial / Public Restrooms	100-6620-0000-315	510.00
03/15	03/18/2015	50051	12214	NR Cleaning Services	Janitorial for January 2015	100-1705-0000-315	1,030.00
03/15	03/18/2015	50051	12214	NR Cleaning Services	janitorial services for Civic Center	100-1705-0000-315	1,030.00
03/15	03/18/2015	50051	12214	NR Cleaning Services	Monthly Janitorial Public Restrooms	100-6620-0000-315	510.00
Total 50051:							3,080.00
03/15	03/18/2015	50052	7516	Office Depot	supplies for IT	602-1715-0000-302	24.60
03/15	03/18/2015	50052	7516	Office Depot	supplies for IT	602-1715-0000-300	222.29
03/15	03/18/2015	50052	7516	Office Depot	Office Supplies/ Public Works	205-7605-0000-300	85.71
03/15	03/18/2015	50052	7516	Office Depot	supplies for Community Development	100-4805-0000-300	85.54
03/15	03/18/2015	50052	7516	Office Depot	supplies for Community Development	100-4805-0000-300	4.85
03/15	03/18/2015	50052	7516	Office Depot	Supplies for PD	100-2610-0000-300	139.42
03/15	03/18/2015	50052	7516	Office Depot	Office Supplies for PD	100-2610-0000-300	104.99
03/15	03/18/2015	50052	7516	Office Depot	Office Supplies for PD	100-2610-0000-300	11.77
Total 50052:							679.17
03/15	03/18/2015	50053	11772	PARS	PARS Administration for January 2015	305-3620-0000-206	416.16
Total 50053:							416.16
03/15	03/18/2015	50054	7966	Platt Electrical Supply	Supplies for PD	100-2610-0000-300	14.56
03/15	03/18/2015	50054	7966	Platt Electrical Supply	Supplies for the Water dept	205-7605-0000-317	111.24
03/15	03/18/2015	50054	7966	Platt Electrical Supply	Supplies for light repairs at RCW	100-6620-0000-315	107.76
03/15	03/18/2015	50054	7966	Platt Electrical Supply	Electrical supplies for the parks Shop	100-6620-0000-315	417.85
03/15	03/18/2015	50054	7966	Platt Electrical Supply	Electrical supplies for the WWTP	215-5705-0000-315	950.40
03/15	03/18/2015	50054	7966	Platt Electrical Supply	Lighting for the WWTP	215-5705-0000-315	950.40

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/18/2015	50054	7966	Platt Electrical Supply	Lighting for the WWTP	215-5705-0000-315	171.01
03/15	03/18/2015	50054	7966	Platt Electrical Supply	Supplies for light repairs at RCW	100-6620-0000-315	65.18
Total 50054:							2,788.40
03/15	03/18/2015	50055	11482	Price Paige & Company	auditing services	100-1720-0000-302	16,245.00
Total 50055:							16,245.00
03/15	03/18/2015	50056	12648	Quezada, Rosalba	deposit refund for 530 N Eleventh	205-0200-0000-043	47.34
Total 50056:							47.34
03/15	03/18/2015	50057	12283	R & R Pool Service	Monthly Water fall Service	310-3625-0000-316	105.00
Total 50057:							105.00
03/15	03/18/2015	50058	12649	Ramirez, Vanessa	deposit refund for 11208 Myrtlewood Dr	205-0200-0000-043	62.60
Total 50058:							62.60
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Supplies for the Streets dept	305-3620-0000-301	46.97
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Supplies for the Streets dept	305-3620-0000-301	7.96
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Supplies for PD	100-2610-0000-320	47.82
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	supplies FD- engine 5	100-2705-0000-320	9.71
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	supplies for Engine 5	100-2705-0000-320	36.89
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	supplies for garage	100-2705-0000-320	23.67
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Parts for Unit #27	100-6620-0000-320	11.22
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Supplies for the Streets dept	305-3620-0000-301	4.40
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Parts for Unit #29	325-3705-0000-320	49.12
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Parts for unit #354	100-6620-0000-320	64.78
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Parts for Unit #354	100-6620-0000-320	2.89
03/15	03/18/2015	50059	8796	S & W Auto Parts Inc.	Parts for unit #354	100-6620-0000-320	49.12
Total 50059:							348.77
03/15	03/18/2015	50060	8896	San Diego Police Equipment Co.	Federal .223 62GR FMJ-BT- scopes	100-2610-0000-301	811.91

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 50060:							811.91
03/15	03/18/2015	50061	8906	San Joaquin Valley Air	Permit for Well #5A	205-7605-0000-317	240.00
Total 50061:							240.00
03/15	03/18/2015	50062	12651	Simon, Kenneth	deposit refund for 141 Pine St	205-0200-0000-043	47.68
Total 50062:							47.68
03/15	03/18/2015	50063	12650	Smith, Betty	deposit refund for 8460 Lakeshore Dr	205-0200-0000-043	41.01
Total 50063:							41.01
03/15	03/18/2015	50064	9601	Soto, Sandra	Reimbursement for Training	100-2610-0000-305	31.21
Total 50064:							31.21
03/15	03/18/2015	50065	9376	Sparkletts	Supplies for the WWTP	215-5705-0000-315	34.94
Total 50065:							34.94
03/15	03/18/2015	50066	9951	T & T Pavement Markings &	Reflectors/ Streets dept	305-3620-4000-317	523.80
Total 50066:							523.80
03/15	03/18/2015	50067	10116	Tesei Petroleum Inc.	Fuel for Shelter	100-2805-0000-315	1.00
03/15	03/18/2015	50067	10116	Tesei Petroleum Inc.	Fuel for City	325-3705-0000-320	2,232.58
03/15	03/18/2015	50067	10116	Tesei Petroleum Inc.	Fuel for City	325-3705-0000-320	2,995.03
03/15	03/18/2015	50067	10116	Tesei Petroleum Inc.	Propane for Unit #152	305-3620-0000-301	24.62
Total 50067:							5,253.23
03/15	03/18/2015	50068	11537	Toshiba Financial Services	contracted services	602-1715-0000-408	984.72
03/15	03/18/2015	50068	11537	Toshiba Financial Services	copier lease 3/15-4/14/15	602-1715-0000-408	588.01
Total 50068:							1,572.73

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GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
03/15	03/18/2015	50069	10356	TransUnion LLC	Basic Service Charge	425-4950-2692-333	66.00
Total 50069:							66.00
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal Rural Water- Review Class- E. Bushong	215-5705-0000-305	250.00
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal Card Expenses	100-2618-1202-324	215.81
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal Card expense	100-2610-0000-306	96.42
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Chowchilla Auto- spray rig	305-3620-0000-320	399.63
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	International Code Council- trianing J. Anthony	100-4605-0000-305	168.00
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Supplies for the Streets dept	305-3620-0000-302	485.50
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Tenaya- fish camp R Roman	325-3705-0000-305	1,519.19
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal Card Expenses	100-1610-0000-307	414.99
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Chowchilla Auto parts- Supplies for the water dept	205-7605-0000-317	27.59
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal card expense- case 150237	100-2610-0000-350	12.94
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal Card expense- postage	100-2610-0000-300	6.49
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Back flow Class - M. Eggert	205-7605-0000-305	545.40
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Supplies for IT	602-1715-0000-302	377.97
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Gibbs International- parts Unit #31	100-2705-0000-320	148.57
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal Card Expenses	602-1715-0000-302	537.46
03/15	03/18/2015	50070	10571	US BANK (I.M.P.A.C. CAL-CARD)	Cal Card Expenses	602-1715-0000-302	3,858.88
Total 50070:							9,064.84
03/15	03/18/2015	50071	10756	Verizon Wireless	cell phones 1/10-2/9/15	100-2705-0000-310	870.53
03/15	03/18/2015	50071	10756	Verizon Wireless	phones Jan 2015	602-1715-0000-310	650.74
Total 50071:							1,521.27
03/15	03/18/2015	50072	11026	West America Bank	note 526-00810	917-1720-0000-407	15,337.86
Total 50072:							15,337.86
03/15	03/18/2015	50073	11381	Zoom Imaging Solutions, Inc.	contracted services	602-1715-0000-301	17.46
Total 50073:							17.46
03/15	03/24/2015	50074	12380	Divine, Douglas	POST Perishable Skills Training	100-2610-0000-305	45.00

M = Manual Check, V = Void Check

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Description	Invoice GL Account	Check Amount
Total 50074:							45.00
03/15	03/24/2015	50075	5121	Hunter, Richard	Homicide Investigation Training	100-2610-0000-305	391.50
Total 50075:							391.50
03/15	03/24/2015	50076	12382	Johnson, Deidre	POST Dispatcher Training	100-2610-0000-305	225.00
Total 50076:							225.00
03/15	03/24/2015	50077	12593	Lehr, Carolyn	Lodging for 3/12/15 Per Contract	100-1710-0000-336	109.99
03/15	03/24/2015	50077	12593	Lehr, Carolyn	Lodging for 3/22/15 Per Contract	100-1710-0000-336	77.00
03/15	03/24/2015	50077	12593	Lehr, Carolyn	Dinner with City Administrator Panelist Gene Rogers	100-1710-0000-306	79.58
03/15	03/24/2015	50077	12593	Lehr, Carolyn	Lodging for 3/15/15-3/18/15 Per Contract	100-1710-0000-336	439.96
03/15	03/24/2015	50077	12593	Lehr, Carolyn	Lodging for 3/8-3/12/15 Per Contract	100-1710-0000-336	549.95
Total 50077:							1,256.48
03/15	03/24/2015	50078	12373	Mitchell, Jordan	POST Dispatcher Training	100-2610-0000-305	225.00
Total 50078:							225.00
03/15	03/24/2015	50079	12662	Orange County Sheriffs Dept	Homicide Investigation Training for R. Hunter	100-2610-0000-305	65.00
Total 50079:							65.00
03/15	03/24/2015	50080	11496	Ramirez, Manuel	Post Perishable Skills Training	100-2610-0000-305	45.00
Total 50080:							45.00
03/15	03/24/2015	50081	12657	Rex J Osborn	Customer Service & Employee Ethics Training	325-3705-0000-305	1,072.80
Total 50081:							1,072.80
Grand Totals:							301,919.79

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Report Criteria:

Report type: Invoice detail

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## REPORT TO THE CITY COUNCIL

Council Meeting of April 9, 2015

**Agenda Section:** New Business  
**Subject:** **Presentation of the City's FY 2013-2014 Audit**  
**Prepared By:** Rod Pruett, City Treasure/Finance Director  
**Approved By:** Carolyn Lehr, Interim City Administrator

**RECCOMENDATION:**

Accept the FY 2013/2014 audit as presented.

**HISTORY / BACKGROUND:**

Annually, the City has a financial statement audit performed which is presented to Council for acceptance.

**DISCUSSION:**

The FY 2013/2014 audit was performed by Price Paige & Company, Inc. Fausto Hinojosa, the Managing Partner of Price Paige & Company, will be presenting the audit to Council.

**FINANCIAL IMPACT:**

None

**CITY OF CHOWCHILLA  
CALIFORNIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
JUNE 30, 2014**

**CITY OF CHOWCHILLA**  
**JUNE 30, 2014**

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**JUNE 30, 2014**

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JUNE 30, 2014**

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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Chowchilla, California (the City) as of and for the year ended June 30, 2014, 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 City'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 City'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.

**Basis for Adverse Opinion**

As discussed in Note 1 to the financial statements, management has not maintained records of capital assets and, therefore, capital assets and the related depreciation thereon are not reported in the governmental activities, business-type activities, and enterprise fund financial statements. Accounting principles generally accepted in the United States of America require that capital assets be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities, business-type activities, and enterprise fund activities. The amounts by which this departure would affect the assets, net position, and expenses of the governmental activities, business-type activities, and enterprise funds are not reasonably determinable.

677 Scott Avenue  
Clovis, CA 93612

tel 559.299.9540  
fax 559.299.2344

## **Adverse Opinion**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion” paragraph, the financial statements referred to above do not present fairly the financial position of the City of Chowchilla, California, as of June 30, 2014, or the changes in financial position or, 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*

Management has omitted the management’s discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 52-55 and the schedule of funding progress on page 56 be presented to supplement the basic financial statements. Such information, not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate 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. Because we issued an adverse opinion on the City’s financial statements as described above, it is inappropriate to, and we do not express an opinion on the combining nonmajor fund financial statements.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2015, 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.

*Price Pange & Company*

Clovis, California  
March 30, 2015

## BASIC FINANCIAL STATEMENTS

**CITY OF CHOWCHILLA**

**STATEMENT OF NET POSITION  
JUNE 30, 2014**

	Governmental Activities	Business-Type Activities	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and investments	\$ 7,445,616	\$ 1,034,730	\$ 8,480,346
Restricted cash and investments	3,759,059	-	3,759,059
Accounts receivable, net	2,728,018	481,696	3,209,714
Notes receivable, net	20,764,701	-	20,764,701
Prepaid expenses	63,576	2,333	65,909
Land held for resale	104,000	-	104,000
Accounts receivable - long-term	31,923	-	31,923
Due from the Successor Agency	108,529	-	108,529
Internal balances	144,766	(144,766)	-
	<u>35,150,188</u>	<u>1,373,993</u>	<u>36,524,181</u>
Total assets			
<b>LIABILITIES</b>			
Accounts payable	281,218	133,972	415,190
Accrued payroll	86,233	-	86,233
Deposits	14,475	166,246	180,721
Accrued interest	980,441	14,381	994,822
Unearned revenues	-	9,096	9,096
Long-term liabilities:			
Due within one year	758,649	149,520	908,169
Due in more than one year	24,044,696	653,552	24,698,248
	<u>26,165,712</u>	<u>1,126,767</u>	<u>27,292,479</u>
Total liabilities			
<b>NET POSITION</b>			
Net investment in capital assets	(14,610,500)	(803,072)	(15,413,572)
Restricted for:			
Highway and streets	2,807,832	-	2,807,832
Culture and recreation	467,451	-	467,451
Community development	647,713	-	647,713
Capital maintenance	5,096,021	-	5,096,021
Debt service	951,914	-	951,914
Unrestricted	13,624,045	1,050,298	14,674,343
	<u>\$ 8,984,476</u>	<u>\$ 247,226</u>	<u>\$ 9,231,702</u>
Total net position			

**CITY OF CHOWCHILLA**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS:</b>							
Governmental activities:							
General government	\$ 1,001,029	\$ 800,212	\$ 36,535	\$ -	\$ (164,282)	\$ -	\$ (164,282)
Public safety	3,338,225	63,415	315,164	-	(2,959,646)	-	(2,959,646)
Highways and streets	2,536,903	346,771	2,099,550	(342)	(90,924)	-	(90,924)
Culture and recreation	326,055	2,967	762	-	(322,326)	-	(322,326)
Community development	77,774	22,000	124,862	-	69,088	-	69,088
Interest and fiscal charges	1,024,183	-	-	-	(1,024,183)	-	(1,024,183)
Total governmental activities	<u>8,304,169</u>	<u>1,235,365</u>	<u>2,576,873</u>	<u>(342)</u>	<u>(4,492,273)</u>	<u>-</u>	<u>(4,492,273)</u>
Business-type activities:							
Water	1,825,672	1,925,319	-	-	-	99,647	99,647
Solid waste	1,328,334	1,306,333	87,923	-	-	65,922	65,922
Sewer	1,610,134	1,329,531	-	-	-	(280,603)	(280,603)
Airport	26,378	18,197	10,000	-	-	1,819	1,819
Storm drain	78,434	186,825	-	-	-	108,391	108,391
Total business-type activities	<u>4,868,952</u>	<u>4,766,205</u>	<u>97,923</u>	<u>-</u>	<u>-</u>	<u>(4,824)</u>	<u>(4,824)</u>
Total	<u>\$ 13,173,121</u>	<u>\$ 6,001,570</u>	<u>\$ 2,674,796</u>	<u>\$ (342)</u>	<u>(4,492,273)</u>	<u>(4,824)</u>	<u>(4,497,097)</u>
General revenues:							
Taxes:							
Property					1,304,460	9,038	1,313,498
Sales					1,202,366	-	1,202,366
Transient lodging					245,495	-	245,495
Franchises					219,026	-	219,026
Documentary stamp					31,740	-	31,740
Motor vehicle in lieu - unrestricted					1,035,958	-	1,035,958
Investment earnings					478,824	2,286	481,110
Rental income					89,973	3,371	93,344
Miscellaneous					236,518	11,994	248,512
Gain/loss on sale of capital assets					24,317	-	24,317
Transfers					18,783	(18,783)	-
Total general revenues, extraordinary item, and transfers					<u>4,887,460</u>	<u>7,906</u>	<u>4,895,366</u>
Change in net position					<u>395,187</u>	<u>3,082</u>	<u>398,269</u>
Net position (deficit), beginning of year					<u>8,954,270</u>	<u>(132,863)</u>	<u>8,821,407</u>
Prior period adjustments					<u>(364,981)</u>	<u>377,007</u>	<u>12,026</u>
Net position, beginning of year, as restated					<u>8,589,289</u>	<u>244,144</u>	<u>8,833,433</u>
Net position, end of year					<u>\$ 8,984,476</u>	<u>\$ 247,226</u>	<u>\$ 9,231,702</u>

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## FUND FINANCIAL STATEMENTS

**CITY OF CHOWCHILLA**

**BALANCE SHEET – GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	General	CDBG Grants Special Revenue	Street & Road (LTF) Special Revenue	Community Facilities District Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 119,537	\$ 173,748	\$ -	\$ 305,933	\$ 6,834,551	\$ 7,433,769
Restricted cash and investments	369,739	-	-	3,133,832	255,488	3,759,059
Accounts receivable	1,053,384	74,235	708,046	43,606	848,747	2,728,018
Notes receivable, net	-	20,418,448	-	-	346,253	20,764,701
Due from other funds	512,020	2,011	-	559,445	1,295,149	2,368,625
Due from the Successor Agency	108,529	-	-	-	-	108,529
Prepaid expenses	1,903	-	-	-	-	1,903
Land held for resale	-	-	-	-	104,000	104,000
Accounts receivable - long-term	-	-	-	-	31,923	31,923
<b>Total assets</b>	<b>\$ 2,165,112</b>	<b>\$ 20,668,442</b>	<b>\$ 708,046</b>	<b>\$ 4,042,816</b>	<b>\$ 9,716,111</b>	<b>\$ 37,300,527</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 136,097	\$ 3,835	\$ 14,702	\$ 1,155	\$ 114,495	\$ 270,284
Deposits	14,475	-	-	-	-	14,475
Due to other funds	-	-	728,685	-	1,536,541	2,265,226
<b>Total liabilities</b>	<b>150,572</b>	<b>3,835</b>	<b>743,387</b>	<b>1,155</b>	<b>1,651,036</b>	<b>2,549,985</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	84,762	20,422,448	229,483	4,449	524,754	21,265,896
<b>Total deferred inflows of resources</b>	<b>84,762</b>	<b>20,422,448</b>	<b>229,483</b>	<b>4,449</b>	<b>524,754</b>	<b>21,265,896</b>
<b>FUND BALANCES:</b>						
Nonspendable:						
Prepaid expenses	1,903	-	-	-	-	1,903
Land held for resale	-	-	-	-	104,000	104,000
Long-term receivable	-	-	-	-	31,923	31,923
Restricted for:						
Highway and streets	-	-	77,393	-	2,730,439	2,807,832
Culture and recreation	-	-	-	-	467,451	467,451
Community development	-	242,159	-	-	405,554	647,713
Capital maintenance	-	-	-	-	5,096,021	5,096,021
Construction projects	-	-	-	2,551,657	-	2,551,657
Debt service	369,739	-	-	582,175	-	951,914
Committed to:						
Emergency contingency	910,223	-	-	-	-	910,223
Assigned to:						
General government	14,549	-	-	-	-	14,549
Public safety	31,222	-	-	-	-	31,222
Unassigned	602,142	-	(342,217)	903,380	(1,295,067)	(131,762)
<b>Total fund balances</b>	<b>1,929,778</b>	<b>242,159</b>	<b>(264,824)</b>	<b>4,037,212</b>	<b>7,540,321</b>	<b>13,484,646</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,165,112</b>	<b>\$ 20,668,442</b>	<b>\$ 708,046</b>	<b>\$ 4,042,816</b>	<b>\$ 9,716,111</b>	<b>\$ 37,300,527</b>

**CITY OF CHOWCHILLA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2014**

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

Total fund balances - governmental funds	\$ 13,484,646
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. Those liabilities consist of:	
Bonds payable	(13,823,000)
Loans payable	(10,700,700)
Interest payable on long-term debt does not require the use of current financial resources. Therefore, interest payable is not reported as a liability in the governmental funds balance sheet.	(980,441)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	21,265,896
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	<u>(261,925)</u>
Net position of governmental activities	<u>\$ 8,984,476</u>

**CITY OF CHOWCHILLA**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	General	CDBG Grants Special Revenue	Street & Road (LTF) Special Revenue	Community Facilities District Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 2,443,001	\$ -	\$ -	\$ 605,193	\$ -	\$ 3,048,194
Licenses and permits	552,237	-	100	-	-	552,337
Fines and penalties	51,361	-	-	-	-	51,361
Intergovernmental revenues	1,283,517	146,312	488,052	-	2,008,254	3,926,135
Use of money and property	83,470	296	(511)	18,255	20,280	121,790
Charges for services	222,318	18,000	-	-	465,083	705,401
Loan repayments	-	-	-	-	21,544	21,544
Miscellaneous	229,398	-	2,210	3,453	2,371	237,432
<b>Total revenues</b>	<b>4,865,302</b>	<b>164,608</b>	<b>489,851</b>	<b>626,901</b>	<b>2,517,532</b>	<b>8,664,194</b>
<b>EXPENDITURES</b>						
Current:						
General government	851,619	-	-	15,236	2,893	869,748
Public safety	3,078,185	-	-	-	-	3,078,185
Highways and streets	235,736	-	516,817	-	678,781	1,431,334
Culture and recreation	288,896	-	-	-	-	288,896
Community Development	-	70,649	-	-	7,125	77,774
Administrative	-	-	-	-	-	-
Capital outlay	212,612	-	744,330	77,618	435,766	1,470,326
Debt service:						
Principal	-	-	-	174,994	394,145	569,139
Interest	-	-	-	384,571	290,892	675,463
<b>Total expenditures</b>	<b>4,667,048</b>	<b>70,649</b>	<b>1,261,147</b>	<b>652,419</b>	<b>1,809,602</b>	<b>8,460,865</b>
Excess (deficiency) of revenues over (under) expenditures	198,254	93,959	(771,296)	(25,518)	707,930	203,329
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	111,183	-	380,000	-	518,444	1,009,627
Transfers out	(415,854)	-	-	-	(651,019)	(1,066,873)
Proceeds from sales of capital assets	24,317	-	-	-	-	24,317
Proceeds from promissory note	-	62,285	-	-	-	62,285
<b>Total other financing sources (uses)</b>	<b>(280,354)</b>	<b>62,285</b>	<b>380,000</b>	<b>-</b>	<b>(132,575)</b>	<b>29,356</b>
<b>Net change in fund balances</b>	<b>(82,100)</b>	<b>156,244</b>	<b>(391,296)</b>	<b>(25,518)</b>	<b>575,355</b>	<b>232,685</b>
Fund balances, beginning of year	1,942,496	4,574,687	126,472	4,068,438	7,346,241	18,058,334
Prior period adjustments	69,382	(4,488,772)	-	(5,708)	(381,275)	(4,806,373)
Fund balances, beginning of year, restated	2,011,878	85,915	126,472	4,062,730	6,964,966	13,251,961
<b>Fund balances, end of year</b>	<b>\$ 1,929,778</b>	<b>\$ 242,159</b>	<b>\$ (264,824)</b>	<b>\$ 4,037,212</b>	<b>\$ 7,540,321</b>	<b>\$ 13,484,646</b>

**CITY OF CHOWCHILLA**

**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, 2014**

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

Net change in fund balances - total governmental funds	\$	232,685
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayment of the principal of long-term debt	569,145
Amortization on bond discounts	(7,322)

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 accrued interest from prior year	(348,726)
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New loans made included in the statement of activities do not provide the use of current financial resources and, therefore, are not reported as expenses in governmental funds.

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(69,765)
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The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>19,170</u>
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Change in net position of governmental activities	<u>\$</u>	<u>395,187</u>
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**CITY OF CHOWCHILLA**

**STATEMENT OF NET POSITION – PROPRIETARY FUNDS  
JUNE 30, 2014**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Solid Waste	Sewer	Other Enterprise Funds	Total	Internal Service Fund
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 237,011	\$ 148,980	\$ 638,799	\$ 9,940	\$ 1,034,730	\$ 11,847
Accounts receivable, net	181,313	114,173	149,887	36,323	481,696	-
Prepaid expenses	-	-	-	2,333	2,333	61,673
<b>Total assets</b>	<b>418,324</b>	<b>263,153</b>	<b>788,686</b>	<b>48,596</b>	<b>1,518,759</b>	<b>73,520</b>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	55,668	69,312	7,038	1,954	133,972	10,934
Accrued payroll	-	-	-	-	-	86,233
Deposits	166,246	-	-	-	166,246	-
Due to other funds	-	-	-	76,354	76,354	27,045
Accrued interest	9,379	-	5,002	-	14,381	-
Unearned revenue	-	-	-	9,096	9,096	-
Compensated absences	-	-	-	-	-	162,625
Current portion of long-term debt	60,000	-	89,520	-	149,520	-
<b>Total current liabilities</b>	<b>291,293</b>	<b>69,312</b>	<b>101,560</b>	<b>87,404</b>	<b>549,569</b>	<b>286,837</b>
Noncurrent liabilities:						
Compensated absences	-	-	-	-	-	117,020
Long-term debt	465,000	-	188,552	-	653,552	-
<b>Total noncurrent liabilities</b>	<b>465,000</b>	<b>-</b>	<b>188,552</b>	<b>-</b>	<b>653,552</b>	<b>117,020</b>
<b>Total liabilities</b>	<b>756,293</b>	<b>69,312</b>	<b>290,112</b>	<b>87,404</b>	<b>1,203,121</b>	<b>403,857</b>
<b>NET POSITION (DEFICIT)</b>						
Net investment in capital assets	(525,000)	-	(278,072)	-	(803,072)	-
Unrestricted	187,031	193,841	776,646	(38,808)	1,118,710	(330,337)
<b>Total net position (deficit)</b>	<b>\$ (337,969)</b>	<b>\$ 193,841</b>	<b>\$ 498,574</b>	<b>\$ (38,808)</b>	<b>315,638</b>	<b>\$ (330,337)</b>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					(68,412)	
<b>Net position of business-type activities</b>					<b>\$ 247,226</b>	

**CITY OF CHOWCHILLA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND  
NET POSITION – PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Business-Type Activities - Enterprise Funds				Governmental
	Water	Solid Waste	Sewer	Other Enterprise Funds	Internal Service Fund
Operating revenues:					
Charges for services	\$ 1,792,861	\$ 1,306,333	\$ 1,323,467	\$ 205,022	\$ 515,582
Miscellaneous	137,760	-	6,064	6,692	-
Total operating revenues	1,930,621	1,306,333	1,329,531	211,714	515,582
Operating expenses:					
Personnel services	522,250	26,490	539,678	53,913	401,569
Materials, supplies and services	1,271,699	1,301,844	1,047,638	49,846	180,287
Total operating expenses	1,793,949	1,328,334	1,587,316	103,759	581,856
Operating income (loss)	136,672	(22,001)	(257,785)	107,955	(66,274)
Nonoperating revenues (expenses):					
Interest income	213	686	1,589	(202)	(457)
Taxes	-	-	-	9,038	-
Grants	-	10,078	77,845	10,000	97,923
Rents	1,685	-	-	1,686	-
Interest expense	(27,262)	-	(17,411)	(1,049)	-
Total nonoperating revenues (expenses)	(25,364)	10,764	62,023	19,473	(457)
Income (loss) before transfers	111,308	(11,237)	(195,762)	127,428	(66,731)
Other financing sources (uses):					
Transfers in	-	-	-	1,000	76,029
Transfers out	(6,149)	-	(13,634)	-	-
Total other financing sources (uses)	(6,149)	-	(13,634)	1,000	76,029
Change in net position	105,159	(11,237)	(209,396)	128,428	9,298
Net position (deficit), beginning of year	(863,525)	202,249	696,656	(109,703)	(339,635)
Prior period adjustment	420,397	2,829	11,314	(57,533)	-
Net assets, beginning of year, restated	(443,128)	205,078	707,970	(167,236)	(339,635)
Net position (deficit), end of year	\$ (337,969)	\$ 193,841	\$ 498,574	\$ (38,808)	\$ (330,337)
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					(9,872)
Changes in net position of business-type activities				\$ 3,082	

**CITY OF CHOWCHILLA**

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Business-Type Activities - Enterprise Funds				Governmental	
	Water	Solid Waste	Sewer	Other Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities:						
Receipts from customers and users	\$ 1,853,870	\$ 1,325,970	\$ 1,316,885	\$ 241,787	\$ 4,738,512	\$ 515,582
Payments to suppliers	(1,240,565)	(1,555,768)	(1,053,047)	(108,593)	(3,957,973)	(256,207)
Payments to employees	(522,250)	(26,490)	(539,678)	(53,913)	(1,142,331)	(464,370)
Net cash provided by (used in) operating activities	91,055	(256,288)	(275,840)	79,281	(361,792)	(204,995)
Cash flows from noncapital financing activities:						
Grants received	-	10,078	-	10,000	20,078	-
Transfer from other funds	-	-	-	1,000	1,000	76,029
Transfer to other funds	(6,149)	-	(13,634)	-	(19,783)	-
Loan from other funds	-	-	-	2,552	2,552	17,163
Loan repayment to other funds	-	-	-	(29,913)	(29,913)	-
Taxes received	-	-	-	18,134	18,134	-
Net cash provided by (used in) noncapital financing activities	(6,149)	10,078	(13,634)	1,773	(7,932)	93,192
Cash flows from capital and related financing activities:						
Principal paid	(60,000)	-	(85,375)	(70,500)	(215,875)	-
Interest paid	(24,281)	-	(17,376)	(2,098)	(43,755)	-
Grants received	-	-	77,845	-	77,845	-
Net cash provided by (used in) capital and related financing activities	(84,281)	-	(24,906)	(72,598)	(181,785)	-
Cash flows from investing activities:						
Interest received	213	686	1,589	(202)	2,286	(457)
Rents received	1,685	-	-	1,686	3,371	-
Net cash provided by (used in) investing activities	1,898	686	1,589	1,484	5,657	(457)
Net increase (decrease) in cash and cash equivalents	2,523	(245,524)	(312,791)	9,940	(545,852)	(112,260)
Cash and cash equivalents, beginning of year	234,488	394,504	951,590	-	1,580,582	124,107
Cash and cash equivalents, end of year	\$ 237,011	\$ 148,980	\$ 638,799	\$ 9,940	\$ 1,034,730	\$ 11,847

**CITY OF CHOWCHILLA**

**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Solid Waste	Sewer	Other Enterprise Funds	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:						
Operating income (loss)	\$ 136,672	\$ (22,001)	\$ (257,785)	\$ 107,955	\$ (35,159)	\$ (66,274)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Changes in assets and liabilities:						
(Increase) decrease in accounts receivable	(76,509)	19,637	(12,646)	30,073	(39,445)	-
(Increase) decrease in prepaid expenses	-	-	-	-	-	(61,673)
Increase (decrease) in accounts payable	31,134	(253,924)	(5,409)	(49,651)	(277,850)	(14,247)
Increase (decrease) in accrued payroll	-	-	-	-	-	(42,566)
Increase (decrease) in deposits	(242)	-	-	-	(242)	-
Increase (decrease) in compensated absences	-	-	-	(9,096)	(9,096)	-
Increase (decrease) in compensated absences	-	-	-	-	-	(20,235)
Net cash provided by (used in) operating activities	<u>\$ 91,055</u>	<u>\$ (256,288)</u>	<u>\$ (275,840)</u>	<u>\$ 79,281</u>	<u>\$ (361,792)</u>	<u>\$ (204,995)</u>

**CITY OF CHOWCHILLA**

**STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS  
JUNE 30, 2014**

	<u>Agency Funds</u>	<u>Successor Agency Trust Funds</u>
<b>ASSETS</b>		
Cash and investments (in City investment pool)	\$ 643,144	\$ -
Restricted cash and investments (held by bond trustee)	277,816	549,650
Accounts receivable (net)	20,918	136,999
Prepaid expenses	-	33,335
Land held for resale	-	338,000
	<u>          </u>	<u>          </u>
Total assets	<u>\$ 941,878</u>	<u>\$ 1,057,984</u>
<b>LIABILITIES</b>		
Accounts payable	\$ -	344
Due to the General Fund	-	108,529
Accrued interest	-	143,526
Long-term debt due within one year	-	195,000
Long-term debt due in more than one year	-	6,948,745
Agency obligations	941,878	-
	<u>          </u>	<u>          </u>
Total liabilities	<u>\$ 941,878</u>	<u>7,396,144</u>
<b>NET POSITION</b>		
Held in trust for Successor Agency activities		<u>\$ (6,338,160)</u>

CITY OF CHOWCHILLA

**STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Successor Agency Trust Fund
<b>ADDITIONS</b>	
Taxes	\$ 272,822
Use of money and property	<u>1,133</u>
Total additions	<u>273,955</u>
<b>DEDUCTIONS</b>	
Administrative expenses	1,642,723
Interest	346,408
Amortization	<u>1,875</u>
Total deductions	<u>1,991,006</u>
Change in net position	<u>(1,717,051)</u>
Net position, beginning of year	<u>(4,516,131)</u>
Prior period adjustment	(104,978)
Net position, beginning of year, restated	<u>(4,621,109)</u>
Net position, ending of year	<u><u>\$ (6,338,160)</u></u>

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## NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Reporting Entity**

The City of Chowchilla (City) was incorporated on February 7, 1923, as a municipal corporation under the General Laws of the State of California. The City operates as a self-governing local government unit within the State of California. A five-member City Council appoints a City Administrator who administers the daily affairs under the policy guidance of the City Council. The City has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. Voters elect a City Council that passes laws and determines broad policies. The City Council also oversees the operations of the City and approves all budgets, fund transfers, and fund balance reserves. Services provided by the City include public safety, streets and roads, water, sanitation, public improvements, culture and recreation, parks, building inspections, planning and zoning, redevelopment, and general administration.

As required by generally accepted accounting principles (GAAP) in the United States and Governmental Accounting Standards Board (GASB) Statement No. 14, these financial statements present the City and its component units. Component units are legally separate entities for which the government is considered to be financially accountable. Additionally, blended component units can be organizations for which the exclusion from the financial statement would cause the reporting entity's financial statements to be misleading or incomplete. Each blended component unit has a June 30 year-end.

**Blended Component Units**

The following is a brief overview of the component units included in the City's accompanying financial statements. Financial information for these component units can be obtained from the City's Administrative Services Department and from the City's website at <http://ci.chowchilla.ca.us>.

The **Public Financing Authority** (Authority) of the City of Chowchilla was formed on August 14, 1989, for the purpose of assisting the City in the financing of the acquisition, construction and installation of public capital improvements for the use, benefit and enjoyment of the citizens served by the City. The City Council serves as the governing board of the Authority and, therefore, is financially accountable for the operations of the Authority.

The **Chowchilla Housing Authority** (Housing Authority) was established on January 24, 2012. The Housing Authority was activated pursuant to State Law Section 34240 of the California Health and Safety Code, which allows for every City to establish a housing authority. The Housing Authority is designed to protect local housing funds and programs, provide new revenue opportunities for affordable housing programs, serve the public interest, promote public safety and welfare, and ensure decent, safe sanitary and affordable housing accommodations to persons of low income.

Since the City Council serves as the governing body of these entities, they are considered blended component units. As a result, the financial activities of these entities are integrally related to those of the City and are "blended" with those of the City.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation**

The accounts of the City are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

*Government-Wide Financial Statements* – The statement of net position and the statement of activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the *governmental and business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The *Statement of Activities* presents a comparison between direct expense and program revenues for each different identifiable activity of the City's *business-type activities* and for each function of the City's *governmental activities*. Direct expenses are those that are specifically associated with a program or function and, therefore, are included in the program expense reported for individual function. Certain indirect costs, which cannot be identified and broken down, are included in the program expense reported for individual functions and activities. Program revenues include: 1) fines, fees, and charges paid by the recipients of goods and services offered by the programs; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards 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. In the Statement of Activities those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated: due to/due from other funds, interfund note receivable/interfund long-term debt, and transfers in/transfers out.

*Fund Financial Statements* – The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in funds and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation** (Continued)

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the City except for those required to be accounted for in another fund.

The **Community Development Block Grant Special Revenue Fund** accounts for the revenues received by the various CDBG grants, the uses of those funds (i.e., grants and loans for housing rehabilitation projects), as well as the receipt and re-use of program income generated by the repayment of CDBG loans.

The **Streets and Roads (LTF) Special Revenue Fund** accounts for revenues received from the passage of the Transportation Development Act. The use of these funds is limited to the improvement of streets and roads and other related expenditures.

The **Community Facilities District Capital Projects Fund** accounts for the capital projects of the City's Community Facilities District that was formed for the purpose of providing essential public facilities, such as wastewater treatment facilities and related pipelines; streets and bridges; signalization; water wells and related pipelines; and storm drainage facilities and related pipelines.

Enterprise fund financial statements include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows for each major enterprise fund and non-major fund.

The City has five enterprise funds – water, solid waste, sewer, storm drain and airport. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprise. In an enterprise fund, the intent of the City Council is that the costs (expenses, including depreciation) of providing services to the general public, on a continuing basis, be financed or recovered primarily through user charges.

The City reports the following major enterprise funds:

The **Water Enterprise Fund** accounts for the provision of water to the residents of the City. All activities to provide such services are accounted for in this fund, including, but not limited to, administration, operations, distribution, maintenance, and debt service.

The **Solid Waste Enterprise Fund** accounts for the revenues and expenses for operation and maintenance of the solid waste system.

The **Sewer Enterprise Fund** accounts for the provision of wastewater collection and treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, and debt service.

Additionally, the government reports the following fund types:

*Internal Service Funds:*

The **Fleet Management Internal Service Fund** accounts for the costs associated with maintaining the citywide fleet of vehicles and rolling stock heavy equipment. Charges are assessed to each department on the basis of time/materials necessary to maintain their equipment.

The **Information Technology Internal Service Fund** accounts for the costs of providing computer and information services. User charges are recovered from other City departments that utilized the services provided.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Basis of Presentation** (Continued)

*Internal Service Funds (Continued):*

The **Employee Benefits Internal Service Fund** accounts for compensated absences and other employee benefits that are provided by the City.

*Fiduciary Funds:*

The **Agency Fund** accounts for assets held by the City as a trustee or as an agent for special districts.

The **Successor Agency of the Redevelopment Agency** accounts for assets and liabilities of the former redevelopment agency until they are distributed to other units of state and local government as a result of the dissolution of the redevelopment agency.

**Measurement Focus, Basis of Accounting**

*Government-Wide, Proprietary and Fiduciary Fund Financial Statements* – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales taxes are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements* – Governmental funds are reported using current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants, and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments and compensated absences, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

The City applies all applicable GASB pronouncements (including all NCGA Statements and Interpretations currently in effect), as well as the following pronouncements issued on or before November 30, 1989, 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. In addition, the City applies all applicable FASB Statements and Interpretations issued after November 30, 1989, except those that conflict with or contradict GASB pronouncements to its business-type activities.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting** (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. *Operating revenues*, such as charges for services, result from exchange transactions associated with the principal activity of each fund. *Nonoperating revenues*, such as interest income, state and federal grants and subsidies, result from nonexchange transactions or ancillary activities. *Operating expenses* include costs for providing services and delivering goods such as administrative expenses and depreciation on capital assets. All other expenses not meeting this definition are reported as *nonoperating expenses*.

**Assets, Liabilities and Net Position**

**Cash and Cash Equivalents**

For purposes of reporting cash flow, the City considers all highly liquid investments with maturity of three months or less when purchased to be cash and cash equivalents.

**Cash and Investments**

The City maintains a cash and investment pool that is available for all funds. Each fund-type balance in the pool is reflected on the combined balance sheet as cash and investments. The City apportions interest earnings to all funds based on their quarterly cash balances.

The City pools cash and investments with the City Treasurer except for investments managed by fiscal agents under bonded debt agreements. Interest from bank accounts and investments are allocated quarterly to the various funds based on the fund's contribution to the pool. The City has stated required investments at fair value in the statement of net position and balance sheet. The fair value of investments is based on published market prices and quotations from major investment brokers.

Cash and investments with fiscal agent represents funds held by various trustees from proceeds of the issuance of bonds in order to establish required reserve funds and to pay bond issuance costs per the respective trust agreements.

*Credit Risk:* The City's investment policy limits certain types of investments to various ratings.

*Custodial Credit Risk—Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial risk that requires collateralization on certificates of deposit and repurchase (and reverse) agreements. In addition, the City maintains custodial agreements with certain independent third parties.

*Concentration of Credit Risk:* The City places no limit on the amount the City may invest in any one issuer.

*Interest Rate Risk:* Reserve funds may be invested in securities exceeding 10 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

**Restricted Assets**

Certain proceeds of the general obligation debt and enterprise debt are classified as restricted assets on the balance sheet because their use is limited by applicable debt covenants. "Restricted cash and investments" is used to report resources set aside for potential deficiencies in the repayment ability of the debt service fund and for payment of construction projects undertaken by the City.

**Land Held for Resale**

Land held for resale is recorded in the Low and Moderate Housing Asset Special Revenue Fund. Land held for resale is valued at the lower of cost or estimated net realizable value.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position** (Continued)

**Internal Balances**

Interfund transactions are reflected as loans, services provided or used, or reimbursements or transfers. Loans reported as receivables and payables, as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the noncurrent portion of interfund loans). Any residual balances outstanding between the *governmental activities* and the *business-type activities* are reported in the fund financial statements, and are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**Notes Receivable**

The City engages in programs designed to encourage construction or improvement of housing for persons with low- to moderate-income and also to encourage business development. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City’s terms. For financial statement purposes, the City has established an estimated allowance for potentially uncollectible loans. The balance of notes receivable includes loans that may be forgiven if certain terms and conditions of the loans are met.

**Capital Assets**

GAAP requires the reporting of capital assets in the financial statements. GASB Statement No. 34 added the requirement that the City report infrastructure including roads, bridges, sidewalks and traffic signals, in the financial statements. Prospective reporting of general infrastructure assets was required upon implementation of GASB Statement No. 34. However, the City has not maintained records of capital assets in its general ledger; therefore, capital assets and the related depreciation thereon are not reported in the government-wide or enterprise fund financial statements.

**Compensated Absences**

It is the City’s policy to permit employees to accumulate a limited amount of earned but unused leave time. Permanent employees earn from 12 to 30 vacation days per year depending upon their length of employment. Accumulated vacation days can be carried forward up to 2 years. Each year, by September 30, certain employees may request to receive a cash payment for the value of all or a portion of their accumulated vacation leave. Upon termination or retirement, employees are compensated for the value of accrued vacation leave.

For full-time employees, sick leave is accumulated at the rate of 12 days per year up to a maximum of 250 days. Employees may convert 25% of unused sick leave to vacation time during a fiscal year up to the limit of the employee’s maximum vacation accrual level. Upon retirement, employees may also convert a portion of their unused sick leave into service credit through the California Public Employees Retirement System.

The vacation and sick leave balances, along with compensatory leave and holiday hours are reflected in the Employee Benefits Internal Service Fund in the Statement of Net Position.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position** (Continued)

**Long-term Obligations**

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discounts. Bond issuance costs are expensed immediately.

In the fund financial statements, governmental fund types 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 financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Interest Payable**

In the government-wide financial statements, interest payable on long-term debt is recognized as a liability when incurred and is not recognized in the governmental funds financial statements.

**Unearned Revenue**

Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The City typically records intergovernmental revenues (primary grants and subventions) received but not earned (qualifying expenditures not yet incurred).

**Transfers**

In the fund financial statements, interfund transfers are recorded as transfers in (out) except for transactions that are described below:

Charges for services are recorded as revenues of the performing fund and expenditures of the requesting fund. Unbilled costs are recognized as an asset of the performing fund at the end of the fiscal year.

Reimbursements for expenditures, initially made by one fund that is properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as other revenue in the fund that is reimbursed. Reimbursements are eliminated for purposes of government-wide reporting.

**Fund Equity**

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Please refer to Note 8 for additional information.

**Use of Restricted and Unrestricted Net Position**

When both restricted and unrestricted resources are available, circumstances existing at the time determine whether restricted resources are depleted first before the unrestricted resources are used.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position** (Continued)

**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 CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Government-Wide Financial Statements**

The government-wide and enterprise fund financial statements utilize a net position presentation. Net position is capitalized as net investment in capital assets, restricted and unrestricted.

- ♦ *Net investment in capital assets* – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the net position balance. The City has not maintained records of capital assets in its general ledger.
- ♦ *Restricted* – represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ♦ *Unrestricted* – represents net position of the City, not restricted for any project or other purpose.

The City considers restricted net position to have been spent first when expenditures are incurred for purposes for which both restricted and unrestricted net position are available.

**Fund Financial Statements**

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2010-11. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

**Nonspendable Fund Balance**

Amounts cannot be spent either because they are in nonspendable form (such as inventory or prepaid expense, and long-term loans and notes receivable) or because they are legally or contractually required to be maintained intact (such as principal of a permanent fund).

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position** (Continued)

**Fund Financial Statements** (Continued)

Restricted Fund Balance

Amounts with external constraints placed on the use of these resources (such as debt covenants, grantors, contributors, or laws or regulations of other governments, etc.) or imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance

Amounts that can only be used for specific purposes pursuant to constraints imposed by City Council, the City's highest level of decision-making authority, through an ordinance or resolution. These committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified uses through the same type of formal action taken to establish the commitment. The City's committed fund balance includes:

*General Fund Emergency Contingency:*

The City's General Fund balance committed for emergency contingencies has been set by resolution and is for specific uses listed in the resolution.

Assigned Fund Balance

Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. For all governmental funds other than the General Fund, any remaining positive amounts not classified as nonspendable, restricted or committed must be designated as assigned fund balance.

Unassigned Fund Balance

These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, or negative balances in all other funds.

In circumstances when expenditures are made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

**Property Tax Calendar**

Madera County is responsible for assessing, collecting, and distributing property taxes in accordance with enabling legislation. Revenue received is based on an allocations factor calculated by the County under the provisions of Proposition 13 plus a percentage of the increase in market value in specific areas. The City's property tax is lien based on the assessed value listed as of the prior January 1 for all real and personal property located in the City. Property sold after the assessment date (January 1) is reassessed and the amount of property tax assessed is prorated.

Secured property taxes are levied on October 1 and are due in two installments on November 1 and February 1. The tax becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is levied on July 1, due on July 31, and becomes delinquent after August 31.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Net Position** (Continued)

**Property Tax Calendar** (Continued)

Property taxes levied for the year ended June 30, 2014 are recorded as receivables, net of estimated uncollectible amounts. Property taxes paid to the City by the County within 60 days of the fiscal year-end are considered “available” and are therefore recognized as revenue.

The City participates in the Teeter Plan adopted by Madera County in 1993-94. The Teeter Plan is an alternative method of apportioning property tax money that pays out 100% of the annual tax levy. As part of the agreement, the County keeps the penalties and interest on the delinquent taxes that have not been paid in any year.

**Pronouncements**

**a. New Accounting Pronouncements Adopted**

***Government Accounting Standards Board Statement No. 70***

In April 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement did not have an impact on the City’s financial statements.

**b. New Accounting Pronouncements Not Yet Adopted**

***Governmental Accounting Standards Board Statement No. 68***

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this Statement. The requirements of this Statement are effective for the City’s fiscal year ending June 30, 2015.

***Governmental Accounting Standards Board Statement No. 69***

In January 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. The objective of this Statement is to establish accounting and financial reporting standards related to government combinations and disposals of government operations. The Statement requires disclosure to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The requirements of this Statement are effective for the City’s fiscal year ending June 30, 2015.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 2 – CASH AND INVESTMENTS**

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 8,480,346
Restricted cash and investments	3,759,059
Statement of Fiduciary Net Position:	
Cash and investments	643,144
Restricted cash and investments	<u>827,466</u>
 Total cash and investments	 \$ <u>13,710,015</u>

Cash and investments as of June 30, 2014 consist of the following:

Cash on hand	\$ 2,700
Deposits with financial institutions	2,148,397
Investments	<u>11,558,918</u>
 Total cash and investments	 \$ <u>13,710,015</u>

**Deposits**

The carrying amount of the City's cash deposits was \$2,148,397 at June 30, 2014. Bank balances were \$2,152,151, the total amount of which was insured and/or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**Investments Authorized by the California Government Code and the City's Investment Policy**

In accordance with Section 53601 of the California Government Code and the City's investment policy, the City is authorized to invest in Certificates of Deposit, the California Local Agency Investment Fund (LAIF), U.S. Treasury Obligations, U.S. Government Agencies, Medium-Term Notes, Bankers' Acceptances, and Commercial Paper of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided by Moody's Investor Services, Inc. or Standards and Poor's Corporation. In accordance with the City's investment policy, the City will not invest in repurchase agreements, reverse repurchase agreements, or any other type of investments prohibited by California Government Code Section 53601.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Disclosure Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the maturity date of each investment:

<u>Investment Type</u>	<u>Total</u>	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More than 60 Months</u>
State investment pool	\$ 6,972,395	\$ 6,972,395	\$ -	\$ -	\$ -
Held by bond trustee:					
Treasury Obligation Fund	<u>4,586,523</u>	<u>4,586,523</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 11,558,918</u>	<u>\$ 11,558,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Disclosure Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of year-end for each investment type:

<u>Investment Type</u>	<u>Total</u>	<u>Exempt from Disclosure</u>	<u>Ratings as of Year-End</u>		
			<u>A-1+</u>	<u>AAAm</u>	<u>Not Rated</u>
State investment pool	\$ 6,972,395	\$ -	\$ -	\$ -	\$ 6,972,395
Held by bond trustee:					
Treasury Obligation Fund	<u>4,586,523</u>	<u>-</u>	<u>-</u>	<u>4,586,523</u>	<u>-</u>
Total	<u>\$ 11,558,918</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,586,523</u>	<u>\$ 6,972,395</u>

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 2 – CASH AND INVESTMENTS (Continued)**

**Concentration of Credit Risk**

The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's investments are as follows:

<u>Issuer</u>	<u>Reported Amount</u>
First American Treasury Obligation	\$ 4,586,523

Investments in any one issuer that represent 5% or more of total investments by reporting unit (primary government, government activities, major funds, nonmajor funds in aggregate, etc.) are as follows:

\$369,738 of cash and investments (including amounts held by bond trustee) reported in the General Fund are held in the form of the above-described Treasury Obligation Fund.

\$258,488 of cash and investments (including amounts held by bond trustee) reported in the Debt Service Fund are held in the form of the above-described Treasury Obligation Fund.

\$3,133,831 of cash and investments (including amounts held by bond trustee) reported in the Community Facilities District Capital Projects Fund are held in the form of the above-described Treasury Obligation Fund.

\$549,650 of cash and investments (including amounts held by bond trustee) reported in the Successor Agency Trust Funds are held in the form of the above-described Treasury Obligation Fund.

\$277,816 of cash and investments (including amounts held by bond trustee) reported in the Greenhills Agency Fund are held in the form of the above-described Treasury Obligation Fund.

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amount based upon the City's investment in this pool is reported in the accompanying financial statements at amount 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 the portfolio). The balance available for withdrawal is based in the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Although the City did not participate in any securities lending transactions or enter into any reverse repurchase agreements during the year, the City does have an investment in LAIF in the amount of \$6,972,395. The total amount invested by all public agencies in LAIF at June 30, 2014, was \$21,119,834,294. LAIF is part of the State of California Pooled Money Investment Account (PMIA) whose balance at June 30, 2014, was \$64,846,169,129. PMIA is not SEC-registered, but is required to invest according to California State Code. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State statute. The value of the pool shares in LAIF, which may be withdrawn, is determined on an amortized cost basis, which is different from the fair value of the City's position in the pool.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 3 – RECEIVABLES**

Receivables as of year-end for the City's individual major funds and aggregate nonmajor, including applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>CDBG Grants Special Revenue</u>	<u>Street &amp; Road (LTF) Special Revenue</u>	<u>Community Facilities District Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Receivables:						
Accounts receivable	\$ 1,053,384	\$ 74,235	\$ 708,046	\$ 43,606	\$ 848,747	\$ 2,728,018
Accounts receivable - long-term	-	-	-	-	31,923	31,923
Notes receivable	-	20,418,448	-	-	488,446	20,906,894
Less: allowance for for uncollectibles	-	-	-	-	(142,193)	(142,193)
Net receivables	<u>\$ 1,053,384</u>	<u>\$ 20,492,683</u>	<u>\$ 708,046</u>	<u>\$ 43,606</u>	<u>\$ 1,226,923</u>	<u>\$ 23,524,642</u>

	<u>Business-Type Activities - Enterprise Funds</u>					
	<u>Water</u>	<u>Solid Waste</u>	<u>Sewer</u>	<u>Nonmajor Storm Drain</u>	<u>Airport</u>	<u>Total</u>
Receivables:						
Accounts receivable	\$ 211,316	\$ 128,672	\$ 161,887	\$ 19,877	\$ 17,946	\$ 539,698
Less: allowance for for uncollectibles	(30,003)	(14,499)	(12,000)	(1,500)	-	(58,002)
Net receivables	<u>\$ 181,313</u>	<u>\$ 114,173</u>	<u>\$ 149,887</u>	<u>\$ 18,377</u>	<u>\$ 17,946</u>	<u>\$ 481,696</u>

Receivables are presented on the Statement of Net Position as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts receivable, net	\$ 2,728,018	\$ 481,696	\$ 3,209,714
Accounts receivable - long-term, net	31,923	-	31,923
Notes receivable, net	<u>20,764,701</u>	<u>-</u>	<u>20,764,701</u>
	<u>\$ 23,524,642</u>	<u>\$ 481,696</u>	<u>\$ 24,006,338</u>

Receivables in governmental funds which are not expected to be collected in one year are as follows:

The only receivables not expected to be collected in one year are as follows:

Accounts receivable in Storm Drain Capital Reserve Capital Projects Fund	\$ 31,923
Notes receivable in CDBG Grants Special Revenue Fund	20,418,448
Notes receivable in EDBG Grants Special Revenue Fund	277,403
Notes receivable in Low and Moderate Income Housing Asset Special Revenue Fund	<u>68,850</u>
	<u>\$ 20,796,624</u>

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 4 – INTERNAL BALANCES**

Due to and due from balances at June 30, 2014 are as follows:

	<u>Due From</u>	<u>Due To</u>
<b>Governmental Funds:</b>		
Major Funds:		
General Fund	\$ 620,549	\$ -
CDBG Grants Special Revenue Fund	2,011	-
Community Facilities District Capital Projects Fund	559,445	-
Streets & Road (LTF) Special Revenue Fund	-	728,685
Nonmajor Funds:		
Measure T Special Revenue Fund	728,685	-
Maintenance Assessment District Special Revenue Fund	334,302	-
Transit System Special Revenue Fund	-	334,302
Public Safety Grants Special Revenue Fund	-	99,540
HOME grant Special Revenue Fund	-	2,011
Low and Moderate Low Income Housing Asset Fund	-	45,559
Debt Service Fund	-	263,522
Park Improvements Soccer Field Capital Projects Fund	-	2,177
Park Improvements Miscellaneous Capital Projects Fund	-	229,985
Park Development (IF) Capital Projects Fund	51,004	-
Park Grants Capital Projects Fund	181,158	-
Public Building Impact Fees	-	558,905
PFA Street Improvements-Capital Projects Fund	-	540
Fleet Maintenance Internal Service Fund	-	14,106
Information Technology Internal Service Fund	-	12,939
<b>Enterprise Funds:</b>		
Nonmajor Funds:		
Airport	-	76,354
<b>Fiduciary Funds:</b>		
Trust Funds	-	108,529
Total	<u>\$ 2,477,154</u>	<u>\$ 2,477,154</u>

The “due from” balances of \$2,477,154 in the funds listed above represents loans made to other funds to cover operating cash deficit.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 5 – TRANSFERS**

Transfers for the year ended June 30, 2014 are summarized as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental Funds:</b>		
Major Funds:		
General Fund	\$ 111,183	\$ 415,854 (1)
CDBG Grants Special Revenue Fund	-	-
Street and Road Fund (LTF) Special Revenue Fund	380,000 (2)	-
Nonmajor Funds:		
State Gas Tax Special Revenue Fund	-	532,248 (2)
Transit System Special Revenue Fund	-	7,588
Public Safety Grants Special Revenue Fund	-	100,000
Ash Slough Arundo Removal Special Revenue Fund	-	11,183
Debt Service Funds	366,196 (1)	-
1994 PFA Street Improvements Capital Projects Fund	152,248 (2)	-
<b>Enterprise Funds:</b>		
Major Funds:		
Water Enterprise Fund	-	6,149
Sewer Enterprise Fund	-	13,634
Nonmajor Funds:		
Airport Enterprise Fund	1,000	-
<b>Internal Service Funds</b>	<u>76,029</u>	<u>-</u>
 Total	 <u>\$ 1,086,656</u>	 <u>\$ 1,086,656</u>

- (1) The General Fund transferred \$357,751 to the Debt Service Fund for the Civic Center debt service payments.
- (2) Street maintenance is being recorded in the Local Transportation Fund (LTF). The State Gas Tax Fund transferred \$380,000 for that purpose. The fund also transferred \$152,248 to the Street Improvements Fund for street improvements.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 6 – LONG-TERM DEBT**

The following is a summary of debt transactions of the City for the year ended June 30, 2014:

	June 30, 2013	Additions	Reductions	June 30, 2014	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 299,880	\$ -	\$ (20,235)	279,645	\$ 162,625
2000 Refunding of 1994 PFA Revenue Bonds	1,163,620	-	(96,728)	1,066,892	113,524
2005 Civic Center Bond	5,245,000	-	(135,000)	5,110,000	145,000
2007 CFD Series Special Tax Bond	7,980,000	-	(175,000)	7,805,000	180,000
Measure T Interprogram Loan	945,000	-	(157,500)	787,500	157,500
State of California NSP Loan	9,913,215	-	-	9,913,215	-
Less: Discounts	<u>(166,229)</u>	<u>-</u>	<u>7,322</u>	<u>(158,907)</u>	<u>-</u>
<b>Total Governmental Activities Long-Term Debt</b>	<b><u>\$ 25,380,486</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (577,141)</u></b>	<b><u>\$ 24,803,345</u></b>	<b><u>\$ 758,649</u></b>
<b>Business-Type Activities:</b>					
Westside Storm Drain Pond Project Refunding Lease	\$ 70,500	\$ -	\$ (70,500)	\$ -	\$ -
2000 Refunding of 1994 PFA Revenue Bonds	223,446	-	(70,374)	153,072	74,520
2001 USDA Sewer Bond	140,000	-	(15,000)	125,000	15,000
2001 Water Certificates of Participation	<u>585,000</u>	<u>-</u>	<u>(60,000)</u>	<u>525,000</u>	<u>60,000</u>
<b>Total Business-Type Activities Long-Term Debt</b>	<b><u>\$ 1,018,946</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (215,874)</u></b>	<b><u>\$ 803,072</u></b>	<b><u>\$ 149,520</u></b>

Long-term debt payable at June 30, 2014 is comprised of the following individual issues:

**2000 Refunding of 1994 Public Financing Authority (PFA) Revenue Bonds**

In 1994, the City issued Revenue Bonds in the aggregate principal amount of \$3,670,000 to finance the acquisition and construction of three projects: (1) capital improvements to the City Hall (the Land Acquisition/Facilities Rehabilitation Project) in the amount of \$495,000; (2) Street/Road Improvement Project in the amount of \$1,890,000; and (3) Wastewater Improvement Project in the amount of \$920,000. The original amount of the note (\$3,670,000) was secured by each project's pledged sources of revenue, including the Street/Road Improvement Project's pledge of the City's net revenues from the state gas tax, and Measure A Funds; the Wastewater Plant Improvement Project's net revenues from user fees collected by the Sewer Enterprise Fund; and General Fund revenues pledged for the Land Acquisition Project in the amount of \$3,106,000, to take advantage of lower interest rates and reduce the total future debt service payments. Semiannual payments range from \$4,433 to \$288,668 and are payable each March 15 and September 15 through 2021.

Annual debt service requirements to maturity of the 2000 Refunding of 1994 PFA Revenue Bonds are as follows:

Fiscal Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 113,524	\$ 57,927	\$ 74,520	\$ 7,122
2016	313,156	46,854	78,552	2,416
2017	113,754	35,876	-	-
2018	118,978	28,719	-	-
2019	129,146	21,090	-	-
2020-2021	<u>278,334</u>	<u>17,425</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 1,066,892</u></b>	<b><u>\$ 207,891</u></b>	<b><u>\$ 153,072</u></b>	<b><u>\$ 9,538</u></b>

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 6 – LONG-TERM DEBT (Continued)**

**2005 Civic Center Bond**

In 2005, the City issued Revenue Bonds in the aggregate principal amount of \$5,890,000 to refund the 2002 \$1,900,000 Civic Center Project Private Placement Financing and to finance certain public improvements. The original amount of the note (\$5,890,000) was secured by revenues of the Public Financing Authority consisting primarily of lease payments to be received by the Authority from the City under a lease agreement dated July 1, 2005, by and between the Authority and the City which are payable from the City's general fund for lease by the City of certain real property and public facilities located in the City and then constituting the Civic Center Project. Semiannual payments range from \$7,875 to \$362,953 and are payable each January 1 and July 1 through 2035.

Annual debt service requirements to maturity of the 2005 Civic Center Bond are as follows:

Fiscal Year Ending June 30	Governmental Activities	
	Principal	Interest
2015	\$ 145,000	\$ 218,256
2016	150,000	212,538
2017	160,000	206,338
2018	165,000	199,837
2019	170,000	193,138
2020-2024	965,000	852,047
2025-2029	1,195,000	619,391
2030-2034	1,475,000	325,744
2035-2036	<u>685,000</u>	<u>31,163</u>
Total	<u>\$ 5,110,000</u>	<u>\$ 2,858,452</u>

**2007 Community Facilities District (CFD) Special Tax Bond**

In 2007, the City issued Community Facilities District No. 2006-1 Improvement Area 1 Special Tax Bonds in the aggregate principal amount of \$8,615,000 to finance certain capital expenses of the District, to pay costs of issuance of the Bonds, and to fund two years' capitalized interest on the Bonds. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended. The Bonds (\$8,615,000) are secured under the Trust indenture by a pledge and lien upon Net Taxes levied on parcels within the District and all moneys in the Special Tax Fund. The Bonds were issued for the purpose of financing the acquisition, construction, expansion, improvement, or rehabilitation of facilities to serve the area within the District and its neighboring areas. Semiannual payments range from \$13,375 to \$560,486 and are payable each March 1 and September 1 through 2037.

Annual debt service payments to maturity of the CFD Special Tax Bond are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2015	\$ 180,000	\$ 377,091
2016	190,000	369,041
2017	200,000	360,361
2018	210,000	351,136
2019	215,000	341,574
2020-2024	1,235,000	1,546,876
2025-2029	1,575,000	1,204,375
2030-2034	2,005,000	758,875
2035-2038	<u>1,995,000</u>	<u>205,375</u>
Total	<u>\$ 7,805,000</u>	<u>\$ 5,514,704</u>

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 6 – LONG-TERM DEBT (Continued)**

**Measure T Interprogram Loan**

The City entered into a loan agreement in 2009, with the Madera County Transportation Commission to receive an advance of Measure T revenues. The loan will be a lien of the City's portion of the Regional Rehabilitation/Reconstruction/Maintenance Program and Safe Routes to School and Job Program which is 4.71% of the total Measure T Sales Tax Revenues. Principal is payable annually on June 30 in the amount of \$157,500, with interest payment calculated as the total principal outstanding times the average LAIF rate for the prior calendar year, and matures on June 30, 2019.

Annual debt service requirements to maturity of the Measure T Interprogram loan are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	Interest
2014	\$ 157,500	\$ -
2015	157,500	-
2016	157,500	-
2017	157,500	-
2018	157,500	-
Total	<u>\$ 787,500</u>	<u>\$ -</u>

**State of California Neighborhood Stabilization Program (NSP) Loan**

In fiscal year 2010-11, the City entered into a loan agreement with the Department of Housing and Community Development. The City could borrow up to \$10,000,000 to assist Olivero Ranch, LLC, in financing construction of 31 multi-family units, of which 30 units will be restricted to households at or below 50% of the AMI households in the City. Interest is accrued on the outstanding principal balance at the annual rate of 3% compounded annually. The entire outstanding principal balance plus all accrued but unpaid interest is due in full on the 55<sup>th</sup> anniversary of the date of the Project's receipt of certificates of occupancy. The loan will be secured on the property on which the Project is located. The outstanding loan balance as of June 30, 2014 was \$9,913,215. All loan payments will be generated by the operation of the housing development by the private developer which will pass through the City and back to the State.

**Westside Storm Drain Pond Project Refunding**

The City has entered into lease agreements as lessee for financing the acquisition of various equipment and capital improvements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of inception date. The lease was paid in full during the 2013-14 fiscal year.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 6 – LONG-TERM DEBT (Continued)**

**2001 USDA Sewer Bond**

The City entered into a loan agreement in 2001 for \$268,325, with the United States Department of Agriculture-Rural Development (USDA-RD) for the purpose of constructing capital improvements for the City's wastewater system. Principal is payable annually on October 1 in amounts from \$10,000 to \$20,000, with interest due semi-annually at 4.375%, and matures on September 1, 2020.

Annual debt service requirements to maturity of the 2001 USDA Sewer Bond are as follows:

Fiscal Year Ending June 30,	Business-Type Activities	
	Principal	Interest
2015	\$ 15,000	\$ 5,141
2016	15,000	4,484
2017	15,000	3,828
2018	20,000	3,063
2019	20,000	2,188
2020-2021	<u>40,000</u>	<u>1,750</u>
Total	<u>\$ 125,000</u>	<u>\$ 20,454</u>

**2001 Water Certificate of Participation**

Certificates of Participation (2000 Water System Improvement Project) in the amount of \$1,114,558 were issued on August 30, 2001, for the purpose of financing the acquisition and construction of certain modifications, improvements and additions to the City's water treatment storage and distribution facilities systems. Loan proceeds are utilized for the construction period only and are repaid with a United States Department of Agriculture Rural Development (USDA-RD) Bond Anticipation Note when the project is complete. The amount of the note is secured by the pledge of user fees collected by the Water Enterprise Fund. Principal is payable annually on August 1 in amounts from \$50,000 to \$70,000 with final payment due August 1, 2021.

Annual debt service requirements to maturity for certificates of participation are as follows:

Fiscal Year Ending June 30,	Business-Type Activities	
	Principal	Interest
2015	\$ 60,000	\$ 21,656
2016	60,000	19,031
2017	65,000	16,297
2018	65,000	13,453
2019	65,000	10,609
2020-2021	<u>210,000</u>	<u>13,781</u>
Total	<u>\$ 525,000</u>	<u>\$ 94,828</u>

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 6 – LONG-TERM DEBT (Continued)**

**Special Assessment District Debt**

The City issued \$6,750,000 Limited Obligation Improvement Bonds on June 5, 2002, for the City of Chowchilla Assessment District No. 2002-1 (Pheasant Run), pursuant to the provisions of the Improvement Bond Act of 1915 for the purpose of financing the construction and acquisition of public improvements within the City's Assessment District No. 2002-1. The Bonds are fully secured by the unpaid special assessments levied on privately owned properties within the District. These Bonds have no governmental commitment. The Bonds are not secured by the general taxing power of the City, the State of California, or any political subdivision of the State. The City acts as agent for the property owners in collecting assessment installments of principal and interest and forwarding collections to the bond trustee. The City's liability in the event of delinquent assessments shall not exceed the balance of the established Reserve Fund. The amount outstanding as of June 30, 2014 is \$4,380,000. However, the Bonds will be fully satisfied on September 2, 2014 from the proceeds of the 2013-1 Limited Obligation Refunding Bonds, as described below.

On August 26, 2003, the City issued \$6,595,000 of 2003-1 Limited Obligation Refunding Bonds (the "2003 Local Obligations") pursuant to the provisions of the Improvement Bond Act of 1915 to refund the outstanding 1994-1 Local Obligations Series A and B (collectively, the "1994-1 Local Obligations"), for the purpose of creating annual debt savings. The 2003 Local Obligations are secured by assessments levied against private property owners in the Greenhills Assessment District No. 2003-1. The Authority will receive the reserve fund upon final maturity. The City acts as agent for the property owners in collecting assessment installments of principal and interest and forwarding collections to the bond trustee. The City's liability in the event of delinquent assessments shall not exceed the balance of the established Reserve Fund. The outstanding balance as of June 30, 2014 is \$4,435,000.

On April 30, 2014, the City issued \$3,962,800 of 2013-1 Limited Obligation Refunding Bonds (the "2013 Local Obligations") pursuant to the provisions of the Improvement Bond Act of 1915 to refund the outstanding 2002-1 Local Obligations Improvement Bonds (the "2002-1 Local Obligations"), for the purpose of creating annual debt savings. The 2013 Local Obligations are fully secured by the unpaid special assessments levied on privately owned properties within the District. These 2013 Local Obligations have no governmental commitment. The 2013 Local Obligations are not secured by the general taxing power of the City, the State of California, or any political subdivision of the State. The City acts as agent for the property owners in collecting assessment installments of principal and interest and forwarding collections to the bond trustee. The City's liability in the event of delinquent assessments shall not exceed the balance of the established Reserve Fund. The amount outstanding as of June 30, 2014 is \$3,962,800.

Since the City is not obligated in any manner for special assessment debt, the debt is not recorded in these financial statements.

**NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

GASB Statement No. 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This Statement also amends the net asset reporting requirements and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 7 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)**

In addition to assets, the statement of net 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 or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has no items to report in this category.

In addition to liabilities, the statement of net 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 or fund balance 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 only one type, unavailable revenues. The unavailable revenues arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenues, is reported only in the governmental funds balance sheet. Deferred inflows of resources reported in the governmental funds for unavailable revenues totaled \$21,265,896.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**

**(a) Plan Description**

The City's defined benefit pension plans, (Miscellaneous Plan, Safety Fire Plan and the Safety Police Plan) provide retirement and disability benefits, which include annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Miscellaneous Plan, Safety Fire Plan, and the Safety Police Plan are part of the Public Agency portion of the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, which acts a common investment and administrative agent for participating public employers within the State of California. State statutes within the Public Employees' Retirement Law establish a menu of benefit provisions as well as other requirements. The City selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. Copies of CalPERS annual financial report may be obtained from their Executive Office, 400 Q Street, Sacramento, CA 95814.

**(b) Funding Policy**

Participants are required to contribute a portion of the total cost of the plan (Safety Police 9%, Safety Fire 9% and Miscellaneous 8%). Under the terms of the existing bargaining agreements, the City has agreed to pay a portion of the employees' share of the plan cost.

In addition, the City is required to contribute amounts necessary to fund the benefit for its members, at an actuarially determined rate applied to annual covered payroll. The required employer contribution rate for fiscal year 2013-14 was 18.488% for miscellaneous employees, 36.882% for the police safety group and 36.446% for the fire safety group. The contribution requirements of plan members and the City are established and may be amended by CalPERS.

**(c) Annual Pension Costs**

For fiscal year 2013-14, the City's annual pension cost of \$788,942 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: (1) 7.5% investment rate of return – net of administrative expenses; (2) projected annual salary increases of 3.30% to 14.20% for both miscellaneous and safety employees (police and fire) depending on age, service, and type of employment; (3) 3.00% payroll growth; and (4) 3.0% inflation. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15-year period (smoothed market value). The City's unfunded actuarial liability is being amortized as a level percentage of projected payroll on a closed basis.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)**

**(d) Trend Information**

The City’s contributions to CalPERS for the Miscellaneous Plan, the Safety Fire Plan and the Safety Police Plan for the three years ending June 30, 2012, 2013, and 2014 are presented below:

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/12	\$620,253	100%	\$0
06/30/13	\$765,762	100%	\$0
06/30/14	\$788,942	100%	\$0

**(e) Funded Status and Funding Progress**

<u>Valuation Date</u>	<u>Accrued Liabilities (AL)</u>	<u>Actuarial Value of Assets (AVA)</u>	<u>Unfunded Liabilities (UL)</u>	<u>Funded Ratio (AVA/AL)</u>	<u>Annual Covered Payroll</u>	<u>UL As a % of Payroll</u>
Safety Police Plan:						
06/30/13	\$ 16,086,316,273	\$ 12,092,373,658	\$ 3,993,942,615	75.2%	\$ 1,263,625,356	316.1%
Safety Fire Plan:						
06/30/13	\$ 16,086,316,273	\$ 12,092,373,658	\$ 3,993,942,615	75.2%	\$ 1,263,625,356	316.1%
Miscellaneous Plan:						
06/30/13	\$ 11,805,627,557	\$ 9,093,458,815	\$ 2,712,168,742	77.0%	\$ 1,909,639,449	142.0%

The information presented above relates to the plan as a whole, of which the City is one participating employer.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**NOTE 9 – POST-RETIREMENT HEALTH CARE BENEFITS**

The City provides no post-employment benefits for its employees. However, former employees may be maintained on the City’s health insurance programs through the City’s Consolidated Omnibus Budget Reconciliation Act (COBRA) insurance continuation plan.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 10 – RISK MANAGEMENT**

The City is a member, along with fifty-eight other public entities, of Central San Joaquin Valley Risk Management Authority (the Authority) organized under a joint powers agreement pursuant to the California Government Code for the purpose of operating and maintaining a cooperative program of self-insurance and risk management which benefits its member cities through cost reductions, insurance coverage stability, and loss control techniques. The Authority is governed by a Board of Directors, consisting of one member appointed by each member city. The Authority maintains pooled coverage programs for its member cities for workers' compensation, liability, auto-physical damage, property, employment practices liability, and errors and omissions coverage. For workers' compensation and liability programs, each program and program year is accounted for and administered as a separate operation.

Under the pooled liability program, expected claims are actuarially determined as are required deposits to cover those claims along with all estimated operating costs. Each year is retrospectively adjusted five years following its conclusion and any funds remaining are returned to the member city. Likewise, funds paid out in excess of their original deposits are collected from the member city.

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 Authority. The City has the right to receive refunds or the obligation to pay assessments based on a formula which, among other expenses, charges the City's account for liability losses under \$1,000,000 and workers' compensation losses under \$500,000. The Authority is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) for the purpose of providing excess coverage. Any claims of \$500,000 up to \$150,000,000 are covered under a purchased policy through the membership with the LAWCX. The Authority is a member of the California Affiliated Risk Management Authorities (CARMA) for the purpose of providing excess coverage in a risk sharing pool. The CARMA program provided coverage in excess of the Authority's retained limit up to \$19,000,000.

The financial position results of operations of the Authority are as follows for June 30, 2014:

Total assets	\$ 80,694,798
Total liabilities	<u>65,440,947</u>
Total net position	<u>\$ 15,253,851</u>
Revenues	\$ 32,108,146
Expenses	<u>32,739,704</u>
Change in net position	<u>\$ (631,558)</u>

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 its governing documents.

The City has established the following retained limits for the coverages shown: \$25,000 for liability; \$100,000 for worker's compensation; \$1,000 for property damage; \$500 deductible on vehicles.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 11 – DEFICIT IN FUND EQUITY**

Major Enterprise Funds

Water Enterprise Fund – A deficit in fund net position at June 30, 2014, in the amount of \$337,969 in the fund is primarily due to the recording of long-term debt without recording of the related capital assets. Once capital assets are recorded, the deficit balance should be eliminated.

Nonmajor Enterprise Funds

Airport Enterprise Fund – A deficit in fund net position at June 30, 2014, in the amount of \$65,171 is due to the prior management's application of excessive overhead charges year after year. While the overhead charges are no longer being applied, a plan to generate additional revenues from airport operations is needed to eliminate the deficit.

Nonmajor Governmental Funds

Transit System Special Revenue Fund – A deficit in fund balance at June 30, 2014, in the amount of \$117,316, is due solely to the fact that revenues were recorded but not received within 60 days from the end of the year and, therefore, were treated as deferred revenue in the financial statements.

Public Safety Grants Special Revenue Fund – A deficit in fund balance at June 30, 2014, in the amount of \$24,540, is due to the fact that the 4<sup>th</sup> Quarter SLESF payment of \$25,000 had not been received within the 60-day measurement period.

HOME Grants Special Revenue Fund – A deficit in fund balance at June 30, 2014, in the amount of \$2,011, is due to the fact that all of the City's receivables are currently unavailable to be collected. The repayment of these loans will eliminate the deficit.

Debt Service Fund – A deficit in fund balance at June 30, 2014, in the amount of \$8,034, is due primarily to the fact that debt service payments during the 2013-14 fiscal year exceeded funds transferred into the fund for said payments. Additional transfers will be required in the future to permanently eliminate the deficit.

Park Improvements – Soccer Field Capital Projects Fund – A deficit in fund balance at June 30, 2014, in the amount of \$2,177, is due to the fact that fiscal year 2013-14 capital outlay expenditures exceeded available funds. A transfer from the General Fund may be required in the future to permanently eliminate the deficit.

Park Improvements – Miscellaneous Capital Projects Fund – A deficit in fund balance at June 30, 2014, in the amount of \$229,958, is due primarily to the fact that prior management expended more money than was available on projects. Staff is trying to determine whether there are other funds available to transfer into this account in order to offset the deficit. A transfer from the General Fund may be required in the future to permanently eliminate the deficit.

Public Building Impact Fees Fund Capital Project Fund – A deficit in fund balance at June 30, 2014, in the amount of \$558,905, in the fund is primarily due to the fact that prior management overspent the account in order to construct the new Civic Center complex. Future deposits received from developer fee payments will eliminate the deficit over a period of several years.

1994 PFA Streets Improvement Capital Projects Fund – A deficit in fund balance at June 30, 2014, in the amount of \$540, is due primarily to the fact that debt service payments during the 2013-14 fiscal year exceeded funds transferred into the fund for said payments. Additional transfers will be required in the future to permanently eliminate the deficit.

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 11 – DEFICIT IN FUND EQUITY (Continued)**

Internal Service Fund

Fleet Maintenance Internal Service Fund – A deficit in fund net position at June 30, 2014, in the amount of \$18,020, exists because current and prior year expenses required to maintain the City’s fleet exceeded the amount allocated to pay for the expenses. Either reduced future costs or additional allocations from other funds will be required to eliminate the deficit.

Information Technology Internal Service Fund – A deficit in fund net position at June 30, 2014, in the amount of \$19,959, exists because current and prior year expenses required to service the City’s information technology employees and maintenance exceeded the amount allocated to pay for the expenses. Either reduced future costs or additional allocations from other funds will be required to eliminate the deficit.

Employee Benefits Internal Service Fund – A deficit in fund net position at June 30, 2014, in the amount of \$292,358, exists because the fund was established on a pay-as-you go basis for the purpose of funding the annual accrued leave liability. As employees are paid for their accumulated leave in the future, the home program of the employee makes a transfer to the Employee Benefit Fund to offset the expense.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

**Federal Awards and Grants**

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government’s compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

**Encumbrances**

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund, special revenue funds, and capital projects funds. At June 30, 2014, certain amounts which were previously restricted, committed, or assigned for specific purposes have been encumbered in the governmental funds. Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:		
	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
General Fund	\$ -	\$ -	\$ 45,771
Streets and Roads (LTF) Special Revenue Fund	77,393	-	-
Aggregate Non-Major Funds	321,980	-	-

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 13 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X26 (“the Bill”) that dissolved all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Chowchilla that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution Number 5-12.

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 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 renew 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 of 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 uncertainty regarding this issue. It is reasonable possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue favorably 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, 2012.

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.

**Cash**

A reconciliation of the Successor Agency Trust Fund’s cash balances as of June 30, 2014 is as follows:

Cash with fiscal agent	\$ <u>549,650</u>
Total cash	\$ <u><u>549,650</u></u>

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 13 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

**Long-term Debt**

Long-term debt reported in the Successor Agency Trust Fund at June 30, 2014 was comprised of the following:

	June 30, 2013	Additions	Reductions	June 30, 2014	Amounts Due Within One Year	Amounts Due More Than One Year
2005 RDA Bond	\$ 7,325,000	\$ -	\$ (165,000)	\$ 7,160,000	\$ 170,000	6,990,000
County of Madera RDA Loan	50,000	-	(25,000)	25,000	25,000	-
Less: Discounts	<u>(43,130)</u>	<u>-</u>	<u>1,875</u>	<u>(41,255)</u>	<u>-</u>	<u>(41,255)</u>
<b>Total</b>	<b><u>\$ 7,331,870</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (188,125)</u></b>	<b><u>\$ 7,143,745</u></b>	<b><u>\$ 195,000</u></b>	<b><u>\$ 6,948,745</u></b>

**2005 RDA Bond**

In 2005, the City issued Tax Allocation Bonds in the aggregate principal amount of \$7,945,000 to finance the acquisition and construction of public capital improvements within the Redevelopment Project Area. The original amount of the note (\$7,945,000) was secured by a pledge of tax revenues consisting of tax increment payments to be received by the RDA. Semiannual payments range from \$12,000 to \$492,000 and are payable each February 1 and August 1 through 2037. As a result of the dissolution of the Redevelopment Agency of the City of Chowchilla as of February 1, 2012, the 2005 RDA Bond of the former redevelopment agency was transferred to the Successor Agency of the Redevelopment Agency of the City of Chowchilla. After the date of dissolution, the bond and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Annual debt service requirements to maturity for the 2005 RDA Bond are as follows:

Fiscal Years Ending	2005 RDA Bond		
	Principal	Interest	Total
2015	\$ 170,000	\$ 343,100	\$ 513,100
2016	180,000	335,525	515,525
2017	185,000	327,600	512,600
2018	195,000	319,169	514,169
2019	205,000	310,144	515,144
2020-2024	1,155,000	1,398,713	2,553,713
2025-2029	1,460,000	1,089,975	2,549,975
2030-2034	1,825,000	681,375	2,506,375
2035-2038	<u>1,785,000</u>	<u>183,875</u>	<u>1,968,875</u>
<b>Total</b>	<b><u>\$ 7,160,000</u></b>	<b><u>\$ 4,989,476</u></b>	<b><u>\$ 12,149,476</u></b>

**CITY OF CHOWCHILLA**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 13 – SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

(Continued)

**Long-term Debt (Continued)**

**County of Madera RDA Loan**

The City entered into a loan agreement in 2008, with the County of Madera for the purpose of obtaining real property for redevelopment purposes. Principal is payable annually on September 1 in the amount \$25,000, with no interest due, and matures on September 1, 2015. As a result of the dissolution of the Redevelopment Agency of the City of Chowchilla as of February 1, 2012, the County of Madera RDA Loan of the former redevelopment agency was transferred to the Successor Agency of the Redevelopment Agency of the City of Chowchilla. After the date of dissolution, the bond and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

Annual debt service requirements to maturity for the County of Madera RDA Loan are as follows:

Fiscal Year Ending June 30,	Loan Payable to County of Madera		
	Principal	Interest	Total
2015	\$ 25,000	\$ -	\$ 25,000
Total	\$ 25,000	\$ -	\$ 25,000

**Insurance**

The Successor Agency is covered under the City of Chowchilla's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage can be found in Note 10.

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 14 – PRIOR PERIOD ADJUSTMENTS**

During the year the following prior period adjustments were recorded:

	<u>Governmental Funds Adjustments</u>	<u>Governmental Activities Adjustments</u>
<b>GOVERNMENTAL FUNDS AND GOVERNMENTAL ACTIVITIES</b>		
<b>General Fund</b>		
Cash was understated in the prior year	\$ 42,382	\$ 42,382
Revenue was understated in the prior year	<u>27,000</u>	<u>27,000</u>
Total General Fund adjustments	<u>69,382</u>	<u>69,382</u>
<b>Community Development Block Grant Fund</b>		
Deferred revenue was not recorded against housing loans in prior years	(4,488,772)	-
Interest expense was understated in previous years	<u>-</u>	<u>(423,725)</u>
Total Community Development Block Grant Fund adjustments	<u>(4,488,772)</u>	<u>(423,725)</u>
<b>Community Facilities District Capital Projects Fund</b>		
Revenue was overstated in the prior year	<u>(5,708)</u>	<u>(5,708)</u>
Total Community Facilities District Capital Projects Fund adjustments	<u>(5,708)</u>	<u>(5,708)</u>
<b>Other Governmental Funds</b>		
Deferred revenue was not recorded against housing loans in prior years	(381,275)	-
Long-term debt balance was understated in the prior year	<u>-</u>	<u>(4,930)</u>
Total Other Governmental Funds adjustments	<u>(381,275)</u>	<u>(4,930)</u>
Total Governmental Funds and Governmental Activities adjustments	<u>\$ (4,806,373)</u>	<u>\$ (364,981)</u>

CITY OF CHOWCHILLA

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 14 – PRIOR PERIOD ADJUSTMENTS (Continued)**

During the year the following prior period adjustments were recorded:

<b>ENTERPRISE FUNDS AND BUSINESS-TYPE ACTIVITIES</b>	<u>Adjustments</u>
<b>Water Fund</b>	
Expenses were understated in the prior year	\$ 409,893
Cash was understated in the prior year	<u>10,504</u>
Total Water Fund adjustments	<u>420,397</u>
<b>Solid Waste Fund</b>	
Cash was understated in prior years	<u>2,829</u>
Total Solid Waste Fund adjustments	<u>2,829</u>
<b>Sewer Fund</b>	
Cash was understated in the prior year	<u>11,314</u>
Total Sewer Fund adjustments	<u>11,314</u>
<b>Other Enterprise Funds</b>	
Utility revenues were overstated in prior years	(53,600)
Cash was understated in prior years	2,829
Expenses were overstated in the prior year	2,333
Revenue was overstated in the prior year	<u>(9,095)</u>
Total Other Enterprise Funds adjustments	<u>(57,533)</u>
Total Enterprise and Business-type Activities adjustments	<u>\$ 377,007</u>
 <b>FIDUCIARY FUNDS</b>	
	<u>Adjustments</u>
<b>Successor Agency Trust Fund</b>	
Revenue was overstated in the prior year	\$ <u>(104,978)</u>
Total Successor Agency Trust Fund adjustments	<u>\$ (104,978)</u>

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF CHOWCHILLA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET TO ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Taxes	\$ 2,157,500	\$ 2,157,500	\$ 2,443,001	\$ 285,501
Licenses and permits	391,300	391,300	552,237	160,937
Fines and penalties	60,300	60,300	51,361	(8,939)
Intergovernmental	1,527,100	1,527,100	1,283,517	(243,583)
Use of money and property	73,870	73,870	83,470	9,600
Charges for services	215,100	215,100	222,318	7,218
Miscellaneous	<u>191,756</u>	<u>191,756</u>	<u>229,398</u>	<u>37,642</u>
Total revenues	<u>4,616,926</u>	<u>4,616,926</u>	<u>4,865,302</u>	<u>248,376</u>
<b>EXPENDITURES</b>				
Current:				
General government	665,562	665,562	851,619	(186,057)
Public safety	2,821,658	2,821,658	3,078,185	(256,527)
Highways and streets	237,927	237,927	235,736	2,191
Culture and recreation	303,644	303,644	288,896	14,748
Capital outlay	<u>271,998</u>	<u>271,998</u>	<u>212,612</u>	<u>59,386</u>
Total expenditures	<u>4,300,789</u>	<u>4,300,789</u>	<u>4,667,048</u>	<u>(366,259)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>316,137</u>	<u>316,137</u>	<u>198,254</u>	<u>(117,883)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	450,000	450,000	111,183	(338,817)
Transfers out	(571,616)	(571,616)	(415,854)	155,762
Proceeds from sale of capital assets	<u>-</u>	<u>-</u>	<u>24,317</u>	<u>24,317</u>
Total other financing sources (uses)	<u>(121,616)</u>	<u>(121,616)</u>	<u>(280,354)</u>	<u>(158,738)</u>
Net change in fund balance	<u>194,521</u>	<u>194,521</u>	<u>(82,100)</u>	<u>(276,621)</u>
Fund balances, beginning	1,942,496	1,942,496	1,942,496	-
Prior period adjustments	<u>69,382</u>	<u>69,382</u>	<u>69,382</u>	<u>-</u>
Fund balances, beginning of year, restated	<u>2,011,878</u>	<u>2,011,878</u>	<u>2,011,878</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,206,399</u>	<u>\$ 2,206,399</u>	<u>\$ 1,929,778</u>	<u>\$ (276,621)</u>

**CITY OF CHOWCHILLA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET TO ACTUAL  
CDBG GRANTS SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 85,000	\$ 85,000	\$ 146,312	\$ 61,312
Use of money and property	-	-	296	296
Charges for services	<u>-</u>	<u>-</u>	<u>18,000</u>	<u>18,000</u>
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>164,608</u>	<u>79,608</u>
<b>EXPENDITURES</b>				
Current:				
Community development	<u>121,150</u>	<u>121,150</u>	<u>70,649</u>	<u>50,501</u>
Total expenditures	<u>121,150</u>	<u>121,150</u>	<u>70,649</u>	<u>50,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(36,150)</u>	<u>(36,150)</u>	<u>93,959</u>	<u>130,109</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from promissory note	<u>35,000</u>	<u>35,000</u>	<u>62,285</u>	<u>27,285</u>
Total other financing sources (uses)	<u>35,000</u>	<u>35,000</u>	<u>62,285</u>	<u>27,285</u>
Net change in fund balance	(1,150)	(1,150)	156,244	157,394
Fund balances, beginning	4,574,687	4,574,687	4,574,687	-
Prior period adjustments	<u>(4,488,772)</u>	<u>(4,488,772)</u>	<u>(4,488,772)</u>	<u>-</u>
Fund balances, beginning of year, restated	<u>85,915</u>	<u>85,915</u>	<u>85,915</u>	<u>-</u>
Fund balances, ending	<u>\$ 84,765</u>	<u>\$ 84,765</u>	<u>\$ 242,159</u>	<u>\$ 157,394</u>

**CITY OF CHOWCHILLA**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE – BUDGET TO ACTUAL  
STREET & ROAD (LTF) SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Licenses and permits	\$ 500	\$ 500	\$ 100	\$ (400)
Intergovernmental	576,886	576,886	488,052	(88,834)
Use of money and property	-	-	(511)	(511)
Miscellaneous	-	-	2,210	2,210
Total revenues	<u>577,386</u>	<u>577,386</u>	<u>489,851</u>	<u>(87,535)</u>
<b>EXPENDITURES</b>				
Current:				
Highways and streets	596,298	596,298	516,817	79,481
Capital outlay	<u>729,724</u>	<u>729,724</u>	<u>744,330</u>	<u>(14,606)</u>
Total expenditures	<u>1,326,022</u>	<u>1,326,022</u>	<u>1,261,147</u>	<u>64,875</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(748,636)</u>	<u>(748,636)</u>	<u>(771,296)</u>	<u>(22,660)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,067,155	1,067,155	380,000	(687,155)
Transfers out	<u>(147,744)</u>	<u>(147,744)</u>	-	147,744
Total other financing sources (uses)	<u>919,411</u>	<u>919,411</u>	<u>380,000</u>	<u>(539,411)</u>
Net change in fund balance	170,775	170,775	(391,296)	(562,071)
Fund balances, beginning	<u>126,472</u>	<u>126,472</u>	<u>126,472</u>	-
Fund balances, ending	<u>\$ 297,247</u>	<u>\$ 297,247</u>	<u>\$ (264,824)</u>	<u>\$ (562,071)</u>

**CITY OF CHOWCHILLA**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2014**

**NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. BUDGETARY INFORMATION**

The City establishes annual budgets for the General, Special Revenue Funds, and Capital Projects Funds. Except for encumbrances and long-term projects in progress, which are carried forward to the following year, all appropriations remaining will lapse at year-end. The following procedures are followed in establishing the budgetary data reflected in the budgetary comparison schedules:

- 1) The department heads prepare a budget request based upon the previous year's expenditures.
- 2) A meeting is held between the department heads, Finance Director and the City Administrator for the purpose of reviewing and prioritizing the budget requests.
- 3) The City Administrator submits the proposed City Budget to the City Council, who makes decisions regarding department budgets.
- 4) The approved budget is placed in the City accounting system and monitored by the Finance Department as well as by the department heads.

Department heads may, with the City Administrator's authorization, transfer amounts between line items which do not change the original operational budget appropriation limit of the department. The transfers between departments and funds require approval of the City Council.

- 5) Budgets are adopted on the modified accrual basis. Revenues are budgeted in the year receipt is expected, and expenditures are budgeted in the year that the applicable purchase orders are expected to be issued. The Debt Service Fund budget is prepared to provide funding for general obligation debt service when liabilities are due for payment. Budgeted amounts are maintained as originally adopted and as further amended by the City Council. The level of control (level at which expenditures may not exceed budget) is at fund level for the General Fund, fund level for the Special Revenue Funds, and project level for the Capital Projects Funds.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following funds incurred expenditures in excess of appropriations in the following amounts for the year ended June 30, 2014:

General Fund	
Current:	
General government	\$ 186,057
Public Safety	256,527
Streets and Roads (LTF) Special Revenue Fund:	
Capital outlay	14,606

**CITY OF CHOWCHILLA**

**SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED JUNE 30, 2014**

The City's defined benefit pension plans, the Miscellaneous Plan, the Safety Fire Plan, and the Safety Police Plan, are cost-sharing multiple employer defined benefit pension plans that provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The information presented in below in the schedule of funding progress and employer contributions relates to the plan as a whole, of which the City is one participating employer.

Valuation Date	Accrued Liabilities (AL)	Actuarial Value of Assets (AVA)	Unfunded Liabilities (UL)	Funded Ratio (AVA/AL)	Annual Covered Payroll	UL As a % of Payroll
<b>Safety Police Plan:</b>						
06/30/11	\$ 2,061,923,933	\$ 1,759,286,797	\$ 302,637,136	85.3%	\$ 225,026,216	134.5%
06/30/12	\$ 2,183,549,942	\$ 1,896,139,291	\$ 287,410,651	86.8%	\$ 232,078,083	123.8%
06/30/13	\$ 16,086,316,273	\$ 12,092,373,658	\$ 3,993,942,615	75.2%	\$ 1,263,625,356	316.1%
<b>Safety Fire Plan:</b>						
06/30/11	\$ 2,061,923,933	\$ 1,759,286,797	\$ 302,637,136	85.3%	\$ 225,026,216	134.5%
06/30/12	\$ 2,183,549,942	\$ 1,896,139,291	\$ 287,410,651	86.8%	\$ 232,078,083	123.8%
06/30/13	\$ 16,086,316,273	\$ 12,092,373,658	\$ 3,993,942,615	75.2%	\$ 1,263,625,356	316.1%
<b>Miscellaneous Plan:</b>						
06/30/11	\$ 2,135,350,204	\$ 1,724,200,585	\$ 411,149,619	80.7%	\$ 350,121,750	117.4%
06/30/12	\$ 2,254,622,362	\$ 1,837,489,422	\$ 417,132,940	81.5%	\$ 339,228,272	123.0%
06/30/13	\$ 11,805,627,557	\$ 9,093,458,815	\$ 2,712,168,742	77.0%	\$ 1,909,639,449	142.0%

## OTHER SUPPLEMENTARY INFORMATION

**CITY OF CHOWCHILLA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2014**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 1,788,779	\$ -	\$ 5,045,772	\$ 6,834,551
Restricted cash and investments	-	255,488	-	255,488
Accounts receivable	838,099	-	10,648	848,747
Notes receivable, net	346,253	-	-	346,253
Due from other funds	1,062,987	-	232,162	1,295,149
Land held for resale	104,000	-	-	104,000
Accounts receivable - long-term	-	-	31,923	31,923
	<u>-</u>	<u>-</u>	<u>31,923</u>	<u>31,923</u>
Total assets	<u>\$ 4,140,118</u>	<u>\$ 255,488</u>	<u>\$ 5,320,505</u>	<u>\$ 9,716,111</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 83,385	\$ -	\$ 31,110	\$ 114,495
Due to other funds	481,412	263,522	791,607	1,536,541
	<u>564,797</u>	<u>263,522</u>	<u>822,717</u>	<u>1,651,036</u>
Total liabilities	<u>564,797</u>	<u>263,522</u>	<u>822,717</u>	<u>1,651,036</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	524,754	-	-	524,754
	<u>524,754</u>	<u>-</u>	<u>-</u>	<u>524,754</u>
Total deferred inflows of resources	<u>524,754</u>	<u>-</u>	<u>-</u>	<u>524,754</u>
<b>FUND BALANCES (DEFICIT):</b>				
Nonspendable	104,000	-	31,923	135,923
Restricted for:				
Highway and streets	2,730,439	-	-	2,730,439
Culture and recreation	-	-	467,451	467,451
Community development	405,554	-	-	405,554
Capital maintenance	-	-	5,096,021	5,096,021
Unassigned	(189,426)	(8,034)	(1,097,607)	(1,295,067)
	<u>3,050,567</u>	<u>(8,034)</u>	<u>4,497,788</u>	<u>7,540,321</u>
Total fund balances (deficit)	<u>3,050,567</u>	<u>(8,034)</u>	<u>4,497,788</u>	<u>7,540,321</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,140,118</u>	<u>\$ 255,488</u>	<u>\$ 5,320,505</u>	<u>\$ 9,716,111</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Intergovernmental	\$ 2,008,254	\$ -	\$ -	\$ 2,008,254
Use of money and property	12,048	102	8,130	20,280
Charges for services	318,421	-	146,662	465,083
Loan repayments	21,544	-	-	21,544
Miscellaneous	<u>-</u>	<u>-</u>	<u>2,371</u>	<u>2,371</u>
Total revenues	<u>2,360,267</u>	<u>102</u>	<u>157,163</u>	<u>2,517,532</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	1,782	1,111	2,893
Highway and streets	645,324	-	33,457	678,781
Community development	7,125	-	-	7,125
Capital outlay	357,417	-	78,349	435,766
Debt service:				
Principal	157,500	140,000	96,645	394,145
Interest	<u>3,331</u>	<u>231,958</u>	<u>55,603</u>	<u>290,892</u>
Total expenditures	<u>1,170,697</u>	<u>373,740</u>	<u>265,165</u>	<u>1,809,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,189,570</u>	<u>(373,638)</u>	<u>(108,002)</u>	<u>707,930</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	366,196	152,248	518,444
Transfers out	<u>(651,019)</u>	<u>-</u>	<u>-</u>	<u>(651,019)</u>
Total other financing sources (uses)	<u>(651,019)</u>	<u>366,196</u>	<u>152,248</u>	<u>(132,575)</u>
Net changes in fund balances	<u>538,551</u>	<u>(7,442)</u>	<u>44,246</u>	<u>575,355</u>
Fund balances (deficit), beginning of year	2,893,291	(592)	4,453,542	7,346,241
Prior period adjustments	<u>(381,275)</u>	<u>-</u>	<u>-</u>	<u>(381,275)</u>
Fund balances (deficit), beginning of year, restated	<u>2,512,016</u>	<u>(592)</u>	<u>4,453,542</u>	<u>6,964,966</u>
Fund balances (deficit), end of year	<u>\$ 3,050,567</u>	<u>\$ (8,034)</u>	<u>\$ 4,497,788</u>	<u>\$ 7,540,321</u>

**CITY OF CHOWCHILLA**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2014**

	<u>State Gas Tax</u>	<u>RSTP</u>	<u>Measure T Fund</u>	<u>Maintenance Assessment District</u>	<u>Transit System</u>
<b>ASSETS</b>					
Cash and investments	\$ 303,453	\$ 99,717	\$ 349,863	\$ 630,124	\$ -
Accounts receivable	56,084	127,095	167,128	16,278	367,139
Notes receivable, net	-	-	-	-	-
Due from other funds	-	-	728,685	334,302	-
Land held for resale	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total assets	 <u>\$ 359,537</u>	 <u>\$ 226,812</u>	 <u>\$ 1,245,676</u>	 <u>\$ 980,704</u>	 <u>\$ 367,139</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 58,878	\$ -	\$ 2,135	\$ 4,984	\$ 17,322
Due to other funds	-	-	-	-	334,302
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total liabilities	 <u>58,878</u>	 <u>-</u>	 <u>2,135</u>	 <u>4,984</u>	 <u>351,624</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	11,182	5,111	132,831
	<u>-</u>	<u>-</u>	<u>11,182</u>	<u>5,111</u>	<u>132,831</u>
 Total deferred inflows of resources	 <u>-</u>	 <u>-</u>	 <u>11,182</u>	 <u>5,111</u>	 <u>132,831</u>
<b>FUND BALANCES (DEFICIT):</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Highway and streets	300,659	226,812	1,232,359	970,609	-
Community development	-	-	-	-	-
Unassigned	-	-	-	-	(117,316)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117,316)</u>
 Total fund balances (deficit)	 <u>300,659</u>	 <u>226,812</u>	 <u>1,232,359</u>	 <u>970,609</u>	 <u>(117,316)</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 359,537</u>	 <u>\$ 226,812</u>	 <u>\$ 1,245,676</u>	 <u>\$ 980,704</u>	 <u>\$ 367,139</u>

**CITY OF CHOWCHILLA**

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2014**

	Public Safety Grants	HOME Grant	EDBG Grant	Ash Slough Arundo Removal	Low and Moderate Income Housing Asset Fund	Total
<b>ASSETS</b>						
Cash and investments	\$ -	\$ -	\$ 405,617	\$ 5	\$ -	\$ 1,788,779
Accounts receivable	100,000	4,375	-	-	-	838,099
Notes receivable, net	-	-	277,403	-	68,850	346,253
Due from other funds	-	-	-	-	-	1,062,987
Land held for resale	-	-	-	-	104,000	104,000
<b>Total assets</b>	<b>\$ 100,000</b>	<b>\$ 4,375</b>	<b>\$ 683,020</b>	<b>\$ 5</b>	<b>\$ 172,850</b>	<b>\$ 4,140,118</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Accounts payable	\$ -	\$ -	\$ 66	\$ -	\$ -	\$ 83,385
Due to other funds	99,540	2,011	-	-	45,559	481,412
<b>Total liabilities</b>	<b>99,540</b>	<b>2,011</b>	<b>66</b>	<b>-</b>	<b>45,559</b>	<b>564,797</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenues	25,000	4,375	277,405	-	68,850	524,754
<b>Total deferred inflows of resources</b>	<b>25,000</b>	<b>4,375</b>	<b>277,405</b>	<b>-</b>	<b>68,850</b>	<b>524,754</b>
<b>FUND BALANCES (DEFICIT):</b>						
Nonspendable	-	-	-	-	104,000	104,000
Restricted for:						
Highway and streets	-	-	-	-	-	2,730,439
Community development	-	-	405,549	5	-	405,554
Unassigned	(24,540)	(2,011)	-	-	(45,559)	(189,426)
<b>Total fund balances (deficit)</b>	<b>(24,540)</b>	<b>(2,011)</b>	<b>405,549</b>	<b>5</b>	<b>58,441</b>	<b>3,050,567</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 100,000</b>	<b>\$ 4,375</b>	<b>\$ 683,020</b>	<b>\$ 5</b>	<b>\$ 172,850</b>	<b>\$ 4,140,118</b>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>State Gas Tax</u>	<u>RSTP</u>	<u>Measure T Fund</u>	<u>Maintenance Assessment District</u>	<u>Transit System</u>
<b>REVENUES</b>					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	514,294	271,883	439,041	-	652,702
Use of money and property	961	304	2,066	1,239	(435)
Charges for services	-	-	-	293,905	24,516
Loan repayments	-	-	-	-	-
Total revenues	<u>515,255</u>	<u>272,187</u>	<u>441,107</u>	<u>295,144</u>	<u>676,783</u>
<b>EXPENDITURES</b>					
Current:					
Highway and streets	-	-	1,105	260,625	383,594
Community Development	-	-	-	-	-
Capital outlay	-	178,037	162,737	-	16,268
Debt service:					
Principal	-	-	157,500	-	-
Interest	-	-	3,331	-	-
Total expenditures	<u>-</u>	<u>178,037</u>	<u>324,673</u>	<u>260,625</u>	<u>399,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>515,255</u>	<u>94,150</u>	<u>116,434</u>	<u>34,519</u>	<u>276,921</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>(532,248)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,588)</u>
Total other financing sources (uses)	<u>(532,248)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(7,588)</u>
Net changes in fund balances	<u>(16,993)</u>	<u>94,150</u>	<u>116,434</u>	<u>34,519</u>	<u>269,333</u>
Fund balances (deficit), beginning of year	317,652	132,662	1,115,925	936,090	(386,649)
Prior period adjustments	-	-	-	-	-
Fund balances (deficit), beginning of year, restated	<u>317,652</u>	<u>132,662</u>	<u>1,115,925</u>	<u>936,090</u>	<u>(386,649)</u>
Fund balances (deficit), end of year	<u>\$ 300,659</u>	<u>\$ 226,812</u>	<u>\$ 1,232,359</u>	<u>\$ 970,609</u>	<u>\$ (117,316)</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Public Safety Grants	HOME Grant	EDBG Grant	Ash Slough Arundo Removal	Low and Moderate Income Housing Asset Fund	Total
<b>REVENUES</b>						
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	125,959	4,375	-	-	-	2,008,254
Use of money and property	(94)	(1)	7,965	21	22	12,048
Charges for services	-	-	-	-	-	318,421
Loan repayments	-	-	21,544	-	-	21,544
<b>Total revenues</b>	<b>125,865</b>	<b>4,374</b>	<b>29,509</b>	<b>21</b>	<b>22</b>	<b>2,360,267</b>
<b>EXPENDITURES</b>						
Current:						
Highway and streets	-	-	-	-	-	645,324
Community Development	-	6,365	760	-	-	7,125
Capital outlay	375	-	-	-	-	357,417
Debt service:						
Principal	-	-	-	-	-	157,500
Interest	-	-	-	-	-	3,331
<b>Total expenditures</b>	<b>375</b>	<b>6,365</b>	<b>760</b>	<b>-</b>	<b>-</b>	<b>1,170,697</b>
Excess (deficiency) of revenues over (under) expenditures	<u>125,490</u>	<u>(1,991)</u>	<u>28,749</u>	<u>21</u>	<u>22</u>	<u>1,189,570</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>(11,183)</u>	<u>-</u>	<u>(651,019)</u>
<b>Total other financing sources (uses)</b>	<b><u>(100,000)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(11,183)</u></b>	<b><u>-</u></b>	<b><u>(651,019)</u></b>
<b>Net changes in fund balances</b>	<b><u>25,490</u></b>	<b><u>(1,991)</u></b>	<b><u>28,749</u></b>	<b><u>(11,162)</u></b>	<b><u>22</u></b>	<b><u>538,551</u></b>
Fund balances (deficit), beginning of year	(50,030)	(20)	689,225	11,167	127,269	2,893,291
Prior period adjustments	-	-	(312,425)	-	(68,850)	(381,275)
Fund balances (deficit), beginning of year, restated	<u>(50,030)</u>	<u>(20)</u>	<u>376,800</u>	<u>11,167</u>	<u>58,419</u>	<u>2,512,016</u>
<b>Fund balances (deficit), end of year</b>	<b><u>\$ (24,540)</u></b>	<b><u>\$ (2,011)</u></b>	<b><u>\$ 405,549</u></b>	<b><u>\$ 5</u></b>	<b><u>\$ 58,441</u></b>	<b><u>\$ 3,050,567</u></b>

CITY OF CHOWCHILLA

**COMBINING BALANCE SHEET  
NONMAJOR DEBT SERVICE FUNDS  
JUNE 30, 2014**

	<u>Debt Service Fund</u>
<b>ASSETS</b>	
Restricted cash and investments	\$ 255,488
Total assets	<u>\$ 255,488</u>
<b>LIABILITIES</b>	
Due to other funds	<u>\$ 263,522</u>
Total liabilities	<u>263,522</u>
<b>FUND BALANCES (DEFICIT):</b>	
Unassigned	<u>(8,034)</u>
Total fund balances (deficit)	<u>(8,034)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 255,488</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR DEBT SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Debt Service Fund</u>
<b>REVENUES</b>	
Use of money and property	\$ <u>102</u>
Total revenues	<u>102</u>
<b>EXPENDITURES</b>	
Current:	
General government	1,782
Debt service:	
Principal	140,000
Interest	<u>231,958</u>
Total expenditures	<u>373,740</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(373,638)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers in	<u>366,196</u>
Total other financing sources (uses)	<u>366,196</u>
Net change in fund balances	(7,442)
Fund balances (deficit), beginning of year	<u>(592)</u>
Fund balances (deficit), end of year	<u>\$ (8,034)</u>

**CITY OF CHOWCHILLA**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2014**

	<u>Police Impact Fees</u>	<u>Fire Impact Fees</u>	<u>SR99/Ave 26 Interchange</u>	<u>SR99/Road 17 Interchange</u>	<u>Road Improvement</u>
<b>ASSETS</b>					
Pooled cash and investments	\$ 530,401	\$ 531,318	\$ 13,184	\$ 311,725	\$ 758,294
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable - long-term	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	<u>\$ 530,401</u>	<u>\$ 531,318</u>	<u>\$ 13,184</u>	<u>\$ 311,725</u>	<u>\$ 758,294</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,506	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>3,506</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT):</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Culture and recreation	-	-	-	-	-
Capital maintenance	526,895	531,318	13,184	311,725	758,294
Unassigned	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balances (deficit)	<u>526,895</u>	<u>531,318</u>	<u>13,184</u>	<u>311,725</u>	<u>758,294</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 530,401</u>	<u>\$ 531,318</u>	<u>\$ 13,184</u>	<u>\$ 311,725</u>	<u>\$ 758,294</u>

**CITY OF CHOWCHILLA**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2014**

	<u>Signalization Impact Fees</u>	<u>Waste Water System Capital</u>	<u>Park Improvements Soccer Field</u>	<u>Park Improvements Miscellaneous</u>	<u>Park Development (IF)</u>	<u>Park Grants</u>
<b>ASSETS</b>						
Pooled cash and investments	\$ 375,874	\$ 674,991	\$ -	\$ -	\$ -	\$ 4,551
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	51,004	181,158
Accounts receivable - long-term	-	-	-	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 375,874</u>	<u>\$ 674,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,004</u>	<u>\$ 185,709</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 3,346	\$ 24,258
Due to other funds	-	-	2,177	229,985	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>2,177</u>	<u>229,985</u>	<u>3,346</u>	<u>24,258</u>
<b>FUND BALANCES (DEFICIT):</b>						
Nonspendable	-	-	-	-	-	-
Restricted for:						
Culture and recreation	-	-	306,000	-	-	161,451
Capital maintenance	375,874	674,991	-	-	47,658	-
Unassigned	-	-	(308,177)	(229,985)	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances (deficit)	<u>375,874</u>	<u>674,991</u>	<u>(2,177)</u>	<u>(229,985)</u>	<u>47,658</u>	<u>161,451</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 375,874</u>	<u>\$ 674,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,004</u>	<u>\$ 185,709</u>

**CITY OF CHOWCHILLA**

**COMBINING BALANCE SHEET  
NONMAJOR CAPITAL PROJECTS FUNDS  
JUNE 30, 2014**

	<u>Water Systems Capital</u>	<u>Storm Drain Capital</u>	<u>Public Building Impact Fees</u>	<u>1994 PFA Streets Improvements</u>	<u>Total</u>
<b>ASSETS</b>					
Pooled cash and investments	\$ 185,469	\$ 1,659,965	\$ -	\$ -	\$ 5,045,772
Accounts receivable	-	10,648	-	-	10,648
Due from other funds	-	-	-	-	232,162
Accounts receivable - long-term	-	31,923	-	-	31,923
	<u>-</u>	<u>31,923</u>	<u>-</u>	<u>-</u>	<u>31,923</u>
Total assets	<u>\$ 185,469</u>	<u>\$ 1,702,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,320,505</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 31,110
Due to other funds	-	-	558,905	540	791,607
	<u>-</u>	<u>-</u>	<u>558,905</u>	<u>540</u>	<u>791,607</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>558,905</u>	<u>540</u>	<u>822,717</u>
<b>FUND BALANCES (DEFICIT):</b>					
Nonspendable	-	31,923	-	-	31,923
Restricted for:					
Culture and recreation	-	-	-	-	467,451
Capital maintenance	185,469	1,670,613	-	-	5,096,021
Unassigned	-	-	(558,905)	(540)	(1,097,607)
	<u>-</u>	<u>-</u>	<u>(558,905)</u>	<u>(540)</u>	<u>(1,097,607)</u>
Total fund balances (deficit)	<u>185,469</u>	<u>1,702,536</u>	<u>(558,905)</u>	<u>(540)</u>	<u>4,497,788</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 185,469</u>	<u>\$ 1,702,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,320,505</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Police Impact Fees	Fire Impact Fees	SR99/Ave 26 Interchange	SR99/Road 17 Interchange	Road Improvement
<b>REVENUES</b>					
Use of money and property	\$ 1,025	\$ 983	\$ 24	\$ 580	\$ 1,391
Charges for services	3,917	5,876	817	382	13,536
Miscellaneous	-	-	-	-	-
Total revenues	<u>4,942</u>	<u>6,859</u>	<u>841</u>	<u>962</u>	<u>14,927</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	-	-	-
Highway and streets	-	-	-	-	-
Capital outlay	40,448	2,861	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>40,448</u>	<u>2,861</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,506)</u>	<u>3,998</u>	<u>841</u>	<u>962</u>	<u>14,927</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	(35,506)	3,998	841	962	14,927
Fund balances (deficit), beginning of year	<u>562,401</u>	<u>527,320</u>	<u>12,343</u>	<u>310,763</u>	<u>743,367</u>
Fund balances (deficit), end of year	<u>\$ 526,895</u>	<u>\$ 531,318</u>	<u>\$ 13,184</u>	<u>\$ 311,725</u>	<u>\$ 758,294</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Signalization Impact Fees	Waste Water System Capital	Park Improvements Soccer Field	Park Improvements Miscellaneous	Park Development (IF)	Park Grants
<b>REVENUES</b>						
Use of money and property	\$ 698	\$ 1,257	\$ 4	\$ (428)	\$ 138	\$ 346
Charges for services	1,188	1,386	-	-	-	-
Miscellaneous	-	-	-	-	2,371	-
Total revenues	<u>1,886</u>	<u>2,643</u>	<u>4</u>	<u>(428)</u>	<u>2,509</u>	<u>346</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	-	-	-
Highway and streets	-	-	-	-	33,457	-
Capital outlay	-	-	6,092	-	-	24,258
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>6,092</u>	<u>-</u>	<u>33,457</u>	<u>24,258</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,886</u>	<u>2,643</u>	<u>(6,088)</u>	<u>(428)</u>	<u>(30,948)</u>	<u>(23,912)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	1,886	2,643	(6,088)	(428)	(30,948)	(23,912)
Fund balances (deficit), beginning of year	<u>373,988</u>	<u>672,348</u>	<u>3,911</u>	<u>(229,557)</u>	<u>78,606</u>	<u>185,363</u>
Fund balances (deficit), end of year	<u>\$ 375,874</u>	<u>\$ 674,991</u>	<u>\$ (2,177)</u>	<u>\$ (229,985)</u>	<u>\$ 47,658</u>	<u>\$ 161,451</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
NONMAJOR CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Water Systems Capital	Storm Drain Capital	Public Building Impact Fees	1994 PFA Streets Improvements	Total
<b>REVENUES</b>					
Use of money and property	\$ 342	\$ 2,982	\$ (1,042)	\$ (170)	\$ 8,130
Charges for services	2,129	116,345	1,086	-	146,662
Miscellaneous	-	-	-	-	2,371
Total revenues	<u>2,471</u>	<u>119,327</u>	<u>44</u>	<u>(170)</u>	<u>157,163</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	1,111	-	-	1,111
Highway and streets	-	-	-	-	33,457
Capital outlay	-	4,690	-	-	78,349
Debt service:					
Principal	-	-	-	96,645	96,645
Interest	-	-	-	55,603	55,603
Total expenditures	<u>-</u>	<u>5,801</u>	<u>-</u>	<u>152,248</u>	<u>265,165</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,471</u>	<u>113,526</u>	<u>44</u>	<u>(152,418)</u>	<u>(108,002)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	152,248	152,248
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,248</u>	<u>152,248</u>
Net changes in fund balances	2,471	113,526	44	(170)	44,246
Fund balances (deficit), beginning of year	<u>182,998</u>	<u>1,589,010</u>	<u>(558,949)</u>	<u>(370)</u>	<u>4,453,542</u>
Fund balances (deficit), end of year	<u>\$ 185,469</u>	<u>\$ 1,702,536</u>	<u>\$ (558,905)</u>	<u>\$ (540)</u>	<u>\$ 4,497,788</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
JUNE 30, 2014**

	<u>Storm Drain</u>	<u>Airport</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 9,940	\$ -	\$ 9,940
Accounts receivable, net	18,377	17,946	36,323
Prepaid expenses	<u>-</u>	<u>2,333</u>	<u>2,333</u>
Total assets	<u>28,317</u>	<u>20,279</u>	<u>48,596</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,954	-	1,954
Due to other funds	-	76,354	76,354
Unearned revenue	<u>-</u>	<u>9,096</u>	<u>9,096</u>
Total current liabilities	<u>1,954</u>	<u>85,450</u>	<u>87,404</u>
Total liabilities	<u>1,954</u>	<u>85,450</u>	<u>87,404</u>
<b>NET POSITION (DEFICIT)</b>			
Unrestricted	<u>26,363</u>	<u>(65,171)</u>	<u>(38,808)</u>
Total net position (deficit)	<u>\$ 26,363</u>	<u>\$ (65,171)</u>	<u>\$ (38,808)</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Storm Drain	Airport	Total
Operating revenues:			
Charges for services	\$ 186,825	\$ 18,197	\$ 205,022
Miscellaneous	<u>6,692</u>	<u>-</u>	<u>6,692</u>
Total operating revenues	<u>193,517</u>	<u>18,197</u>	<u>211,714</u>
Operating expenses:			
Personnel services	39,989	13,924	53,913
Materials, supplies and services	<u>37,392</u>	<u>12,454</u>	<u>49,846</u>
Total operating expenses	<u>77,381</u>	<u>26,378</u>	<u>103,759</u>
Operating income (loss)	<u>116,136</u>	<u>(8,181)</u>	<u>107,955</u>
Nonoperating revenues (expenses):			
Interest income	(61)	(141)	(202)
Taxes	-	9,038	9,038
Grants	-	10,000	10,000
Rents	1,686	-	1,686
Interest expense	<u>(1,049)</u>	<u>-</u>	<u>(1,049)</u>
Total nonoperating revenues (expenses)	<u>576</u>	<u>18,897</u>	<u>19,473</u>
Income (loss) before transfers	<u>116,712</u>	<u>10,716</u>	<u>127,428</u>
Other financing sources (uses):			
Transfers in	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Total other financing sources (uses)	<u>-</u>	<u>1,000</u>	<u>1,000</u>
Change in net position	<u>116,712</u>	<u>11,716</u>	<u>128,428</u>
Net position (deficit), beginning of year	(39,578)	(70,125)	(109,703)
Prior period adjustment	<u>(50,771)</u>	<u>(6,762)</u>	<u>(57,533)</u>
Net assets, beginning of year, restated	<u>(90,349)</u>	<u>(76,887)</u>	<u>(167,236)</u>
Net position (deficit), end of year	<u>\$ 26,363</u>	<u>\$ (65,171)</u>	<u>\$ (38,808)</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	Storm Drain	Airport	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Cash flows from operating activities:			
Receipts from customers and users	\$ 237,149	\$ 4,638	\$ 241,787
Payments to suppliers	(86,334)	(22,259)	(108,593)
Payments to employees	<u>(39,989)</u>	<u>(13,924)</u>	<u>(53,913)</u>
 Net cash provided by (used in) operating activities	 <u>110,826</u>	 <u>(31,545)</u>	 <u>79,281</u>
 Cash flows from noncapital financing activities:			
Grants received	-	10,000	10,000
Transfer from other funds	-	1,000	1,000
Loan from other funds	-	2,552	2,552
Loan repayment to other funds	(29,913)	-	(29,913)
Taxes received	<u>-</u>	<u>18,134</u>	<u>18,134</u>
 Net cash provided by (used in) noncapital financing activities	 <u>(29,913)</u>	 <u>31,686</u>	 <u>1,773</u>
 Cash flows from capital and related financing activities:			
Principal paid	(70,500)	-	(70,500)
Interest paid	<u>(2,098)</u>	<u>-</u>	<u>(2,098)</u>
 Net cash provided by (used in) capital and related financing activities	 <u>(72,598)</u>	 <u>-</u>	 <u>(72,598)</u>
 Cash flows from investing activities:			
Interest received	(61)	(141)	(202)
Rents received	<u>1,686</u>	<u>-</u>	<u>1,686</u>
 Net cash provided by (used in) investing activities	 <u>1,625</u>	 <u>(141)</u>	 <u>1,484</u>
 Net increase (decrease) in cash and cash equivalents	 9,940	 -	 9,940
 Cash and cash equivalents, beginning of year	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Cash and cash equivalents, end of year	 <u>\$ 9,940</u>	 <u>\$ -</u>	 <u>\$ 9,940</u>

CITY OF CHOWCHILLA

**COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Storm Drain</u>	<u>Airport</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 116,136	\$ (8,181)	\$ 107,955
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	43,632	(13,559)	30,073
Increase (decrease) in accounts payable	(48,942)	(709)	(49,651)
Increase (decrease) in compensated absences	<u>-</u>	<u>(9,096)</u>	<u>(9,096)</u>
Net cash provided by (used in) operating activities	<u>\$ 110,826</u>	<u>\$ (31,545)</u>	<u>\$ 79,281</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2014**

	<u>Fleet Maintenance</u>	<u>Information Technology</u>	<u>Employee Benefits</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ -	\$ -	\$ 11,847	\$ 11,847
Prepaid expenses	<u>-</u>	<u>-</u>	<u>61,673</u>	<u>61,673</u>
Total assets	<u>-</u>	<u>-</u>	<u>73,520</u>	<u>73,520</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	3,914	7,020	-	10,934
Accrued payroll	-	-	86,233	86,233
Due to other funds	14,106	12,939	-	27,045
Compensated absences	<u>-</u>	<u>-</u>	<u>162,625</u>	<u>162,625</u>
Total current liabilities	<u>18,020</u>	<u>19,959</u>	<u>248,858</u>	<u>286,837</u>
Noncurrent liabilities:				
Compensated absences	<u>-</u>	<u>-</u>	<u>117,020</u>	<u>117,020</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>117,020</u>	<u>117,020</u>
Total liabilities	<u>18,020</u>	<u>19,959</u>	<u>365,878</u>	<u>403,857</u>
<b>NET POSITION (DEFICIT)</b>				
Unrestricted (deficit)	<u>(18,020)</u>	<u>(19,959)</u>	<u>(292,358)</u>	<u>(330,337)</u>
Total net position (deficit)	<u>\$ (18,020)</u>	<u>\$ (19,959)</u>	<u>\$ (292,358)</u>	<u>\$ (330,337)</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Fleet Maintenance</u>	<u>Information Technology</u>	<u>Employee Benefits</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 180,121	\$ 335,461	\$ -	\$ 515,582
Total operating revenues	<u>180,121</u>	<u>335,461</u>	<u>-</u>	<u>515,582</u>
Operating expenses:				
Personnel services	128,499	217,276	55,794	401,569
Materials, supplies and services	57,993	122,294	-	180,287
Total operating expenses	<u>186,492</u>	<u>339,570</u>	<u>55,794</u>	<u>581,856</u>
Operating income (loss)	<u>(6,371)</u>	<u>(4,109)</u>	<u>(55,794)</u>	<u>(66,274)</u>
Nonoperating revenues (expenses):				
Interest income	<u>(92)</u>	<u>(130)</u>	<u>(235)</u>	<u>(457)</u>
Total nonoperating revenues (expenses)	<u>(92)</u>	<u>(130)</u>	<u>(235)</u>	<u>(457)</u>
Income (loss) before transfers	<u>(6,463)</u>	<u>(4,239)</u>	<u>(56,029)</u>	<u>(66,731)</u>
Other financing sources (uses):				
Transfers in	-	-	76,029	76,029
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>76,029</u>	<u>76,029</u>
Change in net position	<u>(6,463)</u>	<u>(4,239)</u>	<u>20,000</u>	<u>9,298</u>
Net position (deficit), beginning of year	(11,557)	(15,720)	(312,358)	(339,635)
Net position (deficit), end of year	<u>\$ (18,020)</u>	<u>\$ (19,959)</u>	<u>\$ (292,358)</u>	<u>\$ (330,337)</u>

**CITY OF CHOWCHILLA**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Fleet Maintenance</u>	<u>Information Technology</u>	<u>Employee Benefits</u>	<u>Total</u>
Cash flows from operating activities:				
Receipts from customers and users	\$ 180,121	\$ 335,461	\$ -	\$ 515,582
Payments to suppliers	(55,754)	(134,904)	(65,549)	(256,207)
Payments to employees	<u>(128,499)</u>	<u>(217,276)</u>	<u>(118,595)</u>	<u>(464,370)</u>
Net cash provided by (used in) operating activities	<u>(4,132)</u>	<u>(16,719)</u>	<u>(184,144)</u>	<u>(204,995)</u>
Cash flows from noncapital financing activities:				
Transfer from other funds	-	-	76,029	76,029
Loan from other funds	<u>4,224</u>	<u>12,939</u>	<u>-</u>	<u>17,163</u>
Net cash provided by (used in) noncapital financing activities	<u>4,224</u>	<u>12,939</u>	<u>76,029</u>	<u>93,192</u>
Cash flows from investing activities:				
Interest received	<u>(92)</u>	<u>(130)</u>	<u>(235)</u>	<u>(457)</u>
Net cash provided by (used in) investing activities	<u>(92)</u>	<u>(130)</u>	<u>(235)</u>	<u>(457)</u>
Net increase (decrease) in cash and cash equivalents	-	(3,910)	(108,350)	(112,260)
Cash and cash equivalents, beginning of year	<u>-</u>	<u>3,910</u>	<u>120,197</u>	<u>124,107</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,847</u>	<u>\$ 11,847</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating income (loss)	\$ (6,371)	\$ (4,109)	\$ (55,794)	\$ (66,274)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Changes in assets and liabilities:				
(Increase) decrease in prepaid expenses	-	-	(61,673)	(61,673)
Increase (decrease) in accounts payable	2,239	(12,610)	(3,876)	(14,247)
Increase (decrease) in accrued payroll	-	-	(42,566)	(42,566)
Increase (decrease) in compensated absences	<u>-</u>	<u>-</u>	<u>(20,235)</u>	<u>(20,235)</u>
Net cash provided by (used in) operating activities	<u>\$ (4,132)</u>	<u>\$ (16,719)</u>	<u>\$ (184,144)</u>	<u>\$ (204,995)</u>

**CITY OF CHOWCHILLA**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
AGENCY FUNDS  
JUNE 30, 2014**

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
<b><u>Greenhills Assessment District</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 636,880	\$ 1,782,967	\$ (1,839,956)	\$ 579,891
Accounts receivable	<u>16,189</u>	<u>9,855</u>	<u>(16,189)</u>	<u>9,855</u>
Total assets	<u>\$ 653,069</u>	<u>\$ 1,792,822</u>	<u>\$ (1,856,145)</u>	<u>\$ 589,746</u>
<b>LIABILITIES</b>				
Agency obligations	<u>\$ 653,069</u>	<u>\$ 1,792,822</u>	<u>\$ (1,856,145)</u>	<u>\$ 589,746</u>
<b><u>Pheasant Run Assessment District</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,055,364	\$ 1,795,493	\$ (2,530,764)	\$ 320,093
Accounts receivable	<u>46,463</u>	<u>11,063</u>	<u>(46,463)</u>	<u>11,063</u>
Total assets	<u>\$ 1,101,827</u>	<u>\$ 1,806,556</u>	<u>\$ (2,577,227)</u>	<u>\$ 331,156</u>
<b>LIABILITIES</b>				
Agency obligations	<u>\$ 1,101,827</u>	<u>\$ 1,806,556</u>	<u>\$ (2,577,227)</u>	<u>\$ 331,156</u>
<b><u>Developer Deposits</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 15,752	\$ 18,824	\$ (13,600)	\$ 20,976
Accounts receivable	<u>56</u>	<u>-</u>	<u>(56)</u>	<u>-</u>
Total assets	<u>\$ 15,808</u>	<u>\$ 18,824</u>	<u>\$ (13,656)</u>	<u>\$ 20,976</u>
<b>LIABILITIES</b>				
Agency obligations	<u>\$ 15,808</u>	<u>\$ 18,824</u>	<u>\$ (13,656)</u>	<u>\$ 20,976</u>
<b><u>Total Agency Funds</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,707,996	\$ 3,597,284	\$ (4,384,320)	\$ 920,960
Accounts receivable	<u>62,708</u>	<u>20,918</u>	<u>(62,708)</u>	<u>20,918</u>
Total assets	<u>\$ 1,770,704</u>	<u>\$ 3,618,202</u>	<u>\$ (4,447,028)</u>	<u>\$ 941,878</u>
<b>LIABILITIES</b>				
Agency obligations	<u>\$ 1,770,704</u>	<u>\$ 3,618,202</u>	<u>\$ (4,447,028)</u>	<u>\$ 941,878</u>

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OTHER INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S 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

To the Honorable Mayor and City Council  
City of Chowchilla, 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, and the aggregate remaining fund information of the City of Chowchilla, California (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued an adverse opinion in our report dated March 30, 2015 because the City did not record capital assets for its governmental activities, business-type activities and enterprise funds.

**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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a certain deficiency in internal control that we consider to be material a weakness.

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 City's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as items 2014-001 to be a material weakness.

**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*.

### **City's Responses to Findings**

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Price Pange & Company*

Clovis, California  
March 30, 2015

## FINDINGS AND QUESTIONED COSTS

**CITY OF CHOWCHILLA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:	Adverse		
Internal control over financial reporting:			
Material weakness identified?	<u>  X  </u>	Yes	<u>        </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	<u>        </u>	Yes	<u>  X  </u> None reported
Noncompliance material to financial statements noted?	<u>        </u>	Yes	<u>  X  </u> No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2014-001**

**Condition:** The City has not complied with the GAAP requirement to record capital assets in the enterprise funds, business-type activities, or for governmental activities.

**Criteria:** GAAP requires the reporting of capital assets in the enterprise funds, business-type activities, or for governmental activities. The annual cost of using such assets must be charged as an operating expense through depreciation charges.

**Cause:** The City does not have a system to record and maintain their capital assets for financial statement reporting purposes.

**Effect:** Capital assets and the related depreciation are not reported in the government-wide and enterprise funds financial statements.

**Recommendation:** We recommend the City make it a priority to create a system to record and maintain their capital assets for financial statement reporting purposes.

**Management Response:** The City Council has secured the services of a Consultant, American Appraisal, to assist with the preparation of the capital asset inventory and establish the required templates that will be used to ensure the on-going management of this information, to assure its accuracy and completeness. It is anticipated that this system will be fully in place by the end of fiscal year 2014-15.

**CITY OF CHOWCHILLA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

**FINANCIAL STATEMENT FINDINGS**

**Finding 2013-001**

Condition: The City has not complied with the GAAP requirement to record capital assets in the enterprise funds, business-type activities, or for governmental activities.

Criteria: GAAP requires the reporting of capital assets in the enterprise funds, business-type activities, or for governmental activities. The annual cost of using such assets must be charged as an operating expense through depreciation charges.

Cause: The City does not have a system to record and maintain their capital assets for financial statement reporting purposes.

Effect: Capital assets and the related depreciation are not reported in the government-wide and enterprise funds financial statements.

Recommendation: We recommend the City make it a priority to create a system to record and maintain their capital assets for financial statement reporting purposes.

Management Response: The City Council has secured the services of a Consultant, American Appraisal, to assist with the preparation of the capital asset inventory and establish the required templates that will be used to ensure the on-going management of this information, to assure its accuracy and completeness. It is anticipated that this system will be fully in place by the end of fiscal year 2013-2014.

Status: Not implemented

**CITY OF CHOWCHILLA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2014**

**FINANCIAL STATEMENT FINDINGS (Continued)**

**Finding 2013-002**

**Condition:** The City did not properly record accounts payable during the year-end closing process. During our audit we identified these errors and proposed the necessary accounting entries to correct the balances of these accounts. City management agreed with our adjustments and posted the entries.

**Criteria:** A strong system of internal controls and management review requires that general ledger account balances be properly reconciled to a subsidiary ledger or other adequate supporting documentation on a periodic basis, as well as during the year-end financial close process. Management is responsible for maintaining its accounting records in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

**Cause:** Financial closing adjustments to record year-end payables were not identified and posted to the City accounting records.

**Effect:** As a result of this condition, accounts payable were initially materially misstated in the Measure T Fund. Specifically, the misstatements were as follows:

Accounts Payable - Understated by \$67,536  
Loans Payable - Overstated by \$157,500

**Recommendation:** We recommend that the City create a year-end financial closing checklist which includes the necessary steps, in detail, that should be undertaken at year-end to ensure proper reconciliation and reporting of all significant account balances.

**Management Response:** The Finance Department has already implemented changes in procedure to ensure the proper and timely reconciliation and reporting of all significant account balances, including establishing monthly, quarterly and annual checklists.

**Status:** Implemented



## REPORT TO THE CITY COUNCIL

Council Meeting of April 14, 2015

<b>Agenda Section:</b>	<u>New Business</u>
<b>SUBJECT:</b>	<b>Budget Adjustment for Mayor to Attend League of California Cities 2015 Mayors and Council Members Executive Forum</b>
<b>Authorized By:</b>	<u>Nanci Lima, City Clerk</u>
<b>Approved By:</b>	<u>Carolyn Lehr, Interim City Administrator</u>

**RECOMMENDATION:**

Staff recommends that the City Council approve the budget adjustment from the Transit Budget to the Council Budget

**CURRENT SITUATION/ANALYSIS:**

The mayor has requested to attend the 2015 Mayor and Council Members Executive Forum and Advanced Leadership Workshops conducted by the League of California Cities. The total cost not including meals is approximately \$1,000. At this time the City Council budget will not sustain this request.

Staff has been reviewing possible options and the City Council is the governing body overseeing the City's two transit systems, CATX and CatLinX. When examining the City Council budget there is no service credit (internal transfer) to cover the Council's expense related to transit oversight. The General Fund should be reimbursed from this source. Staff is recommending the \$1,500.00 be transferred from Transit Account 325-3705-000-5030-000 to City Council Account 100-1605-0000-3074-000 to reimburse the General Fund for transit oversight. The General Fund will also have sufficient funds to cover the expense of this training.

The Finance department will be re-evaluating all service credits during the budget process.

**FINANCIAL IMPACT:**

That \$1,500.00 is transfer from Transit Account 325-3705-000-5030-000 to City Council Account 100-1605-0000-3074-000 to reimburse the General Fund for transit oversight. There is no overall change to the 14-15 Budget.

**ATTACHMENT:**

Training Information  
Resolution

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Sessions

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Below is a list of Breakout and general sessions. Need more detail? Watch the website for dates, times, speakers and late breaking sessions. Please note, sessions and speakers are subject to change.

Wednesday

Registration Opens

10:00 a.m. - 5:30 p.m.

[\(show details\)](#)

Opening General Session: Political Astuteness & Bridging the Gap between Political Acceptability and Administrative Sustainability

1:00 - 2:30 p.m.

[\(show details\)](#)

Forging an Effective City Council-City Attorney Relationship

2:45 - 4:00 p.m.

[\(show details\)](#)

Meeting the Sustainability Challenge: California Cities Lead the Way

2:45 - 4:00 p.m.

[\(show details\)](#)

Communicating with Residents

4:15 - 5:30 p.m.

[\(show details\)](#)

New Tools for Tax Increment Financing in the Post-Redevelopment World

4:15 - 5:30 p.m.

[\(show details\)](#)

Networking Reception

5:30 - 7:00 p.m.

[\(show details\)](#)

Thursday

Registration Open

7:30 a.m. - 4:00 p.m.

[\(show details\)](#)

General Session: Servant Leadership: A New Call To Duty

8:45 - 10:15 a.m.

[\(show details\)](#)

Creating and Maintaining Strong Council/Manager Relationships

10:30 - 11:45 a.m.

[\(show details\)](#)

Sustainable Groundwater Management

10:30 - 11:45 a.m.

[\(show details\)](#)

General Luncheon: Today's 24-7 News Cycle: Do's and Don'ts for Elected Officials

12:00 - 1:30 p.m.

[\(show details\)](#)

Conducting Effective Council Meetings: Disruptions, Parliamentary Procedure and More

2:00 - 3:15 p.m.

[\(show details\)](#)

Successful Capital Programming In a Post Redevelopment Agency World

2:00 - 3:15 p.m.

[\(show details\)](#)

Labor Relations

3:45 - 5:00 p.m.

[\(show details\)](#)

Streamlining Development Review Starts with Smart Policies

3:45 - 5:00 p.m.

[\(show details\)](#)

Friday

ADVANCED LEADERSHIP WORKSHOP: City Finances — What You Need to Know

9:00 a.m. - 3:00 p.m.

[\(show details\)](#)

ADVANCED LEADERSHIP WORKSHOP: When There is a Will, There is a Way: Local Governments Working Together to Address Today's Vexing Challenges

9:00 a.m. - 3:00 p.m.

[\(show details\)](#)

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### Refund Policy

Refunds will be made for cancellations submitted in writing to [mdunn@cacities.org](mailto:mdunn@cacities.org) and received by **Friday, May 22**, subject to a \$75.00 processing charge. There are no refunds for cancellations after this date. Substitutions can be made onsite

### Optional Registration Add-on (non-refundable)

#### Spouse Reception Only Registration - \$35

*The spouse fee is restricted to persons who are not city or public officials, are not related to any Partner or sponsor and would have no professional reason to attend the conference. It includes admission to meals/reception only. Conference session seats are reserved for full conference registrants. There is no refund for the cancellation of a spouse registration.*



If you require special accommodations related to facility access, transportation, communication and/or diet, please contact our conference registrar at (916) 658-8291 or email [mdunn@cacities.org](mailto:mdunn@cacities.org) before Friday, May 22.

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Two Portola Plaza, Monterey, CA 93940 | \$184\* single/double (\*per  
night plus taxes and fees)  
Valet parking: \$20 per day (in & out privileges available), Self-parking: \$17 (subject to change  
without notice)

STEP ONE: [Register for the Conference](#)

STEP TWO: Book hotel room

After your registration for the conference is received and processed, a confirmation email will be sent containing the links for housing reservations.

Hotel Changes or Cancellations

Hotel reservation changes, date modifications, early check-out, or cancellations made prior to Friday, May 22 must be done through the online reservation link you received when registering for the conference. Use your confirmation/acknowledgement number to access your reservation to make changes. Once the May 22 deadline has passed, please contact the hotel directly with any changes or cancellations. Please note that hotel cancellations after the housing deadline has passed may incur a financial penalty or a minimum one-night room charge or attrition fees.

\*Please DO NOT book outside of the League hotel block. This will cause an increase in event costs, liabilities and higher registration rates.

PLEASE NOTE: The information you provide to the League when registering for a League conference or meeting may be shared with the conference or meeting hotel(s). The hotel(s) will also share with the League the information you provide to the hotel(s) when you make your hotel reservation for the conference or meeting. The information shared between the League and the hotel(s) will be limited to your first name, last name and dates/length of stay in the hotel.

**COUNCIL RESOLUTION # -15**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA AUTHORIZING BUDGET MODIFICATION TO THE TRANSIT BUDGET AND CITY COUNCIL BUDGET**

**WHEREAS**, the City Council of City of Chowchilla has oversight of the City's two transit systems, CATX and CatlinX; and

**WHEREAS**, City staff has determined that there is not currently a Transit Service Credit (internal transfer) in the City Council budget to compensate of the City Council's oversight; and

**WHEREAS**, The City Council budget does not have the funds to facilitate the requested training and City staff has determined that there are funds available in the Transit budget; and

**NOW, THEREFORE, BE IT RESOLVED** that the City of Chowchilla City Council does hereby resolve, find and order as follows:

1. The above recitals are true and correct.
2. Authorizes a modification to the budget of \$1,500.00 that is transferred from Transit Account 325-3705-000-5030-000 to City Council Account 100-1605-0000-3074-000 to reimburse the General Fund for transit oversight.
3. This resolution is effective immediately upon adoption.

**PASSED AND ADOPTED** at a regular meeting held on this 14<sup>th</sup> day of April 2015 by the following vote to wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

\_\_\_\_\_  
John Chavez, Mayor

ATTEST:

\_\_\_\_\_  
Nanci C. O. Lima, MMC  
City Clerk



## REPORT TO THE CITY COUNCIL

Council Meeting of April 14, 2015

**Agenda Section:** New Business

**SUBJECT:** **Resolution to Amend Contract With Cota Cole LLP to Provide Specialized Code Enforcement Legal Services**

**Prepared By:** Laura L. Crane, City Attorney

**Approved By:** Carolyn Lehr, Interim City Administrator

**RECOMMENDATION:**

Staff recommends approval of a Resolution, approving an amendment to the City's contract with the City Attorney, Cota Cole LLP to provide for Specialized Code Enforcement Legal Services.

**HISTORY / BACKGROUND:**

The City of Chowchilla has historically had success obtaining property owner's compliance with the City's municipal code concerning the condition of real property through discussions with the property owners, notices, and administrative citations. There are some property owners, however, who are repeat problems and refuse to cooperate with the City unless the City seeks court involvement. Through the economic downturn, the City has been reluctant to apply its limited resources to pursue compliance through the court system, which can be financially draining. These problem properties have therefore been allowed to remain in dilapidated conditions while their owners challenge the City to take the legal action needed to obtain compliance.

Among other properties, there are currently two properties for which the Code Enforcement staff has requested legal action, and a possible third action against a large management company. The first property is a duplex that was left partially constructed and boarded for several years. Code enforcement has worked with the property owner on multiple occasions to move the project forward and attempt to maintain the property in compliance with the municipal code. Despite these efforts, the property remains a nuisance and safety concern. The property owner has also become unresponsive.

The second problem property is partially burned and the owner cannot be located. The property represents a significant health and safety problem. It also is an attraction for criminal activity.

A large property management company owns a number of unoccupied residences in the City that it fails to maintain in compliance with the code, despite repeated demands. This property management company has openly informed the City that it will not take action to bring the properties into compliance with City code. Other cities informed staff that only legal action will obtain the success needed with regards to this particular company.

It is important to take action now to obtain compliance with the City's municipal code in order to protect home values in the City, attract high quality development, and deter crime. This is particularly important as several large development projects are coming to fruition in the City. Staff requested the City Attorney identify a program that allows the City to streamline its current

code enforcement processes and address problem properties in the most cost efficient manner possible.

The City Attorney's office has agreed to partner with attorney Charisse Smith to provide the City with a comprehensive code enforcement program and litigation support. As reflected in the attached proposal received from Ms. Smith, she specializes in working with city attorney offices to provide code enforcement services. Ms. Smith will review the City's code to increase its effectiveness, evaluate the City's notices and procedures, and take legal action needed to bring problem properties into compliance with the City's municipal code.

Ms. Smith's services will generally be provided at the same rates the City negotiated with Cota Cole LLP - \$190 per hour. This rate is significantly lower than Ms. Smith's customary rate. Ms. Smith has also agreed to only one-half of this rate, \$95 per hour, in the rare event that she needs to travel to the City. Her travel, however, will be limited by the fact that the City Attorney can make many of the necessary court appearances and Ms. Smith frequently and effectively works remotely with cities throughout California.

Because Ms. Smith specializes in code enforcement activity, she is also able to offer a payment structure to address the most egregious problems in the City with minimal financial impact to the City. The City and Ms. Smith expect that properties involving health and safety dangers and uncooperative property owners will require the City to seek the Court's appointment of a receiver to manage the property. A receiver is a neutral party that acts as the court's agent to manage the property and bring it into compliance. The receiver will take over control of the property from the property owner and make the necessary repairs. The receiver's fees are paid through a lien that is placed on the property. Once the property is repaired, the property owner will have the choice to either pay the lien or allow the property to be sold. Most property owners are not able to pay the lien and elect to sell the property.

The City's attorneys' fees are also recoverable in the same lien that pays the receiver. Most law firms, including Cota Cole LLP, are not able to wait to be paid until the lien is paid. Thus, these law firms charge their clients during the lawsuit and the client is reimbursed at the conclusion of the lawsuit. However, the few law firms that specialize in code enforcement, such as Ms. Smith, are able to wait to be paid until the lien is paid. For this reason, Ms. Smith partners with many contract city attorney law firms to provide this service. This receivership work is specialized and the deferred fee arrangement is a higher risk. Accordingly, Ms. Smith charges \$295 per hour when she is performing this work. Again, this higher rate work will generally be paid by the property owner or out of the proceeds from the sale of the house. There is a slight risk that the City could be liable for these fees if the property does not sell for the cost of the lien. However, both the receiver and Ms. Smith carefully evaluate this potential throughout the litigation making this an extremely small risk.

Staff recommends the Council agree to amend the City's contract with Cota Cole LLP to accommodate the services Ms. Smith is willing to provide through a partnership with the City Attorney's contract firm, Cota Cole LLP.

**FINANCIAL IMPACT:**

The financial impact of agreeing to amend the contract with Cota Cole LLP to include these specialized services depends on the degree to which the City desires to use the services. If approved, staff would immediately work with Ms. Smith to conduct a general review of the current code enforcement policies and procedures. This process is estimated to cost approximately \$7,500.00.

All additional costs to the city would be considered as the Council decides to pursue property owners in litigation. Cota Cole LLP, working in partnership with Ms. Smith, will not initiate litigation against any property owner without approval from the Council for that litigation, likely in closed session due to the confidential nature of litigation. The City Attorney and Ms. Smith will

provide the Council with an estimate for each matter as it is brought before the Council for approval. The estimates will be based on the negotiated rates reflected in the amendment. The City Attorneys' office is also working diligently with staff in attempt to verify whether these services can be paid using CDBG program income.

**ATTACHMENTS:**

Contract Amendment

The Law Offices of Charisse L. Smith Proposal to Cota Cole LLP

Resolution

**FIRST AMENDMENT TO JULY 1, 2011 CITY OF CHOWCHILLA CITY ATTORNEY SERVICES AGREEMENT**

This Amendment is made this 14<sup>th</sup> day of April, 2015, by and between the City of Chowchilla (“City”) and the law firm of Cota Cole LLP as City Attorney (“Attorney”).

**RECITALS**

A. The City of Chowchilla contracted for city attorney legal services with the law firm Cota Cole LLP in a document dated July 1, 2011 and titled “City of Chowchilla City Attorney Services Agreement” (hereinafter the “City Attorney Contract”).

B. The City Attorney Contract provides that litigation matters will be separately billed at the rate of \$190.00 per hour by the lead attorney.

C. The City recognizes the benefits that come from an effective and efficient code enforcement program and desires to implement such a program in the City of Chowchilla.

D. Cota Cole LLP is willing and able to provide specialized code enforcement services at the agreed upon rate of \$190.00 per hour. This Amendment to the City Attorney Contract is required to accommodate the City’s desire for deferred billing for certain receivership matters and to accommodate travel time for such specialized code enforcement services.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained and contained in the City Attorney Contract, the parties agree as follows:

1. The City Attorney Contract is hereby amended to add the following subsection to Section 2 “Compensation” of the City Attorney Contract:

**SECTION 2. COMPENSATION**

**B. Litigation**

**1. Specialized Code Enforcement Services**

Attorney shall employ the Law Firm of Charisse Smith for purposes of providing specialized code enforcement services to the City. Such services are not included in the fixed monthly fee and shall be billed separately as follows:

a. Public Law Rate Structure: With this structure, attorney time will be billed at \$190.00 per hour, and paralegal time will be billed at \$85.00 per hour, for the life of the matter. Invoices will be mailed to Cota Cole LLP approximately once a month and included with Cota Cole LLP's invoicing to the City. The Public Law Rate Structure shall apply for all services provided by the Law Firm of Charisse Smith other than those discussed in subsections b., c., and d. below.

b. Deferred Litigation Rate Structure for Health and Safety Code Receiverships: With this structure, the City will pay for legal services at the public law rates above for all pre-litigation services, and will be invoiced for such time spent on pre-litigation activity. Pre-litigation invoices are due and payable in the same manner as discussed in subsection a. above. Pre-litigation work includes initial title research to ensure that all necessary parties have been properly served with the City's Notices and given a reasonable opportunity to correct the violations, all letters to the owner or other responsible parties, and attempts to gain voluntary compliance by such parties prior to the City's decision to proceed with actual litigation. Only if no acceptable response is gained, and after conferring with Cota Cole LLP, and City Council if prior authorization has not been received, will the matter be converted to deferred billing. Attorney time will then be billed at \$295.00 per hour, and paralegal time will be billed at \$130.00. Informational invoices will be provided in order to keep track of time, if requested. However, the invoice is not actually due and payable until the conclusion of the case (either by settlement or the receiver's eventual sale of the property).

c. Travel Time Rate Structure: Cota Cole LLP will work diligently with The Law Office of Charisse Smith and City staff to avoid travel by The Law Office of Charisse Smith. When travel to the City or to the Superior Court of Madera County is required by The Law Office of Charisse Smith, the City will pay \$95.00 per hour for travel time, as opposed to the attorney's lowest rate of \$190.00. The travel charge of \$95.00 per hour applies regardless of which rate structure is chosen. With Deferred Litigation Rate Structure matters, the travel time charged is considered a component of the deferred attorney's fees, as opposed to a cost, and deferred along with other fees.

d. Reimbursement of Costs: The City shall reimburse Attorney for all costs advanced in association with specialized code enforcement services, including but not limited to the following:

Photocopy charges	\$.15 per black & white copy; \$.60 per color page
Postage	Actual cost, plus 15% for meter related expenses
Process Service	Actual cost
Other Litigation Expenses	Actual cost

2. Conflicts between this Amendment and the City Attorney Contract shall be controlled by this Amendment. All other provisions within the City Attorney Contract shall remain in full force and effect.

COTA COLE LLP

CITY OF CHOWCHILLA

BY: \_\_\_\_\_  
Dennis M. Cota, Managing Partner

BY: \_\_\_\_\_  
John Chavez, Mayor

ATTEST

BY: \_\_\_\_\_  
Laura L. Crane, City Attorney

\_\_\_\_\_  
Nanci C.O. Lima, MMC  
City Clerk

**THE LAW OFFICES OF CHARISSE L. SMITH**

9620 CENTER AVENUE, SUITE 130  
RANCHO CUCAMONGA, CALIFORNIA 91730

PHONE: (909) 257-0650  
FAX: (909) 257-0649

CHARISSE L. SMITH  
CSMITH@CLSMITHLAW.COM

March 31, 2015

**BY ELECTRONIC MAIL ONLY (LCRANE@COTALAWFIRM.COM)**

Laura L. Crane, Esq.  
Chowchilla City Attorney  
Cota Cole LLP  
3401 Centrelake Drive, Suite 670  
Ontario, CA 91761

Re: Proposal for Special Counsel Legal Services

Dear Ms. Crane:

The Law Offices of Charisse L. Smith is pleased to submit the following Proposal to partner with Cota Cole LLP for the provision of special counsel legal services to the City of Chowchilla for Code Enforcement support and litigation, including, but not limited to, utilizing the California Health and Safety Code Receivership remedy. As discussed below, our office is uniquely qualified and situated to provide these services to the City working with the City Attorney's Office.

IMPORTANCE OF A HEALTHY CODE ENFORCEMENT PROGRAM:

Effective enforcement of building and housing codes is a key ingredient in many neighborhood revitalization efforts, not just in California, but throughout the country. Community developers have found that the long-term success of their revitalization work is often dependent on cleaning up or redeveloping problem properties that deter investors, frustrate existing residents, and generally contribute to an environment of fear, disorder, and crime. Under the rubric of the "broken window theory," social scientists have documented the opportunistic nature of crime, showing that vacant properties and dilapidated buildings become magnets for crime.

The California legislature encourages cities to have a healthy Code Enforcement program. California Health and Safety Code Section 17998, subdivisions (b) and (c) provides in part:

(b) . . . It is ill advised to neglect timely code enforcement responsibilities and, as a result, to lose housing that could have been retained. (c) The lack of code enforcement on a single dwelling unit can lead to the deterioration of an entire neighborhood as the substandard or abandoned unit becomes a magnet for crime, vandalism, fires, and other activities that rapidly infect the surrounding homes and neighborhood.

In order to have a healthy Code Enforcement program it is important for the City to follow through with legal action when violators refuse to respond to City staff. The Law Offices of Charisse L. Smith works with City Attorney's Offices to effectively utilize the various code enforcement remedies available to California cities. We are comprised of two attorneys, a paralegal, and administrative staff.

ATTORNEY BIOGRAPHIES:

Charisse L. Smith

Ms. Smith is the principal of the Law Offices of Charisse L. Smith. Ms. Smith has focused her practice on working with Code Enforcement staff and developing Code Enforcement strategies for the vast majority of her legal career. She has over twelve years' experience litigating cases involving the appointment of receivers to oversee the rehabilitation of substandard housing under Health and Safety Code Section 17980.7, as well as complex nuisance litigation involving commercial businesses. Ms. Smith has successfully petitioned the court for receivers over several substandard single family and multi-unit dwellings in Ontario, Colton, Arcadia, Moreno Valley, Montebello, Rialto, Fontana, Corona, and Ventura County. These cases have resulted in the owner or other responsible entity rehabilitating the nuisance structure, the receiver rehabilitating the nuisance structure and selling the property with court approval, or the receiver selling the nuisance property to an investor qualified to rehabilitate the property when receiver rehabilitation is not economically feasible. Such litigation results in the improvement of the City's housing stock, in general, and the immediate neighborhood, more specifically. Improved housing stock often equates to generation of a higher tax base over time with a consistent and solid Code Enforcement program. Additionally, a strong Code Enforcement program has also been shown to enhance neighborhood safety, reducing crime and blight in the community. This, in turn, makes the City more attractive to investors, potential home-buyers, and tourists.

In addition to Ms. Smith's experience in prosecuting code violators, Ms. Smith has broad experience in drafting and assisting in the implementation of Code Enforcement-related ordinances. These ordinances have included administrative fines and penalties ordinances, property maintenance ordinances, "wobbler" ordinances, and vacant property registration ordinances.

Ms. Smith received her Juris Doctorate from the University of Southern California Law School in 2000, and obtained a Bachelor's Degree in Psychology and Legal Studies from Claremont McKenna College where she graduated, *magna cum laude*, in 1997. Prior to beginning the Law Offices of Charisse L. Smith in January 2011, Ms. Smith worked for Best Best & Krieger LLP for approximately ten years. Ms. Smith is a member of the State Bar of California, the American Bar Association, and the Western San Bernardino County Bar Association. She is admitted to practice with the U.S. District Court for the Central District of California, the Southern District of California, and the United States Supreme Court. Ms. Smith is also retired from the United States Air Force Reserve, after a distinguished career with the Judge Advocate General's Department. Although retired, Ms. Smith maintains the Air Force's Core Values in her practice – integrity first, service before self, and excellence in all we do!

Venus Trunnel

Ms. Trunnel joined the Law Offices of Charisse L. Smith in January 2014, and since that time has specialized in Code Enforcement litigation, including Health and Safety Code Receiverships. Ms. Trunnel earned her Juris Doctorate from Southwestern School of Law in 1994, and later earned an LL.M in Intellectual Property at George Washington University Law School in Washington, DC, while working as a Trademark Examiner for the United States Patent and Trademark Office. Since leaving DC in 2002, Ms. Trunnel has worked with several law firms in a variety of legal practice areas.

### PROPOSED FEE SCHEDULE

The Law Offices of Charisse L. Smith offers two types of fee schedules for Litigation Services and the City is welcome to choose whichever fee schedule best suits the City's needs.

Public Law Rate Structure: With this structure, attorney time will be billed at \$190.00, and paralegal time will be billed at \$85.00 per hour, for the life of the case. Invoices will be mailed to the City or City Attorney's Office approximately once a month and will be due and payable within 30 days of receipt.

Deferred Litigation Rate Structure for Health and Safety Code Receiverships: With this structure, the City will pay for legal services at the public law rates above for all pre-litigation services, and will be invoiced for such time spent on pre-litigation activity. Pre-litigation invoices are due and payable within 30 days of receipt, the same as the Public Law Rate Structure above. Once it is clear that litigation is necessary, the billing will be converted to a deferred litigation rate: Attorney time will be billed at \$295.00, and paralegal time will be billed at \$130.00. Informational invoices will be sent to the City in order to keep track of the time, if requested. However, the invoice is not actually due and payable until the conclusion of the case (either by settlement or the receiver's eventual sale of the property). Pre-litigation work includes the initial title research to ensure that all necessary parties have been properly served with the City's Notices and given a reasonable opportunity to correct the violations, all letters to the owner or other responsible parties and attempts to gain voluntary compliance by such parties prior to the City's decision to proceed with actual litigation. Only if no acceptable response is gained, and after conferring with the City Attorney's Office, will the matter be converted to deferred billing and our office begin preparing the pleadings necessary for litigation.

Reimbursement of costs advanced by our office on behalf of the City will be billed in addition to the amount billed for our fees. These currently include photocopy charges at \$.15 per b/w page and \$.60 per color page, actual cost of postage, plus 15% for meter related expenses, and actual costs for process service, publication, or other expenses incurred during the litigation. The City will be invoiced for all costs related to our services regardless of which rate structure is chosen, and such invoice is due and payable within 30 days of receipt by the City.

### BILLING FOR TRAVEL TIME

Most of the work for the City can be completed remotely, and when travel to Chowchilla is necessary, our office proposes to charge only \$95.00 per hour for travel time, as opposed to the attorney's lowest rate of \$190.00. The travel charge of \$95.00 per hour applies regardless of which rate structure is chosen. With the deferred matters, this charge is considered a fee as opposed to a cost, and will be deferred along with other fees.

### ATTORNEY FEE AND COST RECOVERY

The Law Offices of Charisse L. Smith makes every effort to ensure the recovery of fees and costs for Health and Safety Code Receiverships. While cost recovery is never guaranteed, the Law Offices of Charisse L. Smith takes pride in ensuring the highest level of cost recovery, with the fundamental precept that the code violator, or others responsible for maintaining the property, should pay for their harm rather than the public at large. We are able to do this both through recommendations on updated code provisions taking advantage of state authorized cost recovery statutes and case-law (authorizing liens and special assessments), and through aggressive cost recovery actions when in court.

CONCLUSION

We are very excited about the tangible “good” that the Code Enforcement practice area can do for cities, and we very much look forward to having the opportunity to assist the City of Chowchilla in its Code Enforcement efforts. We believe we have the knowledge, experience and commitment that would be of significant value and assistance to the City, and look forward to hopefully partnering with Cota Cole in this endeavor.

Respectfully submitted,  
THE LAW OFFICES OF CHARISSE L. SMITH



By: Charisse L. Smith

**COUNCIL RESOLUTION # -15**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA APPROVING AN AMENDMENT TO THE CITY'S CONTRACT WITH COTA COLE LLP TO PROVIDE SPECIALIZED CODE ENFORCEMENT LEGAL SERVICES**

**WHEREAS**, the City of Chowchilla contracted for city attorney legal services with the law firm Cota Cole LLP in an agreement dated July 1, 2011 and titled "City of Chowchilla City Attorney Services Agreement" (hereinafter the "City Attorney Contract").

**WHEREAS**, the City Attorney Contract provides that litigation matters will be separately billed at the rate of \$190.00 per hour by the lead attorney.

**WHEREAS**, the City recognizes the benefits that come from an effective and efficient code enforcement program and desire to implement such a program in the City of Chowchilla.

**WHEREAS**, Cota Cole LLP is willing and able to provide specialized code enforcement services at the agreed upon rate of \$190.00 per hour. However, an amendment to the City Attorney Contract is required to accommodate the City's desire for deferred billing for certain receivership matters and to accommodate travel time for such specialized code enforcement services.

**NOW, THEREFORE, LET IT BE RESOLVED** that the City Council of the City of Chowchilla hereby, finds and orders as follows:

1. The above recitals are true.
2. The City Council hereby approves and adopts the attached Amendment to City of Chowchilla City Attorney Services Agreement.

**PASSED AND ADOPTED** by the City Council of the City of Chowchilla at a regular meeting held on the 14th day of April 2015 by the following vote to wit:

**AYES:**

**NOES:**

**ABSTAINS:**

**ABSENT:**

APPROVED:

\_\_\_\_\_  
John Chavez, Mayor

ATTEST:

\_\_\_\_\_  
Nanci C. O. Lima, MMC  
City Clerk



## REPORT TO THE CITY COUNCIL

Council Meeting of April 14, 2015

<b>Agenda Section:</b>	<u>New Business</u>
<b>SUBJECT:</b>	<b>Resolution to Accept K-9 and Related Training Donation and Authorize Execution of Necessary Documents</b>
<b>Prepared By:</b>	<u>Stacy Burns, Police Sergeant</u>
<b>Authorized By:</b>	<u>David Riviere, Interim Police Chief</u>
<b>Approved By:</b>	<u>Carolyn Lehr, Interim City Administrator</u>

### **RECOMMENDATION:**

Staff recommends that Council approve and accept the donation provided by Ray Barragan, through the Chowchilla Lioness Lions Club, of a police K-9, Remley, and \$1,500 worth of related training through Evolution Dog Training Center. Further, staff recommends Council authorize the City Administrator to execute the Donation Agreement, and authorize the Chief of Police or Sergeant Burns to sign all documents needed to transfer ownership of the dog from Evolution Dog Training Center to the City of Chowchilla.

### **HISTORY / BACKGROUND:**

On Saturday March 28, 2015, the 9<sup>th</sup> annual K9 fundraiser was held at the Chowchilla Fairgrounds. During the event Mr. Ray Barragan, a local business owner, donated a dog, Remley, and \$1,500 toward related training at the Evolution Dog Training Center, to the Chowchilla Lioness Lions Club/Chowchilla Police Department K9 program as the newest K9, replacing Kilo who retired in 2013. Officer David Burnett was also announced as the police department's newest K9 handler.

The Chowchilla Police Department purchased the first canine, Kendy, through Luther Evans at Evolution Dog Training Center in 2002. The Chowchilla Police Department has purchased two other canines, Kilo in 2004 and Warco in 2007, from Mr. Evans. Mr. Evans has been successful at matching the officer's personality with the appropriate dog. All the canines purchased through Mr. Evans have been successful with their handlers.

Mr. Evans has over 55 years of experience in the field of canine training and animal behavior, from military to law enforcement to private operations, specializing in advance canine training.

Evolution Dog Training Center is a California POST Evaluator and a Drug Beat Certifying Agent. Mr. Evans is a board member of the International Explosive Detection Dogs Association and a California Narcotics Canine Association member. The California Narcotic Canine Association is the standard which narcotic detection dogs are tested. Mr. Evans also provides training and certification for Assistance Service Dogs, Hearing Dogs, Therapy and AKC Good Citizen. A few of Mr. Evans certificates are attached to the report.

Mr. Evans is involved in many organizations and has provided police canines to many agencies in the state of California, including the California Highway Patrol, Merced Sheriff's Office, Ceres

Police Department, Coalinga Police Department, the Coalinga State Hospital, Angels Camp Police Department and California State Stanislaus, just to name a few.

**FINANCIAL IMPACT:**

There will be no financial impact to the City of Chowchilla as this is a donation by a citizen / service club. The value of this donation is \$10,000.00.

**ATTACHMENTS:**

Resolution  
Mr. Evans numerous certificates  
Photos of the dog and the donation  
Receipts for the animal and the training  
Donation Agreement

**COUNCIL RESOLUTION # -15**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHOWCHILLA TO ACCEPT K-9 AND RELATED TRAINING DONATION AND AUTHORIZE EXECUTION OF NECESSARY DOCUMENTS**

**WHEREAS**, Ray Barragan desires to donate a dog, Remley, for use by the Chowchilla Police Department, and \$1,500 toward one year of related training at Evolution Dog Training Center, to the City of Chowchilla through the nonprofit entity Chowchilla Lioness Lions Club.

**WHEREAS**, Remley was previously selected specifically for the City's needs and has received preliminary training through Evolution Dog Training Center, a California P.O.S.T. Evaluator and Drug Beat Certifying Agent. Evolution Dog Training Center is also a member of the California Narcotic Canine Association. Luther Evans, the owner of Evolution Dog Training Center has over 55 years of experience in the field of canine training and animal behavior, from military to law enforcement, specializing in advance canine training.

**WHEREAS**, based on the information above, the City desires to accept the donation of the K-9 Remley and \$1,500 worth of related training through the Evolution Dog Training Center pursuant to Government Code section 37354.

**NOW, THEREFORE, LET IT BE RESOLVED** that the City Council of the City of Chowchilla hereby, finds and orders as follows:

1. The above recitals are true.
2. The City Council hereby approves and adopts the attached Agreement to Accept Donation.
3. The City Council authorizes the City Administrator to execute the attached Agreement to Accept Donation.
4. The City Council authorizes the Police Chief, or his designee, to execute all documents needed to complete the transfer of the dog Remley to the City of Chowchilla.

**PASSED AND ADOPTED** by the City Council of the City of Chowchilla at a regular meeting held on the 14th day of April 2015 by the following vote to wit:

**AYES:**

**NOES:**

**ABSTAINS:**

**ABSENT:**

APPROVED:

\_\_\_\_\_  
John Chavez, Mayor

ATTEST:

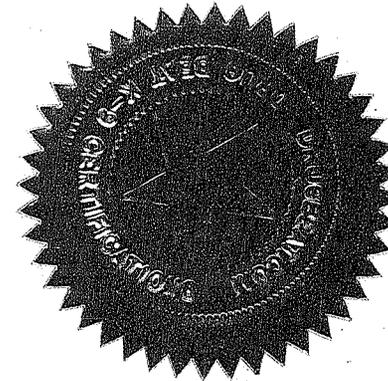
\_\_\_\_\_  
Nanci C. O. Lima, MMC  
City Clerk

# K-9 Explosive Detection Certification

This certifies accomplishment in  
**K-9 Explosive Detection**

**FINDS OF: FUSE CORD, DET CORD, DYNAMITE, C4, TNT, PETN,  
BLACK POWDER, SMOKELESS POWDER, PRIMASHEET, AMMONIUM NITRATE,  
ANFO, WATERGEL, TATP, POTASSIUM CHLORATE, FLASH POWDER**

Has been achieved on this 19th day of April  
In the year 2013, by Luther Evans &  
Rami - A Labrador Retriever



Drug Beat K-9 Certifications  
4085 N Farm Rd 249  
Strafford, MO 65757  
Phone(417)353-1596  
Fax(417)736-3239

**Certifying Agent**  
**Luther Evans w/Scott Pannetta**

*Luther Evans/Scott Pannetta*

**Administrator**  
**Gary LaFollette**

*Gary LaFollette*

# K-9 Narcotic Detection Certification

This certifies accomplishment in  
**K-9 Narcotic Certification**

*FINDS OF: MARIJUANA, COCAINE, HEROIN, METHAMPHETAMINE,  
CRACK COCAINE, ICE*

Has been achieved on this 20th day of April  
In the year 2013, by Luther Evans and  
Anubis A German Shepherd



Drug Beat K-9 Certifications  
4085 N Farm Rd 249  
Strafford, MO 65757  
Phone(417)353-1596  
Fax(417)736-3239

**Certifying Agent**  
**Luther Evans**

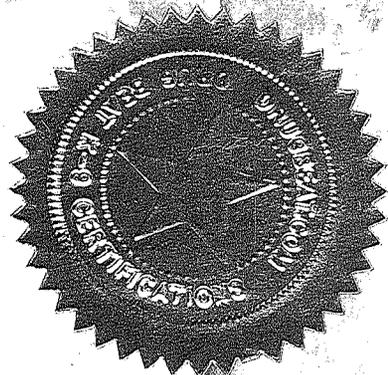
*Luther Evans*

**Administrator**  
**Gary LaFollette**

*Gary LaFollette*

# Official K-9 Explosive Certification

**DRUGBEAT NATIONAL K-9 Certifications**  
2623 W Farm Road 112 Springfield, MO 65803



*This Certifies that Accomplishment in*  
**K-9 EXPLOSIVES DETECTION**

**HAS BEEN ACHIEVED ON THIS 23RD DAY IN THE  
MONTH OF SEPT IN THE YEAR 2002**

**BY K-9 CODY A  
CHESAPEAK BAY RETRIEVER  
AND HANDLER LUTHER EVANS (PRIVATE SECURITY)**

This is to certify that the K-9 is certified  
to detect the following scents :

Ammonia Nitrate  
Det Cord=  
Potassium chloride  
Black Powder=  
Smokeless Powder=  
C-4



Certifying Agent Mike Herstik

Agent Administrator Jim Harnbeck

**NACSW**

PRESENTS THIS

**CERTIFICATE OF APPRECIATION**

TO

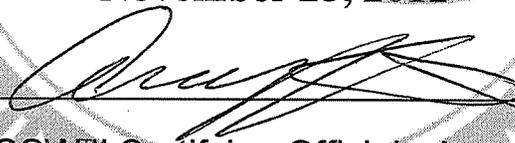
**Luther Evans**

For your contribution and service as

**JUDGE**

At the K9 Nose Work® Trials

November 25, 2012



NACSW™ Certifying Official: Amy Herot

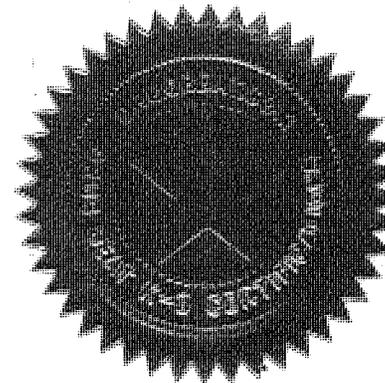
K9 Nose Work® Founders: Amy Herot, Ron Gaunt, Jill-Marie O'Brien

# K-9 Explosive Detection Certification

This certifies accomplishment in  
**K-9 Explosive Detection**

*FINDS OF: FUSE CORD, DET CORD, DYNAMITE, C4, TNT, PETN,  
BLACK POWDER, SMOKELESS POWDER, PRIMASHEET,  
AMMONIUM NITRATE, ANFO, WATERGEL TATP, POTASSIUM CHLORATE*

Has been achieved on this 25th day of April  
In the year 2012, by Luther Evans &  
Jery - A Labrador Retriever



Drug Beat K-9 Certifications  
4085 N Farm Rd 249  
Strafford, MO 65757  
Phone(417)353-1596  
Fax(417)736-3239

**Certifying Agent**  
**Luther Evans w/Scott Pannetta**

*Luther Evans/Scott Pannetta*

**Administrator**  
**Gary LaFollette**

*Gary LaFollette*



# International Explosive Detection Dog Association

## *Credential of Appointment, Certification Authority*

**IN ACCORDANCE WITH THE GLOBAL MISSION STANDARD FOR EXPLOSIVE DETECTION DOG  
TEAMS; AND BY VOTE OF THE QUALITY ASSURANCE GROUP, REGION 1, THIS CREDENTIAL  
ATTESTS THAT;**

**LUTHER T. EVANS**

**HAS BEEN APPOINTED AS A CERTIFICATION OFFICER, WITH FULL AUTHORITY TO CERTIFY  
EXPLOSIVE DETECTION DOG ("EDD") TEAMS, TRAINERS, & CERTIFICATION OFFICERS.**

**THIS CREDENTIAL OF APPOINTMENT IS HEREWITH AWARDED THIS 20<sup>TH</sup> DAY OF SEPTEMBER  
2005; AND SHALL REMAIN VALID FOR TWO YEARS OR UNTIL SOONER REVOKED.**

*William A. Lavelle*

---

William A. Lavelle, Chair, Quality Assurance Group

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William A. Lavelle, Vice-Chair, Quality Assurance Group

# Certificate of Nomination

FOR HONORABLE SERVICE IN THE  
UNITED STATES ARMED FORCES

AND FOR OUTSTANDING SERVICE AND LOYALTY  
TO THE UNITED STATES OF AMERICA

THIS CERTIFIES THAT

**LUTHER T. EVANS**

HAS MET THE STRICT REQUIREMENTS  
SET FORTH BY THE

CONGRESS OF THE UNITED STATES

FOR MEMBERSHIP IN THE AMERICAN LEGION



A handwritten signature in cursive script, appearing to read "Samuel J. White", written over a horizontal line.

SIGNATURE OF THE NATIONAL ADJUTANT

***CALIFORNIA NARCOTIC CANINE  
ASSOCIATION***

***CERTIFICATE OF ATTENDANCE***

This Document Will Certify That

**Luther Evans**

Has Received 24 Hours of K-9 Narcotic/Explosive/Patrol Detection Instruction  
At the 20<sup>th</sup> Annual CNCA Conference

Burbank, California

January 10-13, 2011

  
Steve Sloan, President



Good Morning. Mr. BARRAGAN, I HAVE ANOTHER DOG FROM GERMANY AND HAVE WORKED WITH THIS BROKER BEFORE WITH AND HAD GREAT DOGS. HIS NAME IS RENLY AND I AM GOING TO PICK HIM UP SUNDAY SO JUST CHANGE THE NAME ON CONTRACT TO RENLY AND WE WILL BE READY FOR THE DINNER DONATION.

Respectfully  
 [Signature]  
 [Signature]





Last Transaction

Date	Time	Type	Station ID	Duration	Pages	Result
				Digital Fax		
Mar 18	8:10AM	Fax Sent	15596650830	3:29 N/A	3	OK

Evolution Dog Training Center

P.O.Box 959  
 182 E. Juniper Avenue  
 Atwater, CA 95301

# Invoice

Date	Invoice #
3/18/2015	162

Bill To
J.Ray Barragan Barragan Realtor Inc 3125 E.Robertson Blvd, Suite A Chowchilla, CA 93610



P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
1	Male German Shepherd	8,500.00	8,500.00
1	Handler's Training Course	1,500.00	1,500.00
	Check #14316		-8,500.00
	Check #14317		-1,500.00
		8.75%	0.00

Thank you for your business.	<b>Total</b>	\$0.00
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Evolution Dog Training Center

P.O.Box 959  
 182 E. Juniper Avenue  
 Atwater, CA 95301

# Invoice

Date	Invoice #
3/18/2015	162

Bill To
J.Ray Barragan Barragan Realtor Inc 3125 E.Robertson Blvd, Suite A Chowchilla, CA 93610



P.O. No.	Terms	Project
	Due on receipt	

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1	Handler's Training Course	1,500.00	1,500.00
	Check #14316		-8,500.00
	Check #14317		-1,500.00
		8.75%	0.00

Thank you for your business.	<b>Total</b>	\$0.00
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J.R. Barragan, Inc.

Evolution Dog Training

3/16/2015

14316

8,500.00

~~Mathes~~

Citi Bank 1853

Mathes from Kreative Kennels

8,500.00

J.R. Barragan, Inc.

Evolution Dog Training

3/16/2015

14317

1,500.00

Citi Bank 1853

1 Year of Training

1,500.00



# GOLDEN MEMORIAL

*Presents:*

*1 German Shepherd K-9 with an additional year of Training  
from Evolution Dog Training*

Awarded On:

*March 28, 2015*

Awarded By:

*Ray Barragan, Jr.*

*This prize is valued at:*

**\$10,000.00**

## **DONATION AGREEMENT**

THIS AGREEMENT ("Agreement") is made and entered into this 14th day of April, 2015 by and between the City of Chowchilla, a municipal corporation located in the County of Madera, State of California ("City"), and Ray Barragan and the Chowchilla Lioness Lions Club ("Donor").

### **RECITALS**

**WHEREAS**, the Donor desires to donate to City a canine named Remley for use by the Chowchilla Police Department, and \$1,500 toward related training at Evolution Dog Training Center (collectively referred to herein as the "Donation"); and

**WHEREAS**, the Donor has agreed to pay for the full purchase price for \$8,500.00; and

**WHEREAS**, the Donor wishes to provide the Donation to the City as a gift; and

**WHEREAS**, the City, in accordance with the terms of this Agreement, wishes to accept the Donation pursuant to Government Code section 37354.

**NOW, THEREFORE, in consideration of the covenants, conditions and promises contained herein, the parties agree as follows:**

1. The Donor hereby grants to City all right and title to the Donation to be delivered to City. The City, pursuant to section 37354 of the Government Code, hereby accepts all right and title to the Sculpture Items, subject to the conditions set forth below.

2. The Donation is accepted by the City based on the City's reliance on Donor's representations that (1) Remley was selected by Luther Evans of Evolution Dog Training Center specifically to meet the City's needs; (2) Remley has received preliminary training from Evolution Dog Training Center; (3) Evolution Dog Training Center is a California P.O.S.T. Evaluator and Drug Beat Certifying Agent, and a member of the California Narcotic Canine Association; (4) Luther Evans, the owner of Evolution Dog Training Center has over 55 years of experience in the field of canine training and animal behavior, from military to law enforcement, specializing in advance canine training; and (5) the Donation will be delivered to the City free and clear of any liens or encumbrances.

3. The City will provide reasonable documentation to assist Donor to obtain lawful tax treatment and consideration of the gifts and donations made under this Agreement.

4. Donor shall not exercise supervision or control over any aspect of the Donation once accepted by the City, including any decisions regarding the City's use of the Donation at any time, including before or after Remley's retirement. Donor shall have no

rights to any aspect of the Donation once accepted by the City. Donor shall not exercise supervision or control over an employee or official of the City in regards to the Donation in any form or at any time.

5. The City shall have no obligation whatsoever to replace any portion of the Donation in the event any part of the Donation becomes stolen, lost, or damaged in any way.

6. All notices pertaining to this Agreement shall be in writing and addressed as follows:

If to City: City of Chowchilla  
130 S. Second Street  
Chowchilla, CA 93610  
Attn: City Administrator

If to Donor: Ray Barragan

\_\_\_\_\_  
\_\_\_\_\_

Chowchilla Lioness Lions Club

\_\_\_\_\_  
\_\_\_\_\_

7. This Agreement represents the entire and integrated Agreement of the parties and supersedes any and all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both parties.

8. The Parties hereto have mutually negotiated the terms and conditions of this Agreement and each party received independent legal advice from its attorneys with respect to the advisability of executing this Agreement and the meaning of the provisions contained herein. As such, this Agreement is a product of the joint drafting efforts of all parties and no party shall be deemed to have solely or independently prepared or framed this Agreement. Therefore, any ambiguities or uncertainties are not to be construed against or in favor of any party.

9. In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

10. In the event of a breach or default of this Agreement, the non-breaching party

shall be entitled to all remedies available pursuant to the terms of this Agreement, at law and in equity, including, but not limited to, specific performance of this Agreement, and all such remedies are cumulative in nature and may be asserted by such party in the alternative and the assertion of a remedy by a party shall not be deemed an exclusive election of remedies or waiver of any other rights conferred on that party by the terms of this Agreement.

11. No waiver of any breach of any agreement, provision or failure of a condition herein contained shall be deemed a waiver of any preceding or succeeding breach or failure thereof, or of any other agreement, provision or condition contained herein, nor an extension of time for performance of any other obligation or act.

12. This Agreement shall be governed by, interpreted under, construed and enforced in accordance with, the laws of the State of California. This Agreement is made and entered into in the County of Madera, State of California, and any legal actions or proceedings arising from or related to this Agreement shall be brought in the County of Madera, State of California.

13. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

**CITY OF CHOWCHILLA**

**Ray Barraggan**

\_\_\_\_\_  
Carolyn Lehr, Interim City Administrator

\_\_\_\_\_

**ATTEST:**

**Chowchilla Lioness Lions Club**

\_\_\_\_\_  
Nanci C.O. Lima, MMC  
City Clerk

\_\_\_\_\_  
**Its:** \_\_\_\_\_  
**(Title)**