

AMENDED

AGENDA

**MCFARLAND CITY COUNCIL MCFARLAND
SUCCESSOR AGENCY MCFARLAND PUBLIC
FINANCE AUTHORITY MCFARLAND
IMPROVEMENT AUTHORITY MCFARLAND
PARKING AUTHORITY**

**REGULAR MEETING
CITY COUNCIL CHAMBERS
103 W. SHERWOOD AVE, MCFARLAND, CA**

**July 27, 2023
6:00 PM**

In Person Meeting

How to submit public comments:

The meetings of the City Council and all municipal entities, commissions, and boards (“the City”) are open to the public. At regularly scheduled meetings, members of the public may address the city on any item listed on the agenda, or on any non-listed matter over which the city has jurisdiction. At special or emergency meetings, members of the public may only address the city on items listed on the agenda. There is a time limitation of two minutes per person. For any item that is not on the agenda and within the jurisdiction or interest of the city, please come to the podium at this time. The Brown Act does not permit any action or discussion on items not listed on the agenda. If you wish to speak regarding a scheduled agenda item, please come to the podium when the item number and subject matter are announced, and the mayor opens Public Comment on the item. When recognized, please begin by providing your name and address for the record (optional). Anyone wishing to submit written information at the meeting needs to furnish ten (10) copies to the City Clerk in advance to allow for distribution to City Council, staff, and the media. Willful disruption of the meeting shall not be permitted. If the Mayor finds that there is in fact willful disruption of any City Council Meeting, he/she may order the disrupting parties out of the room and subsequently conduct the City’s business without them present.

Americans with Disabilities Act:

In compliance with the ADA, if you need special assistance to participate in a city meeting or other services offered by the City, please contact the City Clerk’s office, at (661) 792-3091 ext. 2135. Notification of at least 48 hours prior to the meeting, or time when services are needed, will assist the city staff in assuring those reasonable arrangements can be made to provide accessibility to the meeting or services.

CALL TO ORDER: Mayor Saul Ayon

ROLL CALL:

Mayor, Saul Ayon
Vice Mayor, Ricardo Cano
Council Member/Board Member, Amador Ayon
Council Member/ Board Member, Anita Gonzalez
Council Member/Board Member, Maria T. Pérez

INVOCATION: Pastor Bustillo

PLEDGE OF ALLEGIANCE

INTERPRETATION: If you need an interpretation of your communications to the City Council into English, please contact the City Clerk Department at 661-792-3091 ext. 2135 or via email at falvarado@mcfarlandcity.org . Subject to availability, notifying at least 48 hours before will usually enable the City to make arrangements.

PRESENTATIONS, INTRODUCTIONS AND AWARDS

1. Kaitlyn's Law, Child in Motor Vehicle Safety Act
-Joe Appleton, Division Chief -Kern County Fire Department

PUBLIC COMMENT: At regularly scheduled meetings, members of the public may address the city on any item listed on the agenda, or on any non-listed matter over which the city has jurisdiction. Council/Board Members may respond briefly to statements made or questions posed. They may ask a question for clarification; may refer the item to staff for further study or for placement on a future agenda. Speakers are limited to two minutes for each person. Please state your name and address for the record prior to making a presentation. Fifteen minutes total will be allowed for any one subject.

DEPARTMENTAL REPORTS

None

CONSENT AGENDA: The Consent Agenda consists of items that in staff's opinion are routine and non-controversial. These items are approved in one motion unless a Council Member/ Board Member or Member from the Public requests to remove a particular item.

2. Approval of Expense Report in the Amount of \$218,625.23 from July 5, 2023 to July 18, 2023.
3. Approval of June 22, 2023 Meeting Minutes.

PUBLIC HEARINGS

4. Introduction and First Reading of Ordinance No. 0006-2023 AN ORDINANCE OF THE CITY OF MCFARLAND ADDING CHAPTER 8.22 AND AMENDING CHAPTERS 10.14.020, 18.04.010 AND 18.08 OF THE MCFARLAND MUNICIPAL CODE RELATING TO CODE COMPLIANCE.
 - Staff Report: Community Development Director, Paul Saldana
 - a. Open Public Hearing and Receive Public Testimony:
 - b. Close Public Hearing:
 - c. Motion to Waive the Reading of the Ordinance Text in its Entirety, Read by Title Only, and Introduce for Reading Ordinance No. 0006-2023 AN ORDINANCE OF THE CITY OF MCFARLAND ADDING CHAPTER 8.22 AND AMENDING CHAPTERS 10.14.020, 18.04.010 AND 18.08 OF THE MCFARLAND MUNICIPAL CODE RELATING TO CODE COMPLIANCE.

- d. Direct Staff to Schedule Second Reading and Adoption of Ordinance No. 0006-2023 for the Next Regular City Council Meeting of August 10, 2023.

ADMINISTRATIVE AGENDA

5. Report, Discuss, and Possible Approval of the Audited Financial Statements for the Period Ending June 30, 2022, for the City of McFarland.
 - a. Presentation by Berrett Warnick, of Clifton Larson Allen LLP.
6. Report, Discuss, and Approve Resolution No. 2023-0090 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND TO ACCEPT THE BID SUBMITTED BY BOWMAN ASPHALT, INC. FOR THE 2023 STREET REHABILITATION - VARIOUS LOCATIONS PROJECT IN THE AMOUNT OF \$799,565.00 AND AUTHORIZING THE CITY MANAGER TO SIGN AND EXECUTE THE CONSTRUCTION AGREEMENT, ALLOCATE FUNDS FOR THE BID, AND UP TO \$159,914.00 FOR CONTINGENCY, CONSTRUCTION MANAGEMENT AND MATERIALS SAMPLING & TESTING.
 - a. Q & A -Juan Pantoja, Resident Engineer of BHT Engineering Inc.
7. Report, Discuss, and Possibly Approve the Employment Agreement Between the City of McFarland and Adam Cabrera for the Assistant Public Works Director Position.
8. Report, Discuss, and Possibly Approve Resolution No. 2023-0089 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING FUNDS FROM THE CITYS COMMUNITY GRANTS PROGRAM TO THE MCFARLAND LIONS CLUB #2351.

REPORTS FROM CITY COUNCIL ON COMMITTEE/SPECIAL DISTRICT MEETINGS

- a. Kern Council of Governments (KCOG)
- b. Kern Economic Development Corp. (KEDC)
- c. Kern Local Agency Formation Commission (LAFCO)
- d. Delano Mosquito Abatement District (DMAD)
- e. Poso Creek (IRWMP)
- f. San Joaquin Valley Air Pollution Control District (SJV)
- g. Public Policy and Finance Committee
- h. Public Safety Committee
- i. Quality of Life Committee
- j. Cannabis Committee

COUNCIL STATEMENTS AND REPORTS

On their own initiative, Council Members may make a brief announcement or a brief report on their own activities. In addition, Council Members may ask a question of staff or the public for clarification on any matter, provide a reference to staff or other resources for information. Alternatively, request staff to report to the City Council at a later meeting concerning any matter. Furthermore, the City Council, or any member thereof, may take action to direct staff to place a matter of business on a future agenda.

CLOSED SESSION

1. Conference with Legal Counsel – Anticipated Litigation - Significant exposure to litigation pursuant to Government Code §54956.9(b): four potential cases

ADJOURNMENT

This is to certify this agenda was posted at McFarland City Hall on July 24, 2023.

Francisca Alvarado
Francisca Alvarado, City Clerk

Diego Viramontes
Diego Viramontes, Finance Director & Administrator Pro Tempore

Next Meeting: Regular City Council August 10, 2023.

The City of McFarland does not discriminate based on disability and complies with the provisions of the Americans with Disabilities Act (ADA). If you need special assistance to participate in this meeting, please contact the City Clerk's Office at (661) 792-3091 at least 48 hours prior to the meeting to make reasonable arrangements to ensure accessibility to this meeting.

All agenda item and/or supporting documentation is available for public review on the city website at www.mcfarlandcity.org and the office of the City Clerk of the City of McFarland, at 401 W, Kern Ave. McFarland, CA 93250 during regular business hours of 8:00 am – 5:00 pm Monday through Friday, following the posting of the agenda. Any supporting documentation related to an agenda item for an open session of any regular meeting that is distributed after the agenda is posted and prior to the meeting will also be available for review at the same location and available at the meeting.



PROCLAMATION

KAITLYN'S LAW AWARENESS

WHEREAS, The City Council of the City of McFarland acknowledges its responsibility to safeguard and enhance the quality of life for all residents, particularly the most vulnerable among us; and

WHEREAS, California Senate Bill 255, known as Kaitlyn's Law, is a significant piece of legislation aimed at the prevention of tragedies by enforcing specific rules regarding child safety in vehicles; and

WHEREAS, Kaitlyn's Law was enacted in response to the tragic loss of young Kaitlyn, who lost her life after being left unattended in a parked vehicle, and prohibits the leaving of a child six years of age or younger unattended in a motor vehicle without the supervision of a person 12 years of age or older; and

WHEREAS, This law underscores the dangers of leaving children unattended in vehicles, including risks of abduction, injury, dehydration, and death, particularly due to heatstroke in hot weather; and

WHEREAS, The City of McFarland recognizes the importance of such legislation and commends the State Legislature for their enduring commitment to enhancing child safety;

THEREFORE, The City of McFarland City Council Does Hereby Proclaim its full support for California Senate Bill 255, Kaitlyn's Law and urges community members to familiarize themselves with its provisions and strictly adhere to its regulations, not merely as a legal obligation, but as a commitment to the safety and well-being of our children.

Proclaimed this 27th day of July, year 2023.

Saul Ayon, Mayor of the City of McFarland



City of McFarland, CA

Expense Approval Report

By Vendor Name

Payment Dates 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Vendor: A Sign Factory - A Sign Factory					
A Sign Factory	INV 9279	07/06/2023	INV 9279 Explorer Panel, Decal..	01-150-56600-0000-1	6,237.37
Vendor A Sign Factory - A Sign Factory Total:					6,237.37
Vendor: Advanced Data Storag - Advanced Data Storage, Inc.					
Advanced Data Storage, Inc.	INV 0167268	07/06/2023	ADS INV 0167268 Service Con...	01-150-52200-0000-1	41.40
Advanced Data Storage, Inc.	INV0167268	07/11/2023	INV 0167268 Service Console	01-150-52200-0000-1	41.40
Vendor Advanced Data Storag - Advanced Data Storage, Inc. Total:					82.80
Vendor: AMANDA POLLOCK - AMANDA POLLOCK					
AMANDA POLLOCK	INV0024237	07/11/2023	Deposit Refund for Rental on ...	01-24000-0000-1	350.00
Vendor AMANDA POLLOCK - AMANDA POLLOCK Total:					350.00
Vendor: American Fidelity - American Fidelity					
American Fidelity	INV0024244	07/13/2023	American Fidelity Accident 2* ...	30-22800-0000-1	27.45
American Fidelity	INV0024244	07/13/2023	American Fidelity Accident 2* ...	34-22800-0000-1	15.41
American Fidelity	INV0024245	07/13/2023	Life 1	30-22900-0000-1	15.43
American Fidelity	INV0024245	07/13/2023	Life 1	34-22900-0000-1	9.81
American Fidelity	INV0024246	07/13/2023	American Fidelity - Disability I...	01-22700-0000-1	25.29
American Fidelity	INV0024246	07/13/2023	American Fidelity - Disability I...	30-22700-0000-1	87.62
American Fidelity	INV0024246	07/13/2023	American Fidelity - Disability I...	31-22700-0000-1	9.89
American Fidelity	INV0024246	07/13/2023	American Fidelity - Disability I...	32-22700-0000-1	44.80
American Fidelity	INV0024246	07/13/2023	American Fidelity - Disability I...	34-22700-0000-1	30.76
American Fidelity	INV0024247	07/13/2023	Health FSA	01-22600-0000-1	60.57
American Fidelity	INV0024247	07/13/2023	Health FSA	30-22600-0000-1	83.07
American Fidelity	INV0024247	07/13/2023	Health FSA	31-22600-0000-1	50.19
American Fidelity	INV0024247	07/13/2023	Health FSA	32-22600-0000-1	108.08
American Fidelity	INV0024248	07/13/2023	Life 1	01-22900-0000-1	26.33
American Fidelity	INV0024248	07/13/2023	Life 1	30-22900-0000-1	55.26
American Fidelity	INV0024248	07/13/2023	Life 1	31-22900-0000-1	10.63
American Fidelity	INV0024248	07/13/2023	Life 1	32-22900-0000-1	24.63
American Fidelity	INV0024248	07/13/2023	Life 1	34-22900-0000-1	34.33
American Fidelity	INV0024249	07/13/2023	Life 2	30-22900-0000-1	20.54
American Fidelity	INV0024249	07/13/2023	Life 2	34-22900-0000-1	13.85
American Fidelity	INV0024265	07/13/2023	Cancer 1 American Fidelity	30-22950-0000-1	5.54
American Fidelity	INV0024266	07/13/2023	Cancer 1 American Fidelity	34-22950-0000-1	8.12
American Fidelity	INV0024267	07/13/2023	Cancer 1 American Fidelity	01-22950-0000-1	0.88
American Fidelity	INV0024267	07/13/2023	Cancer 1 American Fidelity	30-22950-0000-1	2.62
American Fidelity	INV0024267	07/13/2023	Cancer 1 American Fidelity	31-22950-0000-1	2.62
American Fidelity	INV0024267	07/13/2023	Cancer 1 American Fidelity	32-22950-0000-1	2.59
American Fidelity	INV0024268	07/13/2023	Cancer 2* - American Fidelity ...	30-22950-0000-1	16.50
American Fidelity	INV0024269	07/13/2023	Cancer 2* - American Fidelity ...	34-22950-0000-1	16.65
American Fidelity	INV0024279	07/13/2023	American Fidelity Accident 1	01-22800-0000-1	27.64
American Fidelity	INV0024280	07/13/2023	Life 1	01-22900-0000-1	9.81
American Fidelity	INV0024281	07/13/2023	American Fidelity - Disability I...	01-22700-0000-1	227.63
American Fidelity	INV0024282	07/13/2023	Life 1	01-22900-0000-1	99.17
American Fidelity	INV0024283	07/13/2023	Life 2	01-22900-0000-1	24.00
American Fidelity	INV0024303	07/13/2023	Cancer 1 American Fidelity	01-22950-0000-1	13.53
Vendor American Fidelity - American Fidelity Total:					1,211.24
Vendor: American Office Solu - American Office Solutions, LLC					
American Office Solutions, LLC	INV 21004	07/05/2023	INV 21004 City Council Ticket	01-310-52200-0000-1	350.96
American Office Solutions, LLC	INV 21005	07/05/2023	INV 21005 Police Dept Back-U...	01-310-52200-0000-1	182.93
American Office Solutions, LLC	INV 21014	07/05/2023	INV 21014 City Hall Roundtrip...	01-310-52200-0000-1	500.00
American Office Solutions, LLC	INV 21018	07/05/2023	INV 21018 Breakroom Cleanup..	01-310-52200-0000-1	324.75
American Office Solutions, LLC	INV 21019	07/05/2023	INV 21019 Break Room Clean ...	01-310-52200-0000-1	417.85
American Office Solutions, LLC	INV 20986	07/06/2023	INV 20986 City Hall Project 12...	01-310-52200-0000-1	2,300.00

Expense Approval Report

Payment Dates: 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
American Office Solutions, LLC	INV 21020	07/06/2023	INV 21020 20hrs Project Labor...	01-310-52200-0000-1	4,000.00
Vendor American Office Solu - American Office Solutions, LLC Total:					8,076.49
Vendor: Auto Zone - Auto Zone					
Auto Zone	INV 6270468708	07/06/2023	INV 6270468708 A/C Thermo...	01-150-56600-0000-1	8.31
Auto Zone	INV 6270578963	07/06/2023	INV 6270578963 Battery	01-150-56600-0000-1	179.53
Auto Zone	INV 6270584127	07/06/2023	INV 6270584127 Antifreeze, F...	01-150-56600-0000-1	101.93
Auto Zone	INV 6270603519	07/06/2023	INV 6270603519 Antifreeze a...	01-150-56600-0000-1	82.10
Auto Zone	INV 6270603528	07/06/2023	INV 6270603528 Flo Tool Med...	01-150-56600-0000-1	2.13
Auto Zone	INV 6270604145	07/06/2023	INV 6270604145 Washer Fluid,...	01-150-56600-0000-1	43.95
Auto Zone	INV 6270605320	07/06/2023	INV 6270605320 Battery, Wh...	01-150-56600-0000-1	193.07
Auto Zone	INV 6270610089	07/06/2023	INV 6270610089 Wiper Blade	01-150-56600-0000-1	31.94
Auto Zone	INV 6270628553	07/06/2023	INV 6270628553 Washer Fluid,...	01-150-56600-0000-1	23.58
Auto Zone	INV 6270638295	07/06/2023	INV 6270638295 Sealant, Wh...	01-150-56600-0000-1	194.20
Auto Zone	INV 6270639670	07/06/2023	INV 6270639670 Battery	01-150-56600-0000-1	167.28
Auto Zone	INV 6270643736	07/06/2023	INV 6270643736 Brake Clean...	01-150-56600-0000-1	11.99
Auto Zone	INV 6270646577	07/06/2023	INV 6270646577 Vehicle Main...	01-150-56600-0000-1	49.78
Auto Zone	INV 6270665849	07/06/2023	INV 6270665849 Steering Wh...	01-150-56600-0000-1	25.85
Auto Zone	INV 6270679885	07/06/2023	INV 6270679885 Motor Oil	01-150-56600-0000-1	7.82
Vendor Auto Zone - Auto Zone Total:					1,123.46
Vendor: Best Digital Solutio - Best Digital Solutions, LLC					
Best Digital Solutions, LLC	INV 1144	07/05/2023	INV 1144 June 2023 Contract ...	30-500-52200-0000-1	230.37
Best Digital Solutions, LLC	INV 1144	07/05/2023	INV 1144 June 2023 Postage &...	30-500-55600-0000-1	592.89
Best Digital Solutions, LLC	INV 1144	07/05/2023	INV 1144 June 2023 Contract ...	31-505-52200-0000-1	230.37
Best Digital Solutions, LLC	INV 1144	07/05/2023	INV 1144 June 2023 Postage &...	31-505-55600-0000-1	592.89
Best Digital Solutions, LLC	INV 1144	07/05/2023	INV 1144 June 2023 Contract ...	32-510-52200-0000-1	231.07
Best Digital Solutions, LLC	INV 1144	07/05/2023	INV 1144 June 2023 Postage &...	32-510-55600-0000-1	594.66
Vendor Best Digital Solutio - Best Digital Solutions, LLC Total:					2,472.25
Vendor: BHT Engineering, Inc - BHT Engineering, Inc.					
BHT Engineering, Inc.	INV 23-180	07/06/2023	INV 23-180 W. KERN AVE PRO...	01-140-52200-0000-1	2,943.50
Vendor BHT Engineering, Inc - BHT Engineering, Inc. Total:					2,943.50
Vendor: Brandon Shankle - Brandon Shankle					
Brandon Shankle	INV0024222	07/06/2023	07-05-23 Brandon Shankle Fuel	01-150-54000-0000-1	400.00
Brandon Shankle	INV0024227	07/10/2023	Per Diem Shankle July 9-22 20...	01-150-52010-0000-1	737.50
Vendor Brandon Shankle - Brandon Shankle Total:					1,137.50
Vendor: Brenntag - Brenntag Pacific Inc.					
Brenntag Pacific Inc.	INV BPI341470	07/11/2023	INV BPI341470 L A Chemchlor...	32-510-57400-0000-1	1,358.29
Vendor Brenntag - Brenntag Pacific Inc. Total:					1,358.29
Vendor: DEL100 - Brianahi DeLeon					
Brianahi DeLeon	INV0024225	07/06/2023	Community Garden Ribbon Cu...	01-140-55200-0000-1	125.27
Vendor DEL100 - Brianahi DeLeon Total:					125.27
Vendor: BSK ASSOCIATES - BSK ASSOCIATES					
BSK ASSOCIATES	INV AG15128	07/11/2023	INV AG15128 BOD & TSS-WW...	30-500-57400-0000-1	150.00
Vendor BSK ASSOCIATES - BSK ASSOCIATES Total:					150.00
Vendor: CA Department of Jus - CA Department of Justice					
CA Department of Justice	Inv. 661951	07/11/2023	Inv. 661951 Live Scan - Comm...	01-130-56000-0000-1	32.00
CA Department of Justice	Inv. 661951	07/11/2023	Inv. 661951 Live Scan - Public...	01-180-56000-0000-1	64.00
Vendor CA Department of Jus - CA Department of Justice Total:					96.00
Vendor: CA DCSS - California Dept of Child Support Services					
California Dept of Child Suppo...	INV0024302	07/13/2023	CA Dept Child Support Services	01-22350-0000-1	369.23
Vendor CA DCSS - California Dept of Child Support Services Total:					369.23
Vendor: California Police - California Police					
California Police	INV 1721	07/06/2023	INV 1721 2023-2024 CPCA Ret...	01-150-53200-0000-1	50.00
California Police	INV 23207	07/06/2023	INV 23207 2023-2024 CPCA D...	01-150-53200-0000-1	365.00
Vendor California Police - California Police Total:					415.00
Vendor: Cannon - Cannon Corporation					
Cannon Corporation	INV 84918	07/11/2023	INV 84918 Professional Servic...	30-500-52200-0000-1	360.00

Expense Approval Report

Payment Dates: 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Cannon Corporation	INV 84919	07/11/2023	INV 84919 Win-911 Troublesh...	30-500-52200-0000-1	585.00
Vendor Cannon - Cannon Corporation Total:					945.00
Vendor: Central Valley Office - Central Valley Office Supply Inc					
Central Valley Office Supply Inc	INV 0343521-001	07/11/2023	INV 0343521-001 CVOS Printer..	01-115-57200-0000-1	30.05
Central Valley Office Supply Inc	INV 0343521-001	07/11/2023	INV 0343521-001 CVOS Printer..	30-500-57200-0000-1	90.14
Central Valley Office Supply Inc	INV 0343521-001	07/11/2023	INV 0343521-001 CVOS Printer..	31-505-57200-0000-1	90.15
Central Valley Office Supply Inc	INV 0343521-001	07/11/2023	INV 0343521-001 CVOS Printer..	32-510-57200-0000-1	90.15
Vendor Central Valley Office - Central Valley Office Supply Inc Total:					300.49
Vendor: Cintas - Cintas Corporation No.3					
Cintas Corporation No.3	INV 5163495138	07/06/2023	INV 5163495138 Cintas	01-150-51800-0000-1	105.62
Cintas Corporation No.3	INV 4160914968	07/11/2023	INV 4160914968 Garment Re...	01-180-51800-0000-1	68.12
Cintas Corporation No.3	INV 4160914968	07/11/2023	INV 4160914968 Garment Re...	20-200-51800-0000-1	13.44
Cintas Corporation No.3	INV 4160914968	07/11/2023	INV 4160914968 Garment Re...	30-500-51800-0000-1	50.41
Cintas Corporation No.3	INV 4160914968	07/11/2023	INV 4160914968 Garment Re...	32-510-51800-0000-1	16.14
Vendor Cintas - Cintas Corporation No.3 Total:					253.73
Vendor: CITY OF WASCO - CITY OF WASCO					
CITY OF WASCO	INV 10390	07/11/2023	INV 10390 CNG Fueling Station..	01-165-54000-0000-1	103.10
CITY OF WASCO	INV 10390	07/11/2023	INV 10390 CNG Fueling Station..	30-500-54000-0000-1	302.35
CITY OF WASCO	INV 10430	07/11/2023	INV 10430 CNG Fueling Station..	01-165-54000-0000-1	54.96
CITY OF WASCO	INV 10430	07/11/2023	INV 10430 CNG Fueling Station..	30-500-54000-0000-1	126.45
CITY OF WASCO	INV 10430	07/11/2023	INV 10430 CNG Fueling Station..	32-510-54000-0000-1	135.21
Vendor CITY OF WASCO - CITY OF WASCO Total:					722.07
Vendor: CivicPlus - CivicPlus LLC					
CivicPlus LLC	Inv 259536	07/05/2023	Inv 259536 Admin Support Fee..	01-111-52200-0000-1	350.00
CivicPlus LLC	INV 252880	07/06/2023	INV 252880 Annual City Websi...	01-130-56000-0000-1	13,325.75
Vendor CivicPlus - CivicPlus LLC Total:					13,675.75
Vendor: CLA - CLIFTONLARSONALLEN LLP					
CLIFTONLARSONALLEN LLP	INV 3791962	07/06/2023	INV 3791962 Audit Services Ju...	01-130-56050-0000-1	2,659.80
CLIFTONLARSONALLEN LLP	INV 3791962	07/06/2023	INV 3791962 Audit Services Ju...	30-500-56050-0000-1	2,659.80
CLIFTONLARSONALLEN LLP	INV 3791962	07/06/2023	INV 3791962 Audit Services Ju...	31-505-56050-0000-1	1,227.60
CLIFTONLARSONALLEN LLP	INV 3791962	07/06/2023	INV 3791962 Audit Services Ju...	32-510-56050-0000-1	2,762.10
CLIFTONLARSONALLEN LLP	INV 3791962	07/06/2023	INV 3791962 Audit Services Ju...	34-520-56050-0000-1	920.70
Vendor CLA - CLIFTONLARSONALLEN LLP Total:					10,230.00
Vendor: Cofer & Oberlies - Cofer & Oberlies					
Cofer & Oberlies	INV 98124	07/11/2023	INV 98124 Repair Key Pad & S...	01-190-56400-0000-1	426.00
Cofer & Oberlies	INV 98928	07/11/2023	INV 98928 Repair/Service Gate...	01-190-56400-0000-1	450.00
Vendor Cofer & Oberlies - Cofer & Oberlies Total:					876.00
Vendor: Consolidated Electri - Consolidated Electrical Distributors, Inc					
Consolidated Electrical Distrib...	INV 0332-1071374	07/06/2023	INV 0332-1071374	30-500-56410-0000-1	2,653.56
Vendor Consolidated Electri - Consolidated Electrical Distributors, Inc Total:					2,653.56
Vendor: Continental Labor Re - Continental Labor Resources, Inc.					
Continental Labor Resources, ...	INV 3004342	07/06/2023	INV 3004342 B.LOPEZ PPE 6/3...	20-200-52200-0000-1	1,024.00
Continental Labor Resources, ...	INV 3004539	07/11/2023	INV 3004539 Lopez Bernardin...	20-200-52200-0000-1	1,075.20
Continental Labor Resources, ...	INV 3004847	07/11/2023	INV 3004847 Lopez Bernardin...	20-200-52200-0000-1	1,141.38
Continental Labor Resources, ...	INV 3004702	07/12/2023	INV 3004702 Lopez Bernardin...	20-200-52200-0000-1	1,244.54
Vendor Continental Labor Re - Continental Labor Resources, Inc. Total:					4,485.12
Vendor: Core & Main LP - Core & Main LP					
Core & Main LP	INV 0001843	07/11/2023	INV 0001843 Water Based Inv...	32-510-57400-0000-1	545.70
Vendor Core & Main LP - Core & Main LP Total:					545.70
Vendor: KCPW - County of Kern Public Works					
County of Kern Public Works	INV 34082-IN	07/11/2023	INV 34082-IN Municipal Waste...	01-180-58050-0000-1	299.28
Vendor KCPW - County of Kern Public Works Total:					299.28
Vendor: Daniels Tire Service - Daniels Tire Service					
Daniels Tire Service	INV 240163893	07/06/2023	INV 240163893 Tire Service	01-150-56600-0000-1	1,479.03
Daniels Tire Service	INV 240163959	07/06/2023	INV 240163959 Tire Service	01-150-56600-0000-1	331.75

Expense Approval Report

Payment Dates: 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Daniels Tire Service	INV 240164503	07/11/2023	INV 240164503 Tire Service C...	01-165-56600-0000-1	678.57
Vendor Daniels Tire Service - Daniels Tire Service Total:					2,489.35

Vendor: Darrells - Darrells Automotive

Darrells Automotive	INV 50977	07/06/2023	INV 50977 Parts and Labor	01-150-56600-0000-1	3,972.87
Vendor Darrells - Darrells Automotive Total:					3,972.87

Vendor: De Lapide and Ass. I - De Lapide and Ass. Inc

De Lapide and Ass. Inc	Inv No 23-144	07/06/2023	Inv No 23-144- Annexation #19	01-140-56000-0000-1	5,000.00
Vendor De Lapide and Ass. I - De Lapide and Ass. Inc Total:					5,000.00

Vendor: EDD - EDD

EDD	INV0024272	07/13/2023	State Income Tax Withholding	01-22200-0000-1	807.12
EDD	INV0024272	07/13/2023	State Income Tax Withholding	30-22200-0000-1	489.59
EDD	INV0024272	07/13/2023	State Income Tax Withholding	31-22200-0000-1	205.75
EDD	INV0024272	07/13/2023	State Income Tax Withholding	32-22200-0000-1	323.46
EDD	INV0024272	07/13/2023	State Income Tax Withholding	34-22200-0000-1	29.81
EDD	INV0024273	07/13/2023	SDI - State Disability Insurance	01-22200-0000-1	239.22
EDD	INV0024273	07/13/2023	SDI - State Disability Insurance	20-22200-0000-1	12.76
EDD	INV0024273	07/13/2023	SDI - State Disability Insurance	30-22200-0000-1	161.69
EDD	INV0024273	07/13/2023	SDI - State Disability Insurance	31-22200-0000-1	64.35
EDD	INV0024273	07/13/2023	SDI - State Disability Insurance	32-22200-0000-1	165.98
EDD	INV0024273	07/13/2023	SDI - State Disability Insurance	34-22200-0000-1	16.03
EDD	INV0024274	07/13/2023	State Unemployment Insuran...	01-22250-0000-1	6.74
EDD	INV0024274	07/13/2023	State Unemployment Insuran...	30-22250-0000-1	10.10
EDD	INV0024274	07/13/2023	State Unemployment Insuran...	31-22250-0000-1	6.74
EDD	INV0024274	07/13/2023	State Unemployment Insuran...	32-22250-0000-1	67.92
EDD	INV0024275	07/13/2023	Employment Training Tax	01-22275-0000-1	0.16
EDD	INV0024275	07/13/2023	Employment Training Tax	30-22275-0000-1	0.25
EDD	INV0024275	07/13/2023	Employment Training Tax	31-22275-0000-1	0.17
EDD	INV0024275	07/13/2023	Employment Training Tax	32-22275-0000-1	1.71
EDD	INV0024306	07/13/2023	State Income Tax Withholding	01-22200-0000-1	2,029.36
EDD	INV0024306	07/13/2023	State Income Tax Withholding	30-22200-0000-1	4.65
EDD	INV0024306	07/13/2023	State Income Tax Withholding	32-22200-0000-1	4.68
EDD	INV0024307	07/13/2023	SDI - State Disability Insurance	01-22200-0000-1	607.29
EDD	INV0024307	07/13/2023	SDI - State Disability Insurance	30-22200-0000-1	1.89
EDD	INV0024307	07/13/2023	SDI - State Disability Insurance	32-22200-0000-1	1.92
EDD	INV0024308	07/13/2023	State Unemployment Insuran...	01-22250-0000-1	48.52
EDD	INV0024309	07/13/2023	Employment Training Tax	01-22275-0000-1	1.21
EDD	INV0024313	07/13/2023	State Income Tax Withholding	30-22200-0000-1	420.36
EDD	INV0024314	07/13/2023	SDI - State Disability Insurance	30-22200-0000-1	60.75
Vendor EDD - EDD Total:					5,790.18

Vendor: EFTPS - Electronic Federal Tax Payment System

Electronic Federal Tax Paymen...	INV0024270	07/13/2023	Federal Income Tax Withholdi...	01-22050-0000-1	2,050.67
Electronic Federal Tax Paymen...	INV0024270	07/13/2023	Federal Income Tax Withholdi...	30-22050-0000-1	1,370.74
Electronic Federal Tax Paymen...	INV0024270	07/13/2023	Federal Income Tax Withholdi...	31-22050-0000-1	438.98
Electronic Federal Tax Paymen...	INV0024270	07/13/2023	Federal Income Tax Withholdi...	32-22050-0000-1	748.89
Electronic Federal Tax Paymen...	INV0024270	07/13/2023	Federal Income Tax Withholdi...	34-22050-0000-1	117.75
Electronic Federal Tax Paymen...	INV0024271	07/13/2023	Social Security	01-22100-0000-1	3,295.28
Electronic Federal Tax Paymen...	INV0024271	07/13/2023	Social Security	20-22100-0000-1	175.78
Electronic Federal Tax Paymen...	INV0024271	07/13/2023	Social Security	30-22100-0000-1	2,227.32
Electronic Federal Tax Paymen...	INV0024271	07/13/2023	Social Security	31-22100-0000-1	886.36
Electronic Federal Tax Paymen...	INV0024271	07/13/2023	Social Security	32-22100-0000-1	2,287.76
Electronic Federal Tax Paymen...	INV0024271	07/13/2023	Social Security	34-22100-0000-1	221.14
Electronic Federal Tax Paymen...	INV0024276	07/13/2023	Medicare	01-22150-0000-1	770.78
Electronic Federal Tax Paymen...	INV0024276	07/13/2023	Medicare	20-22150-0000-1	41.12
Electronic Federal Tax Paymen...	INV0024276	07/13/2023	Medicare	30-22150-0000-1	520.96
Electronic Federal Tax Paymen...	INV0024276	07/13/2023	Medicare	31-22150-0000-1	207.28
Electronic Federal Tax Paymen...	INV0024276	07/13/2023	Medicare	32-22150-0000-1	534.90
Electronic Federal Tax Paymen...	INV0024276	07/13/2023	Medicare	34-22150-0000-1	51.70
Electronic Federal Tax Paymen...	INV0024304	07/13/2023	Federal Income Tax Withholdi...	01-22050-0000-1	5,353.51
Electronic Federal Tax Paymen...	INV0024304	07/13/2023	Federal Income Tax Withholdi...	30-22050-0000-1	15.22

Expense Approval Report

Payment Dates: 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Electronic Federal Tax Paymen...	INV0024304	07/13/2023	Federal Income Tax Withholdi...	32-22050-0000-1	15.20
Electronic Federal Tax Paymen...	INV0024305	07/13/2023	Social Security	01-22100-0000-1	8,491.16
Electronic Federal Tax Paymen...	INV0024305	07/13/2023	Social Security	30-22100-0000-1	26.20
Electronic Federal Tax Paymen...	INV0024305	07/13/2023	Social Security	32-22100-0000-1	26.22
Electronic Federal Tax Paymen...	INV0024310	07/13/2023	Medicare	01-22150-0000-1	1,985.82
Electronic Federal Tax Paymen...	INV0024310	07/13/2023	Medicare	30-22150-0000-1	6.12
Electronic Federal Tax Paymen...	INV0024310	07/13/2023	Medicare	32-22150-0000-1	6.14
Electronic Federal Tax Paymen...	INV0024311	07/13/2023	Federal Income Tax Withholdi...	30-22050-0000-1	1,073.82
Electronic Federal Tax Paymen...	INV0024312	07/13/2023	Social Security	30-22100-0000-1	837.00
Electronic Federal Tax Paymen...	INV0024315	07/13/2023	Medicare	30-22150-0000-1	195.76
Vendor EFTPS - Electronic Federal Tax Payment System Total:					33,979.58
Vendor: empowertrust - Empower Trust Company LLC					
Empower Trust Company LLC	INV0024243	07/13/2023	457 Employee Contribution	01-20800-0000-1	45.00
Empower Trust Company LLC	INV0024243	07/13/2023	457 Employee Contribution	30-20800-0000-1	135.00
Empower Trust Company LLC	INV0024243	07/13/2023	457 Employee Contribution	31-20800-0000-1	135.00
Empower Trust Company LLC	INV0024243	07/13/2023	457 Employee Contribution	32-20800-0000-1	135.00
Vendor empowertrust - Empower Trust Company LLC Total:					450.00
Vendor: Frontier - Frontier California Inc.					
Frontier California Inc.	530-198-2194-071304-5	07/05/2023	Frontier June 2023 53019821...	32-510-57800-0000-1	43.04
Frontier California Inc.	66179234370317155	07/06/2023	Frontier June2023 661792343...	01-185-57800-0000-1	95.75
Frontier California Inc.	INV66179233910702095	07/11/2023	Frontier July 2023 661792339...	30-500-57800-0000-1	215.46
Vendor Frontier - Frontier California Inc. Total:					354.25
Vendor: gotocom - GoTo Communications Inc					
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-105-57800-0000-1	8.74
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-110-57800-0000-1	27.32
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-115-57800-0000-1	30.60
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-140-57800-0000-1	30.60
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-150-57800-0000-1	262.30
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-155-57800-0000-1	8.74
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-160-57800-0000-1	8.74
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-165-57800-0000-1	24.70
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-175-57800-0000-1	30.60
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	01-180-57800-0000-1	36.50
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	20-200-57800-0000-1	0.66
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	30-500-57800-0000-1	155.86
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	31-505-57800-0000-1	64.48
GoTo Communications Inc	IN7102090023	07/06/2023	IN7102090023 GoTo Monthly...	32-510-57800-0000-1	140.77
Vendor gotocom - GoTo Communications Inc Total:					830.61
Vendor: Granite Auto Parts I - Granite Auto Parts Inc					
Granite Auto Parts Inc	INV 832551	07/11/2023	INV 832551 Fuel Cap for WW ...	32-510-56600-0000-1	24.89
Vendor Granite Auto Parts I - Granite Auto Parts Inc Total:					24.89
Vendor: Gregs Petroleum - Gregs Petroleum					
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-105-54000-0000-1	2.18
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-110-54000-0000-1	14.60
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-115-54000-0000-1	13.44
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-140-54000-0000-1	2.18
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-150-54000-0000-1	838.74
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-155-54000-0000-1	33.54
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-160-54000-0000-1	11.14
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-175-54000-0000-1	1.15
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	01-180-54000-0000-1	134.18
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	20-200-54000-0000-1	44.68
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	30-500-54000-0000-1	83.86
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	32-510-54000-0000-1	33.54
Gregs Petroleum	INV 392216	07/06/2023	Fuel INV 392216 06/27/23	34-520-54000-0000-1	67.09
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-105-54000-0000-1	2.87
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-110-54000-0000-1	19.26
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-115-54000-0000-1	17.74
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-140-54000-0000-1	2.87

Expense Approval Report

Payment Dates: 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-150-54000-0000-1	1,107.07
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-155-54000-0000-1	44.28
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-160-54000-0000-1	14.70
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-175-54000-0000-1	1.52
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	01-180-54000-0000-1	177.10
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	20-200-54000-0000-1	58.98
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	30-500-54000-0000-1	110.69
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	32-510-54000-0000-1	44.28
Gregs Petroleum	INV 393338	07/06/2023	Fuel 06/30/23 INV 393338	34-520-54000-0000-1	88.55
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-105-54000-0000-1	1.76
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-110-54000-0000-1	11.80
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-115-54000-0000-1	10.87
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-140-54000-0000-1	1.76
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-150-54000-0000-1	678.12
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-155-54000-0000-1	27.12
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-160-54000-0000-1	9.01
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-175-54000-0000-1	0.93
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	01-180-54000-0000-1	108.48
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	20-200-54000-0000-1	36.13
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	30-500-54000-0000-1	67.80
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	32-510-54000-0000-1	27.12
Gregs Petroleum	INV 393604	07/06/2023	Fuel INV 393604 07/04/23	34-520-54000-0000-1	54.24
Vendor Gregs Petroleum - Gregs Petroleum Total:					4,005.37

Vendor: Haaker Equipment Co. - Haaker Equipment Co.

Haaker Equipment Co.	INV W5A06H	07/06/2023	INV W5A06H OIL,CABIN FIL.OI...	30-500-56410-0000-1	2,705.14
Haaker Equipment Co.	INV INT08890	07/11/2023	INV INT08890 Interest Charge...	30-500-56410-0000-1	57.58
Vendor Haaker Equipment Co. - Haaker Equipment Co. Total:					2,762.72

Vendor: Hodges - Hodges Law Group

Hodges Law Group	INV 00523	07/06/2023	INV 00523 Legal Services June...	01-130-56100-0000-1	11,281.50
Vendor Hodges - Hodges Law Group Total:					11,281.50

Vendor: Home Depot - Home Depot

Home Depot	INV0024229	07/11/2023	Auth Code 027155/4511059 S...	01-180-57400-0000-1	82.04
Home Depot	INV0024229	07/11/2023	Auth Code 027155/4511059 S...	20-200-57400-0000-1	40.00
Home Depot	INV0024230	07/11/2023	Auth Code 013954/8541269 P...	01-190-57400-0000-1	113.46
Home Depot	INV0024231	07/11/2023	Auth Code 030028/15611301...	01-190-57400-0000-1	37.06
Home Depot	INV0024232	07/11/2023	Auth Code 019001/2533767 T...	01-180-57400-0000-1	33.48
Home Depot	INV0024233	07/11/2023	Auth Code 014343/7515386 B...	01-190-57400-0000-1	47.50
Home Depot	INV0024234	07/11/2023	Auth Code 013055/8063675 P...	32-510-57400-0000-1	174.48
Home Depot	INV0024235	07/11/2023	Auth Code 019666/2510271 ...	01-180-57400-0000-1	40.96
Home Depot	INV0024236	07/11/2023	Auth Code 003370/8522321 L...	32-510-57400-0000-1	56.05
Vendor Home Depot - Home Depot Total:					625.03

Vendor: Triple A Contruction - Ignacio Alejandro Ayon

Ignacio Alejandro Ayon	INV 1598 (Second Installment ...	07/06/2023	Triple A Construct. Kitchen R...	25-000-52910-0000-1	3,700.00
Ignacio Alejandro Ayon	INV 1599 (Second Installment ...	07/06/2023	Triple A Construct. Kitchen R...	25-000-52910-0000-1	6,030.00
Vendor Triple A Contruction - Ignacio Alejandro Ayon Total:					9,730.00

Vendor: Irrigation Concepts - Irrigation Concepts

Irrigation Concepts	INV 47704	07/11/2023	INV 47704 Pull and Clean San ...	30-500-57400-0000-1	292.50
Irrigation Concepts	INV 47706	07/11/2023	INV 47706 Pull Pumps Garzoli...	30-500-57400-0000-1	585.00
Irrigation Concepts	INV 47715	07/11/2023	INV 47715 Pull and Clean Pum...	30-500-57400-0000-1	195.00
Vendor Irrigation Concepts - Irrigation Concepts Total:					1,072.50

Vendor: Jasmine Martinez - Jasmine Martinez

Jasmine Martinez	INV0024226	07/06/2023	Martinez, Jasmine Veteran Hal...	01-24000-0000-1	350.00
Vendor Jasmine Martinez - Jasmine Martinez Total:					350.00

Vendor: JESSICA ORTEGA - JESSICA ORTEGA

JESSICA ORTEGA	INV0024223	07/06/2023	Ortega, Jessica Veteran Hall R...	01-24000-0000-1	350.00
Vendor JESSICA ORTEGA - JESSICA ORTEGA Total:					350.00

Vendor: Jim Burke - Jim Burke

Jim Burke	INV 721632	07/06/2023	INV 721632 Repair and Maint...	01-150-56600-0000-1	83.99
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Expense Approval Report

Payment Dates: 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Jim Burke	INV 721722	07/06/2023	INV 721722 Repair and Maint...	01-150-56600-0000-1	253.01
Jim Burke	INV 722201	07/06/2023	INV 722201 Repair and Maint...	01-150-56600-0000-1	83.99
Jim Burke	INV 724328	07/06/2023	INV 724328 Repair and Maint...	01-150-56600-0000-1	117.75
Jim Burke	INV 729391	07/06/2023	INV 729391 Repair and Maint...	01-150-56600-0000-1	3,002.51
Jim Burke	INV 729714	07/06/2023	INV 729714 Repair and Maint...	01-150-56600-0000-1	124.91
Jim Burke	INV 729750	07/06/2023	INV 729750 Repair and Maint...	01-150-56600-0000-1	83.99
Jim Burke	INV 729888	07/06/2023	INV 729888 Check Engine Light	01-150-56600-0000-1	137.91
Jim Burke	INV 730465	07/06/2023	INV 730465 Repair and Maint...	01-150-56600-0000-1	83.99
Jim Burke	INV 721717	07/11/2023	INV 721717 Repair and Maint...	01-150-56600-0000-1	248.99
Vendor Jim Burke - Jim Burke Total:					4,221.04

Vendor: John Hancock - John Hancock

John Hancock	INV0024240	07/13/2023	401K - Employer	01-20800-0000-1	1,409.58
John Hancock	INV0024240	07/13/2023	401K - Employer	30-20800-0000-1	1,408.34
John Hancock	INV0024240	07/13/2023	401K - Employer	31-20800-0000-1	581.07
John Hancock	INV0024240	07/13/2023	401K - Employer	32-20800-0000-1	1,355.19
John Hancock	INV0024241	07/13/2023	401K - Employee	01-20800-0000-1	242.60
John Hancock	INV0024241	07/13/2023	401K - Employee	20-20800-0000-1	85.06
John Hancock	INV0024241	07/13/2023	401K - Employee	30-20800-0000-1	315.79
John Hancock	INV0024241	07/13/2023	401K - Employee	31-20800-0000-1	216.18
John Hancock	INV0024241	07/13/2023	401K - Employee	32-20800-0000-1	441.50
John Hancock	INV0024242	07/13/2023	401K - Employer	20-20800-0000-1	141.76
John Hancock	INV0024250	07/13/2023	401K Loan 1	32-20800-0000-1	32.25
John Hancock	INV0024251	07/13/2023	401K Loan 1	01-20800-0000-1	160.26
John Hancock	INV0024252	07/13/2023	401K Loan 2	01-20800-0000-1	182.65
John Hancock	INV0024253	07/13/2023	401K Loan 3	01-20800-0000-1	35.74
John Hancock	INV0024253	07/13/2023	401K Loan 3	30-20800-0000-1	26.80
John Hancock	INV0024253	07/13/2023	401K Loan 3	32-20800-0000-1	26.79
John Hancock	INV0024254	07/13/2023	401K Loan 3	32-20800-0000-1	25.60
John Hancock	INV0024255	07/13/2023	401K Loan 4	34-20800-0000-1	75.00
John Hancock	INV0024256	07/13/2023	401K Loan 4	01-20800-0000-1	120.02
John Hancock	INV0024256	07/13/2023	401K Loan 4	31-20800-0000-1	15.01
John Hancock	INV0024256	07/13/2023	401K Loan 4	34-20800-0000-1	14.97
John Hancock	INV0024257	07/13/2023	401K Loan 4	01-20800-0000-1	42.12
John Hancock	INV0024257	07/13/2023	401K Loan 4	31-20800-0000-1	5.27
John Hancock	INV0024257	07/13/2023	401K Loan 4	34-20800-0000-1	5.26
John Hancock	INV0024258	07/13/2023	401k Contribution	01-20800-0000-1	1,246.48
John Hancock	INV0024259	07/13/2023	401k Contribution	32-20800-0000-1	151.73
John Hancock	INV0024260	07/13/2023	401k Contribution	30-20800-0000-1	89.82
John Hancock	INV0024261	07/13/2023	401k Contribution	01-20800-0000-1	230.08
John Hancock	INV0024261	07/13/2023	401k Contribution	31-20800-0000-1	28.76
John Hancock	INV0024261	07/13/2023	401k Contribution	34-20800-0000-1	28.76
John Hancock	INV0024262	07/13/2023	401k Contribution	34-20800-0000-1	148.96
John Hancock	INV0024263	07/13/2023	401k Contribution	01-20800-0000-1	356.90
John Hancock	INV0024264	07/13/2023	401k Contribution	01-20800-0000-1	446.16
John Hancock	INV0024264	07/13/2023	401k Contribution	30-20800-0000-1	178.47
John Hancock	INV0024264	07/13/2023	401k Contribution	31-20800-0000-1	89.23
John Hancock	INV0024264	07/13/2023	401k Contribution	32-20800-0000-1	178.45
John Hancock	INV0024277	07/13/2023	401K - Employer	01-20800-0000-1	4,136.38
John Hancock	INV0024277	07/13/2023	401K - Employer	30-20800-0000-1	21.14
John Hancock	INV0024277	07/13/2023	401K - Employer	32-20800-0000-1	21.11
John Hancock	INV0024278	07/13/2023	401K - Employee	01-20800-0000-1	3,134.80
John Hancock	INV0024285	07/13/2023	401K Loan 1	01-20800-0000-1	89.29
John Hancock	INV0024286	07/13/2023	401K Loan 1	01-20800-0000-1	138.52
John Hancock	INV0024287	07/13/2023	401K Loan 1	01-20800-0000-1	117.75
John Hancock	INV0024288	07/13/2023	401k Contribution	01-20800-0000-1	306.37
John Hancock	INV0024289	07/13/2023	401k Contribution	01-20800-0000-1	332.91
John Hancock	INV0024290	07/13/2023	401k Contribution	01-20800-0000-1	184.70
John Hancock	INV0024291	07/13/2023	401k Contribution	01-20800-0000-1	297.28
John Hancock	INV0024292	07/13/2023	401k Contribution	01-20800-0000-1	240.72
John Hancock	INV0024293	07/13/2023	401k Contribution	01-20800-0000-1	267.96

Expense Approval Report

Payment Dates: 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
John Hancock	INV0024294	07/13/2023	401k Contribution	01-20800-0000-1	547.28
John Hancock	INV0024295	07/13/2023	401k Contribution	01-20800-0000-1	339.74
John Hancock	INV0024296	07/13/2023	401k Contribution	01-20800-0000-1	256.48
John Hancock	INV0024297	07/13/2023	401K Contribution	01-20800-0000-1	400.00
John Hancock	INV0024298	07/13/2023	401K Contribution	01-20800-0000-1	400.00
John Hancock	INV0024299	07/13/2023	401K Contribution	01-20800-0000-1	400.00
John Hancock	INV0024300	07/13/2023	401K Contribution	01-20800-0000-1	400.00
John Hancock	INV0024301	07/13/2023	401K Contribution	01-20800-0000-1	400.00
Vendor John Hancock - John Hancock Total:					22,571.04
Vendor: Jorge's Smog & Repai - Jorge's Smog & Repai					
Jorge's Smog & Repai	INV 018404	07/06/2023	INV 018404 A/C Service	01-150-56600-0000-1	213.08
Jorge's Smog & Repai	INV 018425	07/06/2023	INV 018425 Replace Transmiss...	01-150-56600-0000-1	835.02
Jorge's Smog & Repai	INV 018446	07/06/2023	INV 018446 Oil Change	01-150-56600-0000-1	80.00
Jorge's Smog & Repai	INV 017276	07/11/2023	INV 017276 Oil Change and Le...	01-180-56600-0000-1	379.57
Vendor Jorge's Smog & Repai - Jorge's Smog & Repai Total:					1,507.67
Vendor: J's Automotive - J's Automotive					
J's Automotive	INV 13115	07/06/2023	INV 13115 Vehicle Maintenan...	01-150-56600-0000-1	182.00
J's Automotive	INV 13116	07/06/2023	INV 13116 Tow	01-150-56600-0000-1	182.00
J's Automotive	INV 13139	07/06/2023	INV 13139 Tow	01-150-56600-0000-1	325.00
J's Automotive	INV 9661	07/06/2023	INV 9661 Tires and Brakes	01-150-56600-0000-1	1,020.19
J's Automotive	INV 13145	07/11/2023	INV 13145 Repair	01-150-56600-0000-1	182.00
Vendor J's Automotive - J's Automotive Total:					1,891.19
Vendor: K.C. Waste - K.C. Waste					
K.C. Waste	INV0024224	07/06/2023	June 2023 Gate Fees	31-505-52800-0000-1	5,109.65
Vendor K.C. Waste - K.C. Waste Total:					5,109.65
Vendor: KOEFRAN - Koefran Industries, Inc.					
Koefran Industries, Inc.	INV 0000553544	07/11/2023	INV 0000553544 Monthly Ani...	01-155-51100-0000-1	220.50
Vendor KOEFRAN - Koefran Industries, Inc. Total:					220.50
Vendor: Leaf - LEAF Capital Funding LLC					
LEAF Capital Funding LLC	INV 14970366	07/06/2023	INV 14970366 Xerox C8155	01-130-52200-0000-1	400.53
Vendor Leaf - LEAF Capital Funding LLC Total:					400.53
Vendor: McFarland Tire - McFarland Tire					
McFarland Tire	INV 30698	07/11/2023	INV 30698 New tires on Kubot...	01-180-56430-0000-1	165.00
McFarland Tire	INV 30698	07/11/2023	INV 30698 New tires on Kubot...	32-510-56410-0000-1	165.00
Vendor McFarland Tire - McFarland Tire Total:					330.00
Vendor: Nutrien Ag Solutions - Nutrien Ag Solutions, Inc.					
Nutrien Ag Solutions, Inc.	INV 51665311	07/06/2023	ROUND UP FOR WATER DIVIS...	32-510-57400-0000-1	1,234.05
Nutrien Ag Solutions, Inc.	INV 51689414	07/06/2023	INV 51689414 GLUFOSINATE-...	30-500-56410-0000-1	692.80
Vendor Nutrien Ag Solutions - Nutrien Ag Solutions, Inc. Total:					1,926.85
Vendor: Office Depot - Office Depot					
Office Depot	INV 319732986	07/06/2023	Order 319732986 Office Suppl...	01-140-57200-0000-1	52.63
Office Depot	INV 319732986	07/06/2023	Order 319732986 Office Suppl...	01-160-57200-0000-1	52.89
Office Depot	INV 319732986	07/06/2023	Order 319732986 Office Suppl...	01-175-57200-0000-1	50.00
Office Depot	INV 301877007001	07/11/2023	INV 301877007001 Stamp, Pa...	01-180-57200-0000-1	27.24
Office Depot	INV 301877007001	07/11/2023	INV 301877007001 Stamp, Pa...	32-510-57200-0000-1	27.24
Office Depot	INV 301877007001	07/11/2023	INV 301877007001 Stamp, Pa...	34-520-57200-0000-1	27.24
Office Depot	INV 318956774001	07/11/2023	INV 318956774001 Finance Of...	30-500-57200-0000-1	21.26
Office Depot	INV 318956774001	07/11/2023	INV 318956774001 Finance Of...	31-505-57200-0000-1	21.26
Office Depot	INV 318956774001	07/11/2023	INV 318956774001 Finance Of...	32-510-57200-0000-1	28.33
Vendor Office Depot - Office Depot Total:					308.09
Vendor: Pace Analytical Serv - Pace Analytical Services, LLC					
Pace Analytical Services, LLC	INV B478009	07/11/2023	INV B478009 Effluent/Influent...	32-510-58200-0000-1	207.30
Pace Analytical Services, LLC	INV B478520	07/11/2023	INV B478520 Bacteriological-...	32-510-58200-0000-1	142.20
Pace Analytical Services, LLC	INV B478699	07/11/2023	INV B478699 Bacteriological-...	32-510-58200-0000-1	259.40
Vendor Pace Analytical Serv - Pace Analytical Services, LLC Total:					608.90
Vendor: R&F Disposal - R&F Disposal					
R&F Disposal	INV 345710	07/05/2023	R&F City Hall INV 345710 Roll...	01-180-58050-0000-1	396.50

Expense Approval Report

Payment Dates: 7/5/2023 - 7/18/2023

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
R&F Disposal	INV 630232	07/05/2023	R&F June 2023 INV 630232	01-185-58050-0000-1	93.72
R&F Disposal	INV 630233	07/05/2023	R&F June 2023 INV 630233 S...	30-500-58050-0000-1	143.56
R&F Disposal	INV 630234	07/05/2023	R&F June 2023 INV 630234 Bl...	01-180-58050-0000-1	143.56
R&F Disposal	INV 630235	07/05/2023	R&F June 2023 INV 630235 3y...	01-155-58050-0000-1	143.56
R&F Disposal	INV 630236	07/05/2023	R&F June 2023 INV 630236 Pol...	01-150-52200-0000-1	107.32
Vendor R&F Disposal - R&F Disposal Total:					1,028.22

Vendor: SJVA - San Joaquin Valley Air Pollution Control District

San Joaquin Valley Air Pollutio...	INV S171554	07/11/2023	INV S171554 - 23/24 Annual P...	32-510-53250-0000-1	900.00
Vendor SJVA - San Joaquin Valley Air Pollution Control District Total:					900.00

Vendor: SECURE SYSTEMS - SECURE SYSTEMS

SECURE SYSTEMS	INV P768846	07/06/2023	INV P768846 Seatrain Police ...	01-150-52200-0000-1	2,650.00
SECURE SYSTEMS	INV P768846	07/06/2023	INV P768846 Animal Shelter ...	01-155-52200-0000-1	1,200.00
SECURE SYSTEMS	INV P768846	07/06/2023	INV P768846 City Hall COM 1	01-190-52200-0000-1	1,850.00
SECURE SYSTEMS	INV P768846	07/06/2023	INV P768846 Waste Water C...	30-500-52200-0000-1	1,400.00
SECURE SYSTEMS	INV P768846	07/06/2023	INV P768846 Storage Tank C...	32-510-52200-0000-1	1,200.00
SECURE SYSTEMS	INV P768846	07/06/2023	INV P768846 Well 6 COM 3	32-510-52200-0000-1	1,000.00
SECURE SYSTEMS	INV R258499	07/11/2023	INV R258499 Service monitori...	01-150-52200-0000-1	64.00
SECURE SYSTEMS	INV R258499	07/11/2023	INV R258499 Service monitori...	01-185-52200-0000-1	69.00
SECURE SYSTEMS	INV R258499	07/11/2023	INV R258499 Service monitori...	01-190-52200-0000-1	31.00
SECURE SYSTEMS	INV R258499	07/11/2023	INV R258499 Service monitori...	30-500-52200-0000-1	52.00
SECURE SYSTEMS	INV R258499	07/11/2023	INV R258499 Service monitori...	32-510-52200-0000-1	156.00
Vendor SECURE SYSTEMS - SECURE SYSTEMS Total:					9,672.00

Vendor: SPD - SPD

SPD	INV 19278	07/06/2023	INV 19278 Water Report News...	32-510-55800-0000-1	3,085.13
Vendor SPD - SPD Total:					3,085.13

Vendor: Telstar Instruments - Telstar Instruments

Telstar Instruments	INV 117055	07/06/2023	INV 117055 Hours,Tools,Fuel ...	30-500-56410-0000-1	6,066.00
Vendor Telstar Instruments - Telstar Instruments Total:					6,066.00

Vendor: THE BANCORP - THE BANCORP BANK

THE BANCORP BANK	INV 601845	07/06/2023	INV 601845 July Lease Rental ...	01-150-58900-0000-1	7,227.09
Vendor THE BANCORP - THE BANCORP BANK Total:					7,227.09

Vendor: Torpedo - Torpedo Pest Control

Torpedo Pest Control	INV 1385	07/11/2023	INV 1385 General Pest Service..	01-185-52200-0000-1	237.50
Torpedo Pest Control	INV 1385	07/11/2023	INV 1385 General Pest Service..	01-190-52200-0000-1	237.50
Vendor Torpedo - Torpedo Pest Control Total:					475.00

Vendor: United States Postal - United States Postal

United States Postal	INV0024238	07/12/2023	Business License Renewals 23...	01-111-55600-0000-1	560.00
United States Postal	INV0024239	07/12/2023	YEARLY CCR REPORT POSTAGE...	32-510-55600-0000-1	2,100.00
Vendor United States Postal - United States Postal Total:					2,660.00

Vendor: UNWIREDBROADBAND - unWired Broadband LLC

unWired Broadband LLC	INV 01703163	07/11/2023	INV 01703163 Internet Month...	01-155-57800-0000-1	144.99
unWired Broadband LLC	INV 01703163	07/11/2023	INV 01703163 Internet Month...	30-500-57800-0000-1	145.00
Vendor UNWIREDBROADBAND - unWired Broadband LLC Total:					289.99

Vendor: Vernon C. Sorenson - Vernon C. Sorenson

Vernon C. Sorenson	INV 00520280-00	07/06/2023	INV 00520280-00 P. Saldana P...	01-140-56000-0000-1	250.00
Vernon C. Sorenson	INV 00520471-00	07/06/2023	INV 00520471-00 C. Perez Phy...	01-180-56000-0000-1	215.00
Vernon C. Sorenson	INV 00521730-00	07/06/2023	INV 00521730-00 M. Robles P...	32-510-56000-0000-1	215.00
Vendor Vernon C. Sorenson - Vernon C. Sorenson Total:					680.00

Vendor: Visual Edge - Visual Edge IT, Inc.

Visual Edge IT, Inc.	INV 24AR911559	07/06/2023	INV 24AR911559 Contract Cha...	01-130-54800-0000-1	1,172.56
Vendor Visual Edge - Visual Edge IT, Inc. Total:					1,172.56

Vendor: Rain for Rent - Western Oilfields Supply Company

Western Oilfields Supply Com...	INV 189466	07/11/2023	INV 189466 Bush Red, Valve, N...	32-510-57400-0000-1	172.83
Vendor Rain for Rent - Western Oilfields Supply Company Total:					172.83

Expense Approval Report**Payment Dates: 7/5/2023 - 7/18/2023**

Vendor Name	Payable Number	Post Date	Description (Item)	Account Number	Amount
Vendor: WILLDAN - WILLDAN					
WILLDAN	INV 010-53896	07/11/2023	INV 010-53896 Development ...	01-140-56000-0000-1	1,897.00
Vendor WILLDAN - WILLDAN Total:					1,897.00
Grand Total:					218,625.23

Report Summary

Fund Summary

Fund	Payment Amount
01 - GENERAL FUND	136,868.97
20 - LIGHTING & LANDSCAPING-DISTRICT 1	5,135.49
25 - CAPITAL IMPROVEMENTS PROJECTS	9,730.00
30 - SEWER	30,702.29
31 - REFUSE/RECYCLING	10,289.88
32 - WATER	23,902.47
34 - PUBLIC TRANSPORTATION	1,996.13
Grand Total:	218,625.23

Account Summary

Account Number	Account Name	Payment Amount
01-105-54000-0000-1	Fuel	6.81
01-105-57800-0000-1	Telephone & Communic...	8.74
01-110-54000-0000-1	Fuel	45.66
01-110-57800-0000-1	Telephone & Communic...	27.32
01-111-52200-0000-1	Contract Services	350.00
01-111-55600-0000-1	Postage	560.00
01-115-54000-0000-1	Fuel	42.05
01-115-57200-0000-1	Supplies - Office	30.05
01-115-57800-0000-1	Telephone & Communic...	30.60
01-130-52200-0000-1	Contract Services	400.53
01-130-54800-0000-1	Maintenance Agreements	1,172.56
01-130-56000-0000-1	Professional Services - O...	13,357.75
01-130-56050-0000-1	Accounting/Auditing Ser...	2,659.80
01-130-56100-0000-1	Legal Services	11,281.50
01-140-52200-0000-1	Contract Services	2,943.50
01-140-54000-0000-1	Fuel	6.81
01-140-55200-0000-1	Miscellaneous	125.27
01-140-56000-0000-1	Professional Services - O...	7,147.00
01-140-57200-0000-1	Supplies - Office	52.63
01-140-57800-0000-1	Telephone & Communic...	30.60
01-150-51800-0000-1	Clothing Allowance	105.62
01-150-52010-0000-1	Conference/Meeting/Tr...	737.50
01-150-52200-0000-1	Contract Services	2,904.12
01-150-53200-0000-1	Dues & Subscriptions	415.00
01-150-54000-0000-1	Fuel	3,023.93
01-150-56600-0000-1	Repairs & Maintenance -...	20,384.81
01-150-57800-0000-1	Telephone & Communic...	262.30
01-150-58900-0000-1	Debt Principal	7,227.09
01-155-51100-0000-1	Animal Disposal	220.50
01-155-52200-0000-1	Contract Services	1,200.00
01-155-54000-0000-1	Fuel	104.94
01-155-57800-0000-1	Telephone & Communic...	153.73
01-155-58050-0000-1	Utilities Other	143.56
01-160-54000-0000-1	Fuel	34.85
01-160-57200-0000-1	Supplies - Office	52.89
01-160-57800-0000-1	Telephone & Communic...	8.74
01-165-54000-0000-1	Fuel	158.06
01-165-56600-0000-1	Repairs & Maintenance -...	678.57
01-165-57800-0000-1	Telephone & Communic...	24.70
01-175-54000-0000-1	Fuel	3.60
01-175-57200-0000-1	Supplies - Office	50.00
01-175-57800-0000-1	Telephone & Communic...	30.60
01-180-51800-0000-1	Clothing Allowance	68.12
01-180-54000-0000-1	Fuel	419.76
01-180-56000-0000-1	Professional Services - O...	279.00
01-180-56430-0000-1	Repairs & Maintenance -...	165.00

Account Summary

Account Number	Account Name	Payment Amount
01-180-56600-0000-1	Repairs/Maintenance - ...	379.57
01-180-57200-0000-1	Supplies - Office	27.24
01-180-57400-0000-1	Supplies - Operating	156.48
01-180-57800-0000-1	Telephone & Communic...	36.50
01-180-58050-0000-1	Utilities Other	839.34
01-185-52200-0000-1	Contract Services	306.50
01-185-57800-0000-1	Telephone & Communic...	95.75
01-185-58050-0000-1	Utilities Other	93.72
01-190-52200-0000-1	Contract Services	2,118.50
01-190-56400-0000-1	Repairs & Maint - Build &..	876.00
01-190-57400-0000-1	Supplies - Operating	198.02
01-20800-0000-1	Pension Payable	16,907.77
01-22050-0000-1	Federal Withholding Pay...	7,404.18
01-22100-0000-1	FICA Payable	11,786.44
01-22150-0000-1	Medicare Payable	2,756.60
01-22200-0000-1	State Withholding Payab...	3,682.99
01-22250-0000-1	SUTA Payable	55.26
01-22275-0000-1	ETT Payable	1.37
01-22350-0000-1	Garnishments	369.23
01-22600-0000-1	Health FSA	60.57
01-22700-0000-1	Disablity LTD	252.92
01-22800-0000-1	Accident	27.64
01-22900-0000-1	Life	159.31
01-22950-0000-1	Cancer-American Fidelity	14.41
01-24000-0000-1	Deposits	1,050.00
01-310-52200-0000-1	Contract Services	8,076.49
20-200-51800-0000-1	Clothing Allowance	13.44
20-200-52200-0000-1	Contract Services	4,485.12
20-200-54000-0000-1	Fuel	139.79
20-200-57400-0000-1	Supplies - Operating	40.00
20-200-57800-0000-1	Telephone & Communic...	0.66
20-20800-0000-1	Pension Payable	226.82
20-22100-0000-1	FICA Payable	175.78
20-22150-0000-1	Medicare Payable	41.12
20-22200-0000-1	State Withholding Payab...	12.76
25-000-52910-0000-1	Buildings & Improvemen...	9,730.00
30-20800-0000-1	Pension Payable	2,175.36
30-22050-0000-1	Federal Withholding Pay...	2,459.78
30-22100-0000-1	FICA Payable	3,090.52
30-22150-0000-1	Medicare Payable	722.84
30-22200-0000-1	State Withholding Payab...	1,138.93
30-22250-0000-1	SUTA Payable	10.10
30-22275-0000-1	ETT Payable	0.25
30-22600-0000-1	Health FSA	83.07
30-22700-0000-1	Disablity LTD	87.62
30-22800-0000-1	Accident	27.45
30-22900-0000-1	Life	91.23
30-22950-0000-1	Cancer- American Fidelity	24.66
30-500-51800-0000-1	Clothing Allowance	50.41
30-500-52200-0000-1	Contract Services	2,627.37
30-500-54000-0000-1	Fuel	691.15
30-500-55600-0000-1	Postage	592.89
30-500-56050-0000-1	Accounting/Auditing Ser...	2,659.80
30-500-56410-0000-1	Repairs & Maintenance ...	12,175.08
30-500-57200-0000-1	Supplies - Office	111.40
30-500-57400-0000-1	Supplies - Operating	1,222.50
30-500-57800-0000-1	Telephone & Communic...	516.32
30-500-58050-0000-1	Utilities Other	143.56

Account Summary

Account Number	Account Name	Payment Amount
31-20800-0000-1	Pension Payable	1,070.52
31-22050-0000-1	Federal Withholding Pay...	438.98
31-22100-0000-1	FICA Payable	886.36
31-22150-0000-1	Medicare Payable	207.28
31-22200-0000-1	State Withholding Payab...	270.10
31-22250-0000-1	SUTA Payable	6.74
31-22275-0000-1	ETT Payable	0.17
31-22600-0000-1	Health FSA	50.19
31-22700-0000-1	Disablity LTD	9.89
31-22900-0000-1	Life	10.63
31-22950-0000-1	Cancer-American Fidelity	2.62
31-505-52200-0000-1	Contract Services	230.37
31-505-52800-0000-1	County Waste Managem...	5,109.65
31-505-55600-0000-1	Postage	592.89
31-505-56050-0000-1	Accounting/Auditing Ser...	1,227.60
31-505-57200-0000-1	Supplies - Office	111.41
31-505-57800-0000-1	Telephone & Communic...	64.48
32-20800-0000-1	Pension Payable	2,367.62
32-22050-0000-1	Federal Withholding Pay...	764.09
32-22100-0000-1	FICA Payable	2,313.98
32-22150-0000-1	Medicare Payable	541.04
32-22200-0000-1	State Withholding Payab...	496.04
32-22250-0000-1	SUTA Payable	67.92
32-22275-0000-1	ETT Payable	1.71
32-22600-0000-1	Health FSA	108.08
32-22700-0000-1	Disablity LTD	44.80
32-22900-0000-1	Life	24.63
32-22950-0000-1	Cancer-American Fidelity	2.59
32-510-51800-0000-1	Clothing Allowance	16.14
32-510-52200-0000-1	Contract Services	2,587.07
32-510-53250-0000-1	Permits & Certificates	900.00
32-510-54000-0000-1	Fuel	240.15
32-510-55600-0000-1	Postage	2,694.66
32-510-55800-0000-1	Printing & Legal Notices	3,085.13
32-510-56000-0000-1	Professional Services - O...	215.00
32-510-56050-0000-1	Accounting/Auditing Ser...	2,762.10
32-510-56410-0000-1	Repairs & Maintenance- ...	165.00
32-510-56600-0000-1	Repairs & Maintenance -...	24.89
32-510-57200-0000-1	Supplies - Office	145.72
32-510-57400-0000-1	Supplies - Operating	3,541.40
32-510-57800-0000-1	Telephone & Communic...	183.81
32-510-58200-0000-1	Water/Soil/Other Analys...	608.90
34-20800-0000-1	Pension Payable	272.95
34-22050-0000-1	Federal Withholding Pay...	117.75
34-22100-0000-1	FICA Payable	221.14
34-22150-0000-1	Medicare Payable	51.70
34-22200-0000-1	State Withholding Payab...	45.84
34-22700-0000-1	Disablity LTD	30.76
34-22800-0000-1	Accident	15.41
34-22900-0000-1	Life	57.99
34-22950-0000-1	Cancer-American Fidelity	24.77
34-520-54000-0000-1	Fuel	209.88
34-520-56050-0000-1	Accounting/Auditing Ser...	920.70
34-520-57200-0000-1	Supplies - Office	27.24
Grand Total:		218,625.23

Project Account Summary

Project Account Key
None

Payment Amount
218,625.23
218,625.23

Grand Total:

REGULAR CITY COUNCIL MINUTES
IN PERSON MEETING
June 22, 2023

McFARLAND CITY COUNCIL
McFARLAND SUCCESSOR AGENCY
McFARLAND PUBLIC FINANCE AUTHORITY
McFARLAND IMPROVEMENT AUTHORITY
McFARLAND PARKING AUTHORITY

CALL TO ORDER

Mayor S. Ayon called the meeting to order at 6:00 p.m.

ROLL CALL

Councilmembers Present: Mayor S. Ayon, Vice Mayor Cano, Councilmember A. Ayon, Councilmember Pérez.

Councilmembers Absent: Councilmember Gonzalez

OFFICIALS PRESENT

City Manager Williams, Chief of Police Knox, City Attorney Hodges, Community Development Director Paul Saldana, Finance Director Viramontes, Human Resources Director McCuan, City Clerk Alvarado

Officials Absent: Interim Public Works Director Jacobs

INVOCATION

Pastor Henry Robledo

PLEDGE OF ALLEGIANCE

Mayor Ayon

PET OF THE WEEK

Is a feature that highlights a pet available for adoption from the McFarland Animal Shelter.

Chief of Police Knox presented the featured pet of the week to City Council Members and the Community. He informed that this pet was available for immediate adoption.

PRESENTATIONS, INTRODUCTIONS AND AWARDS

1. Proclamation Declaring June 26-30 National Boys & Girls Week- Presented to Fanny Gama, Area Program Director for the Boys and Girls Club of Kern County
 - **Mayor Ayon presented a proclamation to the Boys and Girls Club Area Program Director, Fanny Gama.**
 - **Claribel Gutierrez, Field Representative for Assembly Women Jasmeet Bains presented a certificate of recognition to the Boys and Girls Club.**
2. Proclamation Proclaiming June 25th to be La Iglesia del Salvador Viviente Day - Presented to Henry Robledo and Tony Blanco of La Iglesia Del Salvador Viviente
 - **Mayor Ayon presented a proclamation to La Iglesia del Salvador Viviente.**
 - **Claribel Gutierrez, Field Representative for Assembly Women Jasmeet Bains presented a certificate of recognition to La Iglesia del Salvador Viviente.**
3. Illegal Fireworks- Kern County Fire Department, Chief Joe Appleton
 - **Chief Joe Appleton informed the community of illegal firework prevention and enforcement.**

PUBLIC COMMENTS

1. Emily Engelsguard- The CrisCom Company
 - Regarding Subject: Grants
2. Gloria Herrera, 348 San Pedro Street McFarland

3. Maria Jacinto, 343 Mt. Arbor Street McFarland

DEPARTMENTAL REPORTS

None

CONSENT AGENDA: The Consent Agenda consists of items that in staff's opinion are routine and non-controversial. These items are approved in one motion unless a Council Member/ Board Member or Member from the Public requests to remove a particular item.

4. Approval of Expense Report in the Amount of \$ 393,787.99 from May 31, 2023 to June 13, 2023.
5. Approval of May 25, 2023 Regular Meeting Minutes.
6. Approval of June 08, 2023 Regular Meeting Minutes.

Public Comments: None

Motion was made by: Councilmember A. Ayon to approve the entire consent agenda; 2nd by: Vice Mayor Cano.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

PUBLIC HEARINGS

None

ADMINISTRATIVE AGENDA

7. Report, Discuss, and Possibly Approve Resolution No. 2023- 0076, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING AND ADOPTING THE ANNUAL APPROPRIATIONS LIMIT FOR THE FISCAL YEAR 2023-24.
 - o Staff report was presented by: Finance Director Viramontes
 - o No Comments from the public were presented.
 - o Motion was made by: Cano 2nd by: A. Ayon to approve Resolution No. 2023-0076.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

8. Report, Discuss, and Possibly Approve Resolution NO. 2023-0077, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING THE CITY'S ANNUAL OPERATING BUDGET FOR THE FISCAL YEAR 2023-24 AND 2023-28 CAPITAL IMPROVEMENT PROGRAM.
 - o Budget Presentation by: Finance Director Viramontes
 - o No Comments from the public were presented.
 - o Motion was made by: Amador Ayon 2nd by: Pérez to approve Resolution No. 2023-0077.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

9. Report, Discuss, and Possibly Approve Resolution No. 2023-0079, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING THE COMPLETION OF THE ZERO-EMISSION BUS INNOVATIVE CLEAN TRANSIT PLAN BY WILLDAN ENERGY SOLUTIONS AND AUTHORIZING STAFF TO SUBMIT THE PLAN TO THE CALIFORNIA AIR RESOURCES BOARD.

- Brief Presentation: David Sneed, Project Manager, Willdan- via Zoom
- Staff report presented by: Interim Public Works Director Jacobs
- No comments from the public were presented.
- Motion was made by: Cano 2nd by: Pérez to approve resolution No. 2023-0079.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

10. Report, Discuss, and Possibly Approve Resolution No. 2023-0084 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND AUTHORIZING THE PURCHASE OF A Kubota Rugged Terrain Utility Vehicle (RTV).

- Staff report presented by: Interim Public Works Director Jacobs
- Public Comments: Maria Jacinto
- Motion was made by: A. Ayon 2nd by: Pérez to approve Resolution No. 2023-0084.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

11. Report, Discuss, and Possibly Approve Resolution No. 2023-0078, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND AUTHORIZING THE FILING OF AN APPLICATION FOR REGIONAL SURFACE TRANSPORTATION PROGRAM (RSTP) PROGRAM FUNDING AND COMMITTING THE NECESSARY LOCAL MATCH AND STATING THE ASSURANCE TO COMPLETE THE PROJECT.

- Staff report presented by: Interim Public Works Director Jacobs
- Public Comment: Silvia Romano, Fe En El Valle Representative
- Motion was made by: A. Ayon 2nd by: Pérez to approve resolution No. 2023-0078.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

12. Report, Discuss, and Possibly Approve Resolution No. 2023-0080, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND ADOPTING A LIST OF PROJECTS FOR FISCAL YEAR 2023-2024 FUNDED BY SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017.

- Staff Report presented by: Interim Public Works Director Jacobs
- Public Comments: Gloria Herrera
- Motion was made by: Cano 2nd by: A. Ayon to approve Resolution No. 2023-0080.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

13. Report, Discuss, and Possibly Approve Resolution No. 2023-0081, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING AN ASSISTANT PUBLIC WORKS DIRECTOR, THE ATTACHED JOB DESCRIPTION, AND THE SALARY RANGE OF \$74,784 - \$ 96,648.

- Staff Report presented by: City Manager Williams
- No comments from the public were presented.
- Motion was made by: Cano 2nd by: Pérez to approve Resolution No. 2023-0081.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

14. Resolution No. 2023- 0075, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND AUTHORIZING THE ACCEPTANCE OF AND EXECUTING AGREEMENTS TO RECEIVE FUNDING FROM THE CHP CANNABIS TAX FUND GRANT PROGRAM.

- Staff report was presented by: City Manger Williams
- No comments from the public were presented.
- Motion was made by: Cano 2nd by: A. Ayon to approve Resolution No. 2023-0075.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

15. Report, Discuss, and Possibly Approve Resolution No. 2023-0083, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING FUNDS FROM THE CITYS COMMUNITY GRANTS PROGRAM TO THE MCFARLAND RECREATION FOUNDATION.

- Staff Report presented by: City Manager Williams
- No comments from the public were presented.
- Motion was made by: A. Ayon 2nd by: Cano to approve Resolution No. 2023-0083

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

16. Report, Discuss, and Possibly Approve Resolution No. 2023-0082, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND APPROVING FUNDS FROM THE CITYS GENERAL FUND TO LEASE A PRINTER.

- Staff report was presented by: City Manager Williams
- No comments from the public were presented.
- Motion was made by: A. Ayon 2nd by: Cano to approve Resolution No. 2023-0082.

ROLL CALL VOTE: 4/0

AYES: S. Ayon, R. Cano, A. Ayon, M. Pérez

NAYS: None

ABSTAIN: None

ABSENT: A. Gonzalez

Full consensus

REPORTS FROM CITY COUNCIL ON COMMITTEE/SPECIAL DISTRICT MEETINGS

- a. Kern Council of Governments (KCOG) Mayor Ayon- Meeting next week.
- b. Kern Economic Development Corp. (KEDC) Mayor Ayon
- c. Kern Local Agency Formation Commission (LAFCO) Mayor Ayon
- d. Delano Mosquito Abatement District (DMAD) Vice Mayor Cano
- e. Poso Creek (IRWMP) Councilmember Gonzalez
- f. San Joaquin Valley Air Pollution Control District (SJV) Councilmember Ayon
- g. Public Policy and Finance Committee- Mayor Ayon & Councilmember Gonzalez
- h. Public Safety Committee – Mayor Ayon & Vice Mayor Cano
- i. Quality of Life Committee – Councilmember A. Ayon & Councilmember Gonzalez
- j. Cannabis Committee – Mayor Ayon & Councilmember Pérez

COUNCIL STATEMENTS AND REPORTS

Maria T. Pérez
Amador Ayon
Ricardo Cano
Saul Ayon

Open session closed at 8:03 p.m.

CLOSED SESSION

1. Conference with Legal Counsel – Anticipated Litigation - Significant exposure to litigation pursuant to Government Code §54956.9(b): One Case
No reportable action.

ADJOURNMENT

The council went into closed session at 8:03 p.m.

Francisca Alvarado, City Clerk

CITY OF MCFARLAND

STAFF REPORT

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Paul Saldana, Community Development Director

DATE: July 27, 2023

SUBJECT: Report, Discuss and Approve Ordinance No. 0006-2023 adding Chapter 8.22 and amending Chapter 10 and Chapter 18 of the City of McFarland Municipal Code relating to code compliance.

SUMMARY:

Staff is proposing several changes to the Municipal Code to facilitate property maintenance and streamline code compliance processes. The following summarizes the proposed modifications to the Chapter 8, 10 and 18 of the Municipal Code:

Chapter 8.22 Removal of Vegetative Growth and/or Refuse

This is a new section added to the municipal code. The provisions add a process for the City to inspect and abate vegetative growth or refuse that creates a fire or health hazard. The City would notify residents on an annual basis of the need to remove any weeds or vegetative growth or refuse and set a date for which properties should be maintained. Following that date, the City will identify properties that are not in compliance with the ordinance and hold a hearing declaring that the property be abated. If the property is not in compliance following the notification period, the property will be abated, and the cost of the abatement will be added to the property tax roll for the collection of the abatement costs.

Chapter 10.14.020 Parking Violations Penalties

The fines and penalties contained in the Municipal Code are either out of compliance with fines and penalties established by the State of California or for local fees and penalties, they have not been updated on a regular basis. The proposed changes remove the fees from the ordinance and provide that the fees be established by Resolution of the City Council.

Chapter 18.04.010 Code Enforcement Fees and Fines

Similar to the changes to the parking violations, the code enforcement fees and fines are being removed from the Municipal Code and will be adopted by City Council by resolution annually.

Chapter 18.08 Waiver Provisions

The fee waiver application form is proposed for removal from the Code as it is an administrative function and hence is better suited as an administrative application rather than codified in the Municipal Code. This would provide the opportunity for the City and the property owner to request additional information beyond what is provided for in the current ordinance and allow the City Council to consider that information when reviewing a waiver request.

Staff will transmit resolution establishing fee schedule at the next Council meeting so that the fees will continue uninterrupted.

FINANCIAL IMPACT:

None

RECOMMENDATION:

Staff recommends City Council introduce Ordinance No. 0006-2023 for first reading.

ATTACHMENTS:

1. Ordinance No. 0006-2023
2. Memo

ORDINANCE NO. 0006-2023

**AN ORDINANCE OF THE CITY OF MCFARLAND ADDING
CHAPTER 8.22 AND AMENDING CHAPTERS 10.14.020,
18.04.010 AND 18.08 OF THE MCFARLAND MUNICIPAL
CODE RELATING TO CODE COMPLIANCE**

Section 1. Recitals

WHEREAS, the City of McFarland (the “City”) has the authority under Article XI, Section 7 of the California Constitution, to enact regulations for the public peace, morals, and welfare of the City; and

WHEREAS, the City has the authority to compel the owner, lessee or occupant of buildings, grounds, or lots to remove dirt, rubbish, weeds and rank growth from buildings or grounds and adjacent sidewalks (Government Code § 39501 *et seq.*); and

WHEREAS, the City, by ordinance of the legislative body, can require and provide for the removal of said material; and

WHEREAS, the City can provide for the enforcement of abatement through a lien on property; and

WHEREAS, the City has the authority to establish fines, penalties and administrative fees for violations of various codes.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MCFARLAND DOES ORDAIN AS FOLLOWS:

Section 2. Chapter 18.22 is hereby added to the McFarland Municipal Code to read as follows:

Chapter 8.22 REMOVAL OF VEGETATIVE GROWTH AND/OR REFUSE

8.22.01 Generally.

Whenever the City Manager or authorized representative shall find vegetative growth, as described in Section 8-22.04, and/or refuse upon any property, lands, or lots in the City, which in his or her opinion is or may become a fire hazard or a health and safety hazard, he or she shall have cause to give to the owner of said property a notice to remove such vegetative growth and/or refuse which may constitute a hazard in the manner hereinafter provided in this part.

8.22.02 Definitions.

The following words, when used in this part, shall be defined as follows unless otherwise indicated:

- (a) “City” means the City of McFarland.
- (b) “City Manager” means the City Manager or authorized representative of the City Manager
- (c) “Council” means City Council of the City.
- (d) “Drainage” means any ditch, culvert, and/or pipe used as a means of public drainage or drainage control.
- (e) “Noxious weeds” as defined in Government Code Section 39561.5 includes dry grass, stubble, brush, litter or other flammable material which endangers the public safety by creating a fire hazard.
- (f) “Property” means and include lands, lots, drainage structures, drainage ways, and/or drainage easements.
- (g) “Refuse” means waste matter, appliances, abandoned automobiles, junk, litter, trash, debris, dirt, cut vegetative growth, dead trees which threaten structures or streets, tin cans, paper, waste material of every kind, or other unsanitary substance, object, or condition which is,

or when dry, may become a fire hazard, or which is or may become a menace to health, safety, or welfare.

(h) “Street” means public streets, alleys, parkways, sidewalks, and areas between sidewalks and curbs.

(i) “Vegetative growth” means flammable vegetation and combustible growth.

8.22.03 Vegetative growth and/or refuse are public nuisances.

The City Council may declare, by resolution in accordance with Sections 39561—39700 of the Government Code, that vegetative growth, as described in Section 8-22.04 of this chapter, and/or refuse, which are, or may become, a hazard upon or in front of private property to the center line of adjoining streets in the City, are public nuisances.

Also, it is unlawful for any property owner in the City to cause or permit any vegetative growth, as described in Section 8-22.04 of this chapter, and/or refuse to remain on any real property in the City or on portions of streets adjoining such real property to the centerline of such streets. It shall be the duty of every such person to destroy such vegetative growth and remove or destroy such refuse. The City Council may also declare vegetative growth, as seasonal and recurring nuisances.

8.22.04 Clearance of vegetative growth.

Any person owning property in the City shall:

(a) Mow or otherwise remove dry noxious weeds, as defined, which are located on any vacant lot that is undeveloped with a structure.

8.22.05 Exemption to Section 8-22.04.

An exemption from Section 8-22.04 of this chapter shall apply to any land beyond fifty (50) feet from improved streets, as declared by the City, State or Federal Government, which has been acquired or is managed, for one or more of the following purposes:

(a) Animal pastures and agricultural fields growing hay or grains. The interior portion of fenced pastures where the quantity of livestock significantly reduces the vegetative growth, therefore bringing the parcel into compliance. Agricultural fields must be cut at harvest time. Uncut hay and grain is subject to abatement;

(b) Habitat for endangered or threatened species, or any species that is a candidate for listing as an endangered or threatened species by the State of California or Federal Government;

(c) Land kept in a predominantly natural state as habitat for wildlife, plant, or animal communities;

(d) Open space lands that are environmentally sensitive parklands;

(e) Other lands having scenic values.

Abatement requirements shall remain in effect in waterways where flood preparation measures and emergency flood control mitigation is necessary.

(1) This exemption applies whether the land or water are held in fee title or any lesser interest. This exemption applies to any public agency, and private entity that has dedicated the land or water areas to one or more of those purposes or uses, or any combination of public agencies and private entities making that decision.

(2) This section shall not be construed to prohibit the use of properly authorized prescribed burning to improve the biological function of land or to assist in the restoration of desired vegetation.

(3) In the event that any lands adjacent to land or water areas, as described above, are improved such that they are subject to this chapter, the obligation to comply with Section 8-22.04 shall be with the person owning, leasing, controlling, operating or maintaining the occupied dwelling or occupied structure on the improved lands. All maintenance, activities and other fire prevention measures required by Section 8-22.04 shall be required only for the improved land and water areas as described above.

8.22.06 Drainage.

With the permission of the permitting agencies with jurisdiction over the area in question, any drainage shall be cleaned and maintained in a manner that does not restrict the natural or engineered flow of water.

8.22.07 RESERVED

8.22.08 Notice to destroy or remove vegetative growth and/or refuse.

In the event the person or persons owning, occupying, renting, managing, or controlling any real property in the City shall fail to remove therefrom and from the portions of streets adjoining such property all vegetative growth, as described in Section 8-22.04, and/or refuse in accordance with the provisions of this part, it shall be the duty of the City Manager or authorized representatives to notify such person(s) to remove the same.

The City Council may direct the City Clerk, in accordance with Section 39567.1 of the Government Code, to mail written notice of the proposed abatement to all persons owning property described in the resolution. The City Clerk shall cause such written notice to be mailed to each person to whom such described property is assessed in the last equalized assessment roll available on the date the resolution was adopted by the City Council. The address of the owner(s) shown on the assessment roll shall be conclusively deemed to be the proper address for the purpose of mailing such notice. Such notice shall be mailed at least fourteen (14) days prior to the time fixed for hearing objections by the City Council.

8.22.09 Form of notice.

The notice shall be substantially in the following form:

NOTICE TO DESTROY AND REMOVE RUBBISH, REFUSE, AND DIRT

Notice is hereby given on the _____ day of _____, 20____, the City Council passed a resolution declaring that (insert the appropriate hazard: noxious weeds, vegetative growth, refuse, etc.) constitute a (insert the appropriate term: fire hazard, or health and safety hazard) which must be abated by the (insert the appropriate phrase: cutting of said noxious weeds, or removal of said health and safety hazard). If the owner does not abate the hazard it will be abated by the City and the cost of the removal assessed upon the County property tax bill, and will constitute a lien upon such land until paid. Reference is hereby made to the resolution for further particulars and Ordinance No. _____. A copy of said resolution is on file in the office of the City Clerk,

All property owners having any objections to the proposed removal of the hazard are hereby notified to attend a meeting of the City Council of the City of McFarland to be held _____, when their objections will be heard and given due consideration.

Dated this _____ day of _____, 20____.

City Manager
City of McFarland

8.22.10 Hearing of objections.

At the time stated in the notices, the Council shall hear and consider all objections to the proposed removal of vegetative growth and/or refuse.

At the conclusion of the hearing, the Council shall allow or overrule any objections. At that time, the City acquires jurisdiction to proceed and perform the work of abatement. The decision of the Council is final.

8.22.11 Order to abate nuisance.

If objections have not been made or after the Council has disposed of those made, it shall order the City Manager to abate the nuisance(s).

8.22.12 Destruction and removal of vegetative growth and/or refuse by City.

In the event the person or persons owning, occupying, renting, managing, or controlling real property in the City shall fail to remove or destroy vegetative growth and/or refuse, in accordance with provisions of this ordinance within ten (10) calendar days after the hearing of objections an order to abate nuisance, it shall be the duty of the City Manager and his or her deputies, assistants, employees, contacting agent, or other representatives to destroy or remove such vegetative growth and/or refuse. They are expressly authorized to enter upon private property for such purpose. It is unlawful for any person to interfere, hinder, or refuse to allow

them to enter upon private property for the purpose(s) to destroy or remove vegetative growth and/or refuse, in accordance with the provisions of this part. Any person owning, occupying, renting, managing, leasing, or controlling real property in the City shall have the right to destroy or remove vegetative growth and/or refuse, or have the same destroyed or removed at his or her own expense, at any time prior to the arrival of the City Manager or his or her authorized representatives for such purpose(s).

8.22.13 Account and report of cost of abatement.

The City Manager or authorized representatives shall keep an account of the cost of abatement for each separate lot or parcel of land. he or she shall submit such itemized written report, showing such cost, to the Council for confirmation. Such report shall refer to each separate lot or parcel of land by description sufficiently reasonable to identify the same, together with the expense proposed to be assessed against it, which shall include charges sufficient to pay for the administrative costs of the program.

8.22.14 Notice of report and hearing.

The City Clerk shall make available a copy of such report and assessment list at his or her office together with the notice of the filing thereof and of the time and place when and where it will be submitted to the Council for hearing and confirmation. The copy shall be available for at least five (5) calendar days prior to the submission of the Council.

8.22.15 Hearing of report: Modification: Confirmation of report.

At the time and place fixed for receiving and considering the report, the Council shall hear the same, together with any protests or objections of the property owners liable to be assessed for the abatement. Upon the conclusion of such hearing, the Council shall then confirm the report by motion and the amount thereof shall constitute a lien on the property assessed until paid. The confirmation of the assessment by the Council shall be final and conclusive.

8.22.16 Report to Assessor and Tax Collector: Filing copy of report with County Auditor.

A certified copy of the report shall be filed with the County Auditor on or before August 10th of each year for entry of such assessment of the County tax roll. In the event the report cannot be prepared in time for the County Auditor to enter the assessment on the next immediate tax roll, the certified copy may be filed with the County Auditor anytime before August 10th of the succeeding year.

8.22.17 Collection of assessment: Penalties and procedures for foreclosure.

The amount of the assessment shall be collected at the time and in the manner of ordinary municipal taxes. If delinquent, the amount is subject to the same penalties and procedure of foreclosure and sale provided for ordinary municipal taxes.

Section 3. Section 10.14.020 is amended to read as follows:

10.14.020 Penalties.

- A. Fines and penalties for violations of the California Vehicle Code are established by the State of California are applicable to all violations pursuant to state law. In the event that such fines and penalties are amended by the State of California, the Police Chief is authorized to adopt such changes without any additional approval of the City Council.
- B. Fines and penalties for the McFarland Municipal Code Parking violations shall be adopted by resolution of the City Council of the City of McFarland.
- C. In the event fines and penalties are amended by the state of California, the chief of police, or his designee, shall be authorized to amend such fines and penalties contained within this section as may be required to comply with such changes by the state of California, without approval of the city council.

Section 4. Section 18.04.010 is amended to read as follows:

18.04.010 City shall create a table of code enforcement fees and fines.

Code enforcement fees and fines are hereby created and shall be adopted by Resolution of the City Council annually and may be updated every year reflecting the Consumer Price Index.

Section 5. Section 18.08.010 is hereby deleted.

Section 6. Section 18.16.010 is hereby amended to read as follows:

18.16.010 Code enforcement fee waiver application.

A property owner, or their authorized agent, must submit a completed waiver application in order to determine waiver eligibility. They must also provide an explanation, additional information, or supporting documentation that may be relevant. The property owner or agent will be notified in writing about the application results.

Section 7. Notice. The City clerk shall certify to the passage and adoption of this ordinance and shall cause this Ordinance to be posted within 15 days after its passage, in accordance with Section 36933 of the Government Code.

Section 8. Severability. If any section, subsection, sentence, clause, phrase, or word of this Ordinance is, for any reason, deemed or held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, or preempted by legislative enactment, such decision or legislation shall not affect the validity of the remaining portions of this Ordinance. The City Council of the City of McFarland hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or word thereof, regardless of the fact that any one or more sections, subsections, clauses, phrases, or word might subsequently be declared invalid or unconstitutional or preempted by subsequent legislation.

Section 9. Effective Date. This Ordinance shall take effect thirty days after its adoption pursuant to California Government Code section 36937.

Section 10. Certification; Publication. The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause the same to be published or posted according to law.

INTRODUCED, at a regular meeting of the City Council of the City of McFarland, California on the 27th day of July 2023, by the following vote:

PASSED, AND ADOPTED at a regular meeting of the City Council of the City of McFarland, California on the 10th day of August 2023, by the following vote:

	Aye	Nae	Abstain	Absent
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
Maria Pérez				

Saul Ayon, Mayor

I hereby certify that the foregoing Ordinance was duly and regularly adopted by the City Council of the City of McFarland by a regular meeting thereof held on August 10, 2023.

ATTEST:

Francisca Alvarado, City Clerk

APPROVED AS TO FORM:

Nathan Hodges, City Attorney

CITY OF MCFARLAND

STAFF REPORT

TO: Honorable Mayor and City Council Members

FROM: Kenny Williams, City Manager
Diego Viramontes, Finance Director

DATE: July 27, 2023

SUBJECT: Report, Discuss, and possible Approval of the Audited Financial statements for the period ending June 30, 2022, for the City of McFarland.

SUMMARY:

Clifton Larson Allen LLP (CLA) has prepared the Audited Financial Statements for the period ending June 30, 2022. The report has been prepared in conformity with the accounting principles generally accepted in the United States of America. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of McFarland for the fiscal year ended June 30, 2022, are free of material misstatements. The audit involved examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall presentation of the financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of McFarland's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with generally accepted accounting principles.

FINANCIAL IMPACT:

None.

RECOMMENDATION:

Staff recommends the City Council discuss and possibly accept the City of McFarland's Audited Financial Statements for the period of July 1, 2021, through June 30, 2022.

ATTACHMENT:

1. City of McFarland Fiscal Year 2022 Audited Financial Statements
2. City of McFarland Fiscal Year 2022 Single Audit Report

CITY OF MCFARLAND
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022



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**CITY OF MCFARLAND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE – STATEMENT OF NET POSITION	5
GOVERNMENT-WIDE – STATEMENT OF ACTIVITIES	6
BALANCE SHEET – GOVERNMENTAL FUNDS	7
RECONCILIATION OF GOVERNMENTAL FUNDS – BALANCE SHEET TO GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	10
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES	12
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	13
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	14
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	15
STATEMENT OF NET POSITION – FIDUCIARY FUND	17
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND	18
NOTES TO BASIC FINANCIAL STATEMENTS	19
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	47
BUDGETARY COMPARISON SCHEDULE – TDA-LTF – MAJOR SPECIAL REVENUE FUND	48
BUDGETARY COMPARISON SCHEDULE – GAS TAX – MAJOR SPECIAL REVENUE FUND	49

**CITY OF MCFARLAND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

BUDGETARY COMPARISON SCHEDULE – DEVELOPMENT IMPACT – MAJOR SPECIAL REVENUE FUND	50
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	51
COMBINING FUND STATEMENTS	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	53
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	54

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of McFarland
McFarland, California

Report on the Audit of the Financial Statements

Opinions

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 McFarland (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Restatements of Fund Balance and Net Position

As disclosed in Note 12 to the financial statements, the City's beginning fund balance and net position was restated for the correction of errors in prior year financial statements. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the City of McFarland adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Management has omitted 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 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 opinions on the basic financial statements are not affected by this missing information.

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 governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.



CliftonLarsonAllen LLP

Roseville, California
June 8, 2023

BASIC FINANCIAL STATEMENTS

CITY OF MCFARLAND
GOVERNMENT-WIDE – STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
ASSETS			
Cash and Investments	\$ 5,257,725	\$ 9,199,133	\$ 14,456,858
Cash with Fiscal Agents	3,626,961	754,651	4,381,612
Receivables:			
Accounts	81,587	905,682	987,269
Intergovernmental	4,029,888	3,979	4,033,867
Interest	-	1,816	1,816
Leases	28,313	218,195	246,508
Other Assets	4,129	5,097	9,226
Internal Balances	(120,277)	120,277	-
Loans Receivable	3,626,013	-	3,626,013
Land Held For Resale	446,593	-	446,593
Capital Assets:			
Nondepreciable/Nonamortizable	3,299,731	1,280,063	4,579,794
Depreciable, Net	28,354,461	15,552,759	43,907,220
Right-to-Use Assets, Net	106,302	-	106,302
Total Assets	<u>48,741,426</u>	<u>28,041,652</u>	<u>76,783,078</u>
LIABILITIES			
Accounts Payable	300,748	343,317	644,065
Accrued Liabilities	35,047	16,091	51,138
Interest Payable	54,717	69,303	124,020
Deposits Payable	151,397	18,539	169,936
Unearned Revenue	1,667,860	12,769	1,680,629
Long-Term Liabilities:			
Due Within One Year	293,729	246,576	540,305
Due in More than One Year	<u>5,188,143</u>	<u>5,525,000</u>	<u>10,713,143</u>
Total Liabilities	<u>7,691,641</u>	<u>6,231,595</u>	<u>13,923,236</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Leases	<u>27,903</u>	<u>214,134</u>	<u>242,037</u>
NET POSITION			
Net Investment in Capital Assets	29,594,503	11,117,822	40,712,325
Restricted for:			
General	112,365	-	112,365
Streets and Roads	1,843,176	-	1,843,176
Community Development	5,788,156	-	5,788,156
Debt Service	217,583	754,651	972,234
Unrestricted	<u>3,466,099</u>	<u>9,723,450</u>	<u>13,189,549</u>
Total Net Position	<u>\$ 41,021,882</u>	<u>\$ 21,595,923</u>	<u>\$ 62,617,805</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
GOVERNMENT-WIDE – STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 1,464,274	\$ 3,067,553	\$ -	\$ -	\$ 1,603,279	\$ -	\$ 1,603,279
Public Safety	3,759,778	196,586	672,478	-	(2,890,714)	-	(2,890,714)
Public Works	1,696,956	61,588	1,348,410	409,876	122,918	-	122,918
Community Development	611,613	992,418	154,832	402,547	938,184	-	938,184
Interest on Long-Term Debt	193,709	-	-	-	(193,709)	-	(193,709)
Total Governmental Activities	7,726,330	4,318,145	2,175,720	812,423	(420,042)	-	(420,042)
Business-Type Activities:							
Sewer	1,606,175	2,023,238	-	-	-	417,063	417,063
Refuse	1,441,189	1,407,955	47,891	-	-	14,657	14,657
Water	1,747,087	2,162,454	5,000	-	-	420,367	420,367
Public Transportation	126,980	-	53,742	-	-	(73,238)	(73,238)
Total Business-Type Activities	4,921,431	5,593,647	106,633	-	-	778,849	778,849
Total Primary Government	\$ 12,647,761	\$ 9,911,792	\$ 2,282,353	\$ 812,423	(420,042)	778,849	358,807
GENERAL REVENUES AND TRANSFERS							
General Revenues:							
Taxes:							
Property Taxes					928,467	-	928,467
Sales and Use Taxes					524,930	-	524,930
Franchise Taxes					203,162	-	203,162
Intergovernmental, Unrestricted:							
Motor Vehicle In-Lieu Tax					1,532,499	-	1,532,499
Interest and Investment Earnings					241	2,964	3,205
Lease Revenue					13,951	61,181	75,132
Settlements					-	5,895,859	5,895,859
Miscellaneous					86,819	-	86,819
Transfers					47,755	(47,755)	-
Total General Revenues and Transfers					3,337,824	5,912,249	9,250,073
CHANGE IN NET POSITION					2,917,782	6,691,098	9,608,880
Net Position - Beginning of Year as Restated					38,104,100	14,904,825	53,008,925
NET POSITION - END OF YEAR					\$ 41,021,882	\$ 21,595,923	\$ 62,617,805

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	TDA-LTF	Gas Tax	CalHOME
ASSETS				
Cash and Investments	\$ 688,635	\$ 140,123	\$ 1,074,238	\$ 266,048
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	78,204	-	-	-
Intergovernmental	3,019,355	573,906	-	-
Leases	28,313	-	-	-
Prepaid Items	4,129	-	-	-
Due from Other Funds	674,252	-	-	-
Loans Receivable	-	-	-	2,916,107
Land Held for Resale	446,593	-	-	-
	<u>446,593</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,939,481</u>	<u>\$ 714,029</u>	<u>\$ 1,074,238</u>	<u>\$ 3,182,155</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 245,496	\$ -	\$ -	\$ -
Accrued Liabilities	34,158	-	-	-
Deposits Payable	151,397	-	-	-
Due to Other Funds	124,043	722,442	-	-
Advances from Other Funds	114,211	-	-	-
Unearned Revenue	157,997	-	-	-
Total Liabilities	<u>827,302</u>	<u>722,442</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	573,906	-	2,916,107
Related to Leases	27,903	-	-	-
Total Deferred Inflows of Resources	<u>27,903</u>	<u>573,906</u>	<u>-</u>	<u>2,916,107</u>
FUND BALANCES				
Nonspendable	450,722	-	-	-
Restricted	-	-	1,074,238	266,048
Assigned	2,757,119	-	-	-
Unassigned	876,435	(582,319)	-	-
Total Fund Balances	<u>4,084,276</u>	<u>(582,319)</u>	<u>1,074,238</u>	<u>266,048</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,939,481</u>	<u>\$ 714,029</u>	<u>\$ 1,074,238</u>	<u>\$ 3,182,155</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Development Impact	Miscellaneous Grants	McFarland Improvement Authority	Other Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 631,553	\$ 1,700,219	\$ -	\$ 756,909	\$ 5,257,725
Cash with Fiscal Agent	-	-	3,626,961	-	3,626,961
Receivables:					
Accounts	-	-	-	3,383	81,587
Intergovernmental	-	2,588	-	434,039	4,029,888
Leases	-	-	-	-	28,313
Prepaid Items	-	-	-	-	4,129
Due from Other Funds	1,209,542	-	-	-	1,883,794
Loans Receivable	-	-	-	709,906	3,626,013
Land Held for Resale	-	-	-	-	446,593
Total Assets	<u>\$ 1,841,095</u>	<u>\$ 1,702,807</u>	<u>\$ 3,626,961</u>	<u>\$ 1,904,237</u>	<u>\$ 18,985,003</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 54,087	\$ -	\$ 1,165	\$ 300,748
Accrued Liabilities	-	-	-	889	35,047
Deposits Payable	-	-	-	-	151,397
Due to Other Funds	-	26,908	501,698	514,769	1,889,860
Advances from Other Funds	-	-	-	-	114,211
Unearned Revenue	-	1,509,447	-	416	1,667,860
Total Liabilities	-	1,590,442	501,698	517,239	4,159,123
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	709,906	4,199,919
Related to Leases	-	-	-	-	27,903
Total Deferred Inflows of Resources	-	-	-	709,906	4,227,822
FUND BALANCES					
Nonspendable	-	-	-	-	450,722
Restricted	1,841,095	112,365	3,125,263	777,351	7,196,360
Assigned	-	-	-	-	2,757,119
Unassigned	-	-	-	(100,259)	193,857
Total Fund Balances	<u>1,841,095</u>	<u>112,365</u>	<u>3,125,263</u>	<u>677,092</u>	<u>10,598,058</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,841,095</u>	<u>\$ 1,702,807</u>	<u>\$ 3,626,961</u>	<u>\$ 1,904,237</u>	<u>\$ 18,985,003</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
RECONCILIATION OF GOVERNMENTAL FUNDS – BALANCE SHEET TO
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Fund Balance - Total Governmental Funds	\$ 10,598,058
---	---------------

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	31,760,494
--	------------

Some of the City's revenue is not available to pay for current period expenditures and therefore are not reported in the governmental funds balance sheet.	4,199,919
--	-----------

Interest on long-term debt is recognized as it accrues, regardless of when it is due.	(54,717)
---	----------

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

Bonds Payable (Net of Unamortized Premium)	(4,541,487)
Loans Payable	(750,804)
Notes Payable	(26,835)
Lease Payable	(108,517)
Compensated Absences	<u>(54,229)</u>

Net Position of Governmental Activities	<u><u>\$ 41,021,882</u></u>
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CITY OF MCFARLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	TDA-LTF	Gas Tax	CalHOME
REVENUES				
Taxes	\$ 2,743,476	\$ -	\$ -	\$ -
Licenses and Permits	245,583	-	-	-
Fines and Forfeitures	44,267	-	-	-
Use of Money and Property	19,544	-	-	-
Intergovernmental Revenues	725,993	2,105,508	296,927	-
Charges for Services	3,259,696	-	-	-
Contributions	6,851	-	-	-
Other Revenues	78,561	-	-	55,000
Total Revenues	7,123,971	2,105,508	296,927	55,000
EXPENDITURES				
Current:				
General Government	637,204	-	-	-
Public Safety	3,618,590	-	-	-
Public Works	699,807	-	-	-
Community Development	458,829	-	-	-
Debt Service:				
Principal	125,121	-	-	-
Interest and Fiscal Charges	38,268	-	-	-
Capital Outlay	1,453,375	-	-	-
Total Expenditures	7,031,194	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	92,777	2,105,508	296,927	55,000
OTHER FINANCING SOURCES (USES)				
Transfers In	3,271,486	-	-	-
Transfers Out	-	(1,965,385)	-	-
Leases	4,414	-	-	-
Total Other Financing Sources (Uses)	3,275,900	(1,965,385)	-	-
NET CHANGE IN FUND BALANCES	3,368,677	140,123	296,927	55,000
Fund Balance - Beginning of Year	715,599	(722,442)	777,311	211,048
FUND BALANCES - END OF YEAR	<u>\$ 4,084,276</u>	<u>\$ (582,319)</u>	<u>\$ 1,074,238</u>	<u>\$ 266,048</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Development Impact	Miscellaneous Grants	McFarland Improvement Authority	Other Governmental Funds	Total
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 445,582	\$ 3,189,058
Licenses and Permits	763,217	-	-	-	1,008,800
Fines and Forfeitures	-	-	-	-	44,267
Use of Money and Property	-	-	-	30	19,574
Intergovernmental Revenues	-	470,030	-	913,740	4,512,198
Charges for Services	-	-	-	-	3,259,696
Contributions	-	-	-	-	6,851
Other Revenues	-	-	1,407	-	134,968
Total Revenues	763,217	470,030	1,407	1,359,352	12,175,412
EXPENDITURES					
Current:					
General Government	-	495,675	-	-	1,132,879
Public Safety	-	-	-	-	3,618,590
Public Works	-	-	-	152,196	852,003
Community Development	-	-	-	-	458,829
Debt Service:					
Principal	-	-	105,000	-	230,121
Interest and Fiscal Charges	-	-	167,300	-	205,568
Capital Outlay	-	-	-	401,973	1,855,348
Total Expenditures	-	495,675	272,300	554,169	8,353,338
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	763,217	(25,645)	(270,893)	805,183	3,822,074
OTHER FINANCING SOURCES (USES)					
Transfers In	-	66,387	-	-	3,337,873
Transfers Out	(170,399)	-	-	(1,154,334)	(3,290,118)
Leases	-	-	-	-	4,414
Total Other Financing Sources (Uses)	(170,399)	66,387	-	(1,154,334)	52,169
NET CHANGE IN FUND BALANCES	592,818	40,742	(270,893)	(349,151)	3,874,243
Fund Balance - Beginning of Year	1,248,277	71,623	3,396,156	1,026,243	6,723,815
FUND BALANCES - END OF YEAR	<u>\$ 1,841,095</u>	<u>\$ 112,365</u>	<u>\$ 3,125,263</u>	<u>\$ 677,092</u>	<u>\$ 10,598,058</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change to Fund Balance - Total Governmental Funds \$ 3,874,243

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for Capital Outlay	1,855,348
Less: Current Year Depreciation	(1,351,580)
Less: Current Year Amortization	(81,763)
Less: Current Year Adjustments	(18,370)

Some revenues reported in the statement of activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

(1,579,055)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums when debt is first issued; however, the amounts are deferred and amortized in the government-wide financial statements.

Principal Payments for Bonds, and Notes	150,573
Principal Payments for Leases	79,548
Proceeds from Issuance of Leases	(4,414)
Change in Accrued Interest on Long-term Debt	3,197
Amortization of Premium	11,859

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 the governmental funds.

Change in Compensated Absences	(21,804)
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Change in Net Position of Governmental Activities	\$ 2,917,782
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**CITY OF MCFARLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Enterprise Funds				
				Nonmajor Public	
	Sewer	Refuse	Water	Transportation	Total
ASSETS					
Current Assets:					
Cash and Investments	\$ 1,167,918	\$ 66,427	\$ 7,865,696	\$ 99,092	\$ 9,199,133
Cash with Fiscal Agent - Restricted	509,645	-	245,006	-	754,651
Receivables:					
Accounts	313,161	283,714	308,807	-	905,682
Intergovernmental	3,979	-	-	-	3,979
Interest	-	-	1,816	-	1,816
Leases	218,195	-	-	-	218,195
Due from Other Funds	4,419	4,114	1,360	604	10,497
Other Assets	-	-	5,097	-	5,097
Total Current Assets	2,217,317	354,255	8,427,782	99,696	11,099,050
Noncurrent Assets:					
Advances to Other Funds	114,211	-	-	-	114,211
Capital Assets:					
Nondepreciable:					
Land	1,120,000	-	160,063	-	1,280,063
Depreciable:					
Buildings, Equipment and Infrastructure	14,981,845	309,677	12,481,930	650,896	28,424,348
Accumulated Depreciation	(5,781,067)	(308,646)	(6,300,299)	(481,577)	(12,871,589)
Total Noncurrent Assets	10,434,989	1,031	6,341,694	169,319	16,947,033
Total Assets	12,652,306	355,286	14,769,476	269,015	28,046,083
LIABILITIES					
Current Liabilities:					
Accounts Payable	51,124	194,882	82,528	14,783	343,317
Accrued Liabilities	7,479	1,812	5,199	1,601	16,091
Interest Payable	43,891	-	25,412	-	69,303
Due to Other Funds	-	-	-	4,431	4,431
Deposits from Others	-	-	18,539	-	18,539
Unearned Revenue	-	-	-	12,769	12,769
Compensated Absences	27,029	14,076	14,989	482	56,576
Bonds Payable	127,145	-	62,855	-	190,000
Total Current Liabilities	256,668	210,770	209,522	34,066	711,026
Noncurrent Liabilities:					
Bonds Payable	3,681,287	-	1,843,713	-	5,525,000
Total Liabilities	3,937,955	210,770	2,053,235	34,066	6,236,026
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - Leases	214,134	-	-	-	214,134
NET POSITION					
Net Investment in Capital Assets	6,512,346	1,031	4,435,126	169,319	11,117,822
Restricted for Debt Service	509,645	-	245,006	-	754,651
Unrestricted	1,478,226	143,485	8,036,109	65,630	9,723,450
Total Net Position	\$ 8,500,217	\$ 144,516	\$ 12,716,241	\$ 234,949	\$ 21,595,923

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Enterprise Funds				
	Sewer	Refuse	Water	Nonmajor Public Transportation	Total
OPERATING REVENUES					
Charges for Services	\$ 2,023,238	\$ 1,407,955	\$ 2,162,454	\$ -	\$ 5,593,647
OPERATING EXPENSES					
Salaries and Employee Benefits	604,288	123,473	500,881	63,371	1,292,013
Services and Supplies	260,642	1,313,005	303,713	29,707	1,907,067
Utilities	135,914	-	375,565	-	511,479
Depreciation	422,349	4,711	473,080	33,902	934,042
Total Operating Expenses	<u>1,423,193</u>	<u>1,441,189</u>	<u>1,653,239</u>	<u>126,980</u>	<u>4,644,601</u>
OPERATING INCOME (LOSS)	600,045	(33,234)	509,215	(126,980)	949,046
NONOPERATING REVENUES (EXPENSES)					
Grants	-	47,891	5,000	53,742	106,633
Lease Revenue	61,181	-	-	-	61,181
Interest Income	2,520	86	358	-	2,964
Interest Expense	(182,982)	-	(93,848)	-	(276,830)
Settlements	-	-	5,895,859	-	5,895,859
Total Nonoperating Revenues (Expenses)	<u>(119,281)</u>	<u>47,977</u>	<u>5,807,369</u>	<u>53,742</u>	<u>5,789,807</u>
INCOME (LOSS) BEFORE TRANSFERS	480,764	14,743	6,316,584	(73,238)	6,738,853
TRANSFERS IN	59,895	-	-	125,964	185,859
TRANSFERS OUT	<u>(83,877)</u>	<u>(11,475)</u>	<u>(134,765)</u>	<u>(3,497)</u>	<u>(233,614)</u>
CHANGE IN NET POSITION	456,782	3,268	6,181,819	49,229	6,691,098
Net Position - Beginning of Year	<u>8,043,435</u>	<u>141,248</u>	<u>6,534,422</u>	<u>185,720</u>	<u>14,904,825</u>
NET POSITION - END OF YEAR	<u>\$ 8,500,217</u>	<u>\$ 144,516</u>	<u>\$ 12,716,241</u>	<u>\$ 234,949</u>	<u>\$ 21,595,923</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MCFARLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Enterprise Funds				
				Nonmajor Public Transportation	Total
	Sewer	Refuse	Water		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 1,973,587	\$ 1,339,007	\$ 2,099,881	\$ 12,728	\$ 5,425,203
Payments to Suppliers	(397,137)	(1,229,971)	(660,433)	(25,450)	(2,312,991)
Payments to Employees	(602,383)	(117,959)	(506,918)	(64,375)	(1,291,635)
Net Cash Provided (Used) by Operating Activities	974,067	(8,923)	932,530	(77,097)	1,820,577
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant Proceeds	-	47,891	5,000	53,742	106,633
Loans from Other Funds	44,657	-	-	-	44,657
Nonoperating Receipts	61,181	-	-	-	61,181
Transfers from Other Funds	59,895	-	-	125,964	185,859
Transfers to Other Funds	(83,877)	(11,475)	(134,765)	(3,497)	(233,614)
Settlements	-	-	5,895,859	-	5,895,859
Net Cash Provided (Used) by Noncapital Financing Activities	81,856	36,416	5,766,094	176,209	6,060,575
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payments Related to the Acquisition of Capital Assets	(108,698)	-	-	(20)	(108,718)
Principal Repayments Related to Capital Purposes	(123,949)	-	(61,051)	-	(185,000)
Interest Repayments Related to Capital Purposes	(190,685)	-	(93,848)	-	(284,533)
Net Cash Used by Capital and Related Financing Activities	(423,332)	-	(154,899)	(20)	(578,251)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings	2,520	86	358	-	2,964
Net Cash Provided by Investing Activities	2,520	86	358	-	2,964
NET INCREASE IN CASH AND CASH EQUIVALENTS	635,111	27,579	6,544,083	99,092	7,305,865
Cash and Cash Equivalents - Beginning of Year	1,042,452	38,848	1,566,619	-	2,647,919
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,677,563</u>	<u>\$ 66,427</u>	<u>\$ 8,110,702</u>	<u>\$ 99,092</u>	<u>\$ 9,953,784</u>
Cash and Investments	1,167,918	66,427	7,865,696	99,092	9,199,133
Cash with Fiscal Agent - Restricted	509,645	--	245,006	--	754,651
CASH AND CASH EQUIVALENTS - PER STATEMENT OF NET POSITION	<u>\$ 1,677,563</u>	<u>\$ 66,427</u>	<u>\$ 8,110,702</u>	<u>\$ 99,092</u>	<u>\$ 9,953,784</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Enterprise Funds				
	Sewer	Refuse	Water	Nonmajor Public Transportation	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 600,045	\$ (33,234)	\$ 509,215	\$ (126,980)	\$ 949,046
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	422,349	4,711	473,080	33,902	934,042
Increase in:					
Accounts Receivable	(45,590)	(68,948)	(67,255)	-	(181,793)
Lease Receivable	(218,195)	-	-	-	(218,195)
Increase (Decrease) in:					
Accounts Payable	(581)	83,034	18,845	4,257	105,555
Accrued Liabilities	(7,904)	(970)	(10,534)	(468)	(19,876)
Deposits	-	-	4,682	-	4,682
Deferred Inflows - Lease Related	214,134	-	-	-	214,134
Unearned Revenues	-	-	-	12,728	12,728
Compensated Absences	9,809	6,484	4,497	(536)	20,254
Net Cash Provided (Used) by Operating Activities	<u>\$ 974,067</u>	<u>\$ (8,923)</u>	<u>\$ 932,530</u>	<u>\$ (77,097)</u>	<u>\$ 1,820,577</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MCFARLAND
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2022**

	Private Purpose Trust Fund
	<u>Successor Agency</u>
ASSETS	
Cash and Investments	\$ 6,665
Total Assets	<u>6,665</u>
NET POSITION	
Restricted for Successor Agency	<u>6,665</u>
Total Net Position	<u><u>\$ 6,665</u></u>

**CITY OF MCFARLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2022**

	Private Purpose Trust Fund
	<u>RDA</u>
	<u>Successor Agency</u>
ADDITIONS	
Property Taxes	\$ -
Total Additions	<u>-</u>
DEDUCTIONS	
Administration	<u>-</u>
Total Deductions	<u>-</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>6,665</u>
NET POSITION - END OF YEAR	<u><u>\$ 6,665</u></u>

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of McFarland, California (the City) was incorporated on July 18, 1957. The City is a full-service city and operates under a Council – City Administration form of government, providing the following services: general government; public safety; public works; and recreation and development. The City is located in Kern County approximately 25 miles north of Bakersfield, the County government seat.

The City has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The Basic Financial Statements present information on the activities of the reporting entity, including all the fund types of the City.

Accounting principles generally accepted in the United States of America require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Blended Component Units

Parking Authority – The McFarland Parking Authority of the City of McFarland (the Parking Authority) was formed by the City on April 12, 2012, by Resolution No. 2012-069, under Part 2 of Division 18 of the California Streets and Highways Code, Section 32650. The Parking Authority's legislative body is the City Council as Board of Directors of the Parking Authority. The fundamental aim of the Parking Authority is to purchase property and construct a public parking lot on that property. The Parking Authority did not report any activity during the year. Separate financial statements are not available for the Authority.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

McFarland Improvement Authority – On April 12, 2012, under Resolution No. 2012-070, the Parking Authority and the City entered into a Joint Exercise of Powers Agreement to create the McFarland Improvement Authority (the Improvement Authority). The Improvement Authority's legislative body is the City Council as Commissioners of the Improvement Authority. The fundamental aim of the Improvement Authority is to provide for the financing of capital improvements and working capital. The Improvement Authority issued bonds for the purpose of funding capital improvements. Separate financial statements are not available for the Authority.

McFarland Public Financing Corporation – On July 31, 2001, the City and the Successor Agency to the Former McFarland Redevelopment Agency entered into a Joint Exercise of Powers Agreement establishing the McFarland Public Financing Corporation (the Corporation) for the purpose of issuing its bonds to be used to provide financial assistance to the City, the Agency or any other public entity of the state of California. The City Council of McFarland is the governing body for the Corporation. The McFarland Public Financing Corporation did not report any activity during the year. Separate financial statements are not available for the Corporation.

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular 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) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories, each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General fund includes such activities as general government, public safety, public works, and recreation and development.
- The *TDA-LTF Fund* is used to account for the City's share of the Transportation Development Allocation which is legally restricted for specific purposes, primarily street construction and maintenance and related street expenditures. This fund also accounts for other state and federal grant revenues related to street maintenance or construction.
- The *Gas Tax Fund* is used to account for highway users tax allocated by the state of California.
- The *CalHOME Fund* is used to account for a CalHOME Homeownership Project Development Program award.
- The *Development Impact Fund* is used to account for impact fees.
- The *Miscellaneous Grants Fund* is used to account for grants not frequently awarded to the City.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The *McFarland Improvement Authority Fund* is reported as debt service fund and is used to account for the activities of the McFarland Improvement Authority, including debt repayment.

The City reports the following major proprietary funds:

- The *Sewer Fund* is used to account for the provisions of sewer service to the residents of the City. All activities necessary to provide such service are accounted for in this fund.
- The *Refuse Fund* is used to account for the collection and disposal of refuse within the City. All activities necessary to provide such service are accounted for in this fund.
- The *Water Fund* is used to account for the provisions of water service to residents of the City. All activities necessary to provide such service are accounted for in this fund.

The City reports the following additional fund type:

- The *RDA Successor Agency Private Purpose Trust Fund* is a fiduciary fund used to account for monies received from the Kern County Auditor Controller for the repayment of the enforceable obligations of the former McFarland Redevelopment Agency. These funds are restricted for the sole purpose of payment on items on an approved Recognized Payment Obligation Schedule.

C. Basis of Accounting and Measurement Focus

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and 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 tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax 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.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within 60 days after the end of the fiscal year. Certain state and federal grants are considered susceptible to accrual and are accrued when their receipt occurs within 180 days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

Certain disclosure requirements for deposits and investment risks were made in the following areas: Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentrations of Credit Risk.

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Interest earned on investments is allocated using the Local Agency Fund (LAIF) factor to selected funds by the City.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments (Continued)

The City participates in an investment pool LAIF, which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the state of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments" in the accompanying basic financial statements.

E. Receivables

Receivables for governmental activities consist mainly of accounts, intergovernmental, and interest. Receivables for business-type activities consist mainly of user fees, intergovernmental, and interest earnings. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

F. Other Assets

Prepaid Items

Payments made for services that will benefit future accounting periods are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid costs do not reflect current appropriable resources and thus, an equivalent portion of fund balance is reported as nonspendable.

G. Loans Receivable

Loans receivable represent low interest notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects, homebuyer assistance for low income families, as well as business start-up costs. Loan terms are 15 to 55 years with an interest rate at 0% to 5%. The primary source of funding for these loans comes from grants from the Community Development Block Grant (CDBG) program and Home Investment Partnerships (HOME) program. The CDBG and HOME grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital and Right-to-Use assets, which include property, plant, equipment and infrastructure assets (e.g., roads, traffic signals, drainage systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital and Right-to-Use assets are defined by the City as assets with an initial cost of more than \$1,000 (\$25,000 for infrastructure) and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital and Right-to-Use assets used in operations are depreciated or amortized using the straight line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable/Amortizable Asset</u>	<u>Estimated Lives</u>
Buildings	15 to 40 Years
Improvements Other Than Buildings	15 to 40 Years
Machinery and Equipment	5 to 20 Years
Infrastructure	20 to 50 Years

I. Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

J. Property Tax

Secured property taxes are levied during September of each year for the fiscal year beginning with the preceding July 1 and ending the following June 30. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. The Kern County Assessor establishes the value of the property on January 1. Taxes are payable in two installments on November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively. In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt.

K. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables 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) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Transactions (Continued)

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

L. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to certain limits. For governmental funds, compensated absences are recorded as current and noncurrent liabilities only on the government-wide financial statements. For proprietary funds, current and noncurrent liabilities for compensated absences are recorded in both the government wide financial statements and the fund financial statements. There is no liability for unpaid sick leave since the City does not pay such amounts when employees separate from service with the City.

N. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment In Capital Assets** – This category 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 balance in this category.
- **Restricted Net Position** – This category presents 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 Net Position** – This category represents net position of the City, not restricted for any project or other purpose or included in net investment in capital assets.

When both restricted and unrestricted net position are available for use, it is the City's policy to use restricted net position first, and then unrestricted net position as they are needed.

P. Fund Balance

Fund balances of the governmental funds are presented in the financial statements based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- **Committed** – Amounts that are obligated to a specific purpose which are internally imposed by the government through formal action (Ordinances and Resolutions) at the highest level of decision making authority (City Council). These commitments can only be overturned by a like action.
- **Assigned** – Amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the City Council, City Manager, or Finance Director for specific purposes through the budget process or agenda items. The assigned designation may be reversed by the City Council at any public meeting.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance (Continued)

- **Unassigned** – Residual positive fund balances within the General Fund, which have not been classified within the other above mentioned categories. Unassigned Fund Balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance to be charged: Restricted, Committed, Assigned, and Unassigned.

The City does not have a formal minimum fund balance requirement.

Q. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. Implementation of New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the City's financial reporting process. New standards applicable to the year ended June 30, 2022, are as follows:

GASB Statement No. 87 – Leases

This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City implemented this standard.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool for all funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements are not pooled.

Statement of Net Position:

Cash and Investments	\$ 14,456,858
Cash with Fiscal Agents	4,381,612

Statement of Fiduciary Net Position:

Cash and Investments	6,665
Total	<u><u>\$ 18,845,135</u></u>

Cash and investments as of June 30, 2022, consist of the following:

Deposits with Financial Institutions	\$ 18,483,828
Cash on Hand	3,000
Investments	358,307
Total	<u><u>\$ 18,845,135</u></u>

Deposits

At year-end, the carrying amount of the City's cash deposits (including amounts in checking accounts and money market accounts) was \$18,845,135 and the bank balance was \$18,937,919. The difference between the bank balance and the carrying amount represents outstanding warrants and wire transfers and deposits in transit.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial credit risk.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2022, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the California Government Code.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Custodial Credit Risk (Continued)

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

Investments

The City had the following investments at June 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Date</u>
State Treasurer's Investment Pool (LAIF)	\$ 358,307	N/A
Total Investments	<u>\$ 358,307</u>	

Interest Rate Risk

The City's exposure to interest rate risk is identified by the above weighted average maturities. The City has no investment policy for interest rate risk.

Credit Rating Risk

The City is required to disclose the credit quality ratings of investments in debt securities as issued by nationally recognized statistical rating organizations. At June 30, 2022, the Credit rating for investment in LAIF was unavailable. The City has no investment policy for credit risk.

Concentration of Credit Risk

The City is required to disclose any investment in any one issuer that represents 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. As such, the City has no concentration of credit risk that exceeds 5%. The City has no investment policy for concentration of credit risk.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The City has no investment policy for custodial credit risk.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial Credit Risk (Continued)

The table below identifies the investment types that are authorized for the City of McFarland by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that addresses investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Minimum Quality Requirements</u>
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations	5 Years	None	None
CA Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
Bankers Acceptance	180 Days	40%	None
Commercial Paper - Select Agencies	270 Days	25%	A-1
Commercial Paper - Other Agencies	270 Days	40%	A-1
Negotiable Certificates of Deposit	5 Years	30%	None
CD Placement Service	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20%	None
Medium-Term Notes	5 Years	30%	A
Mutual and Money Market Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 Years	None	None
Mortgage Pass-Through Securities	5 Years	20%	AA
Bank/Time Deposits	5 Years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1* – Quoted prices for identical investments in active markets;
- Level 2* – Observable inputs other than quoted market prices; and
- Level 3* – Unobservable inputs.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value of Investments (Continued)

The City's position in external investment pools is, in itself, regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the City's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

Investment in External Investment Pools

The City maintains an investment in the state of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, 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. At June 30, 2022, the City's investment in LAIF valued at amortized cost was \$358,307 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$240.4 billion. Of that amount, 97.19% is invested in nonderivative financial products and 2.81% in structured notes and asset-backed securities.

Restricted Cash and Investments with Fiscal Agents

Cash and investments at June 30, 2022, that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities:

McFarland Improvement Authority:

Reserves for Capital Projects	\$ 3,354,064
Debt Service Reserves	<u>272,897</u>
Total McFarland Improvement Authority:	<u>3,626,961</u>

Business-Type Activities:

Sewer Fund:

Debt Service Reserves	509,645
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Water Fund:

Debt Service Reserves	<u>245,006</u>
Total	<u><u>754,651</u></u>

Total Restricted Cash and Investments	<u><u>\$ 4,381,612</u></u>
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CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CAPITAL ASSETS

Capital and right-to-use assets activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021 As Restated	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2022
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 993,176	\$ -	\$ -	\$ -	\$ 993,176
Construction In Progress	4,477,613	1,103,148	-	(3,274,206)	2,306,555
Total Capital Assets, Not Being Depreciated	5,470,789	1,103,148	-	(3,274,206)	3,299,731
Capital Assets, Being Depreciated:					
Infrastructure	32,772,180	-	-	3,274,206	36,046,386
Machinery and Equipment	1,523,781	455,576	-	-	1,979,357
Vehicles	1,139,020	292,210	-	(218,734)	1,212,496
Total Capital Assets, Being Depreciated	35,434,981	747,786	-	3,055,472	39,238,239
Less Accumulated Depreciation for:					
Infrastructure	(7,411,221)	(1,122,815)	-	-	(8,534,036)
Machinery and Equipment	(1,281,699)	(140,373)	-	-	(1,422,072)
Vehicles	(879,878)	(88,392)	-	40,600	(927,670)
Total Accumulated Depreciation	(9,572,798)	(1,351,580)	-	40,600	(10,883,778)
Total Capital Assets, Being Depreciated, Net	25,862,183	(603,794)	-	3,096,072	28,354,461
Right-to-Use Assets, Being Amortized:					
Machinery and Equipment	183,651	4,414	-	-	188,065
Total Right-to-Use Assets, Being Amortized	183,651	4,414	-	-	188,065
Less Accumulated Amortization for:					
Machinery and Equipment	-	(81,763)	-	-	(81,763)
Total Accumulated Amortization	-	(81,763)	-	-	(81,763)
Total Right-to-Use Assets, Being Amortized, Net	183,651	(77,349)	-	-	106,302
Governmental Activities Capital Assets, Net	\$ 31,516,623	\$ 422,005	\$ -	\$ (178,134)	\$ 31,760,494

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CAPITAL ASSETS (CONTINUED)

	Balance As Restated	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2022
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,280,063	\$ -	\$ -	\$ -	\$ 1,280,063
Total Capital Assets, Not Being Depreciated	1,280,063	-	-	-	1,280,063
Capital Assets, Being Depreciated:					
Infrastructure	6,836,223	-	-	-	6,836,223
Buildings and Improvements	8,579,010	-	-	-	8,579,010
Machinery and Other	11,894,931	66,387	-	15,020	11,976,338
Vehicles	1,005,466	-	-	27,311	1,032,777
Total Capital Assets, Being Depreciated	28,315,630	66,387	-	42,331	28,424,348
Less Accumulated Depreciation for:					
Infrastructure	(552,345)	(170,905)	-	-	(723,250)
Buildings and Improvements	(2,772,121)	(410,658)	-	-	(3,182,779)
Machinery and Other	(7,767,015)	(324,055)	-	-	(8,091,070)
Vehicles	(846,066)	(28,424)	-	-	(874,490)
Total Accumulated Depreciation	(11,937,547)	(934,042)	-	-	(12,871,589)
Total Capital Assets, Being Depreciated, Net	16,378,083	(867,655)	-	42,331	15,552,759
Business-Type Activities Capital Assets, Net	<u>\$ 17,658,146</u>	<u>\$ (867,655)</u>	<u>\$ -</u>	<u>\$ 42,331</u>	<u>\$ 16,832,822</u>

Depreciation

Depreciation expense was charged to governmental functions as follows at June 30, 2022:

General Government	\$ 308,977
Public Safety	44,866
Public Works	844,953
Community Development	152,784
Total Depreciation Expense - Governmental Functions	<u>\$ 1,351,580</u>

Depreciation expense was charged to business-type functions as follows at June 30, 2022:

Solid Waste	\$ 422,349
Refuse	4,711
Water	473,080
Public Transit	33,902
Total Depreciation Expense - Business-Type Functions	<u>\$ 934,042</u>

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CAPITAL ASSETS (CONTINUED)

Amortization

Amortization expense was charged to governmental functions as follows at June 30, 2022:

General Government	\$ 3,811
Public Safety	<u>77,952</u>
Total Amortization Expense - Governmental Functions	<u><u>\$ 81,763</u></u>

NOTE 4 INTERFUND TRANSACTIONS

Due to/from Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2022:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 674,252	\$ 124,043
McFarland Improvement Authority	-	501,698
TDA - LTF	-	722,442
Development Impact	1,209,542	-
Miscellaneous Grants	-	26,908
Sewer	4,419	-
Refuse	4,114	-
Water	1,360	-
Nonmajor Governmental Funds	-	514,769
Nonmajor Enterprise Fund	604	4,431
Total	<u><u>\$ 1,894,291</u></u>	<u><u>\$ 1,894,291</u></u>

Advances from/to Other Funds

The amount payable to the Sewer Fund relate to a loan for capital projects, including park facilities and other public infrastructure and facilities. The loan is scheduled to be repaid in 2024:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	\$ -	\$ 114,211
Sewer	114,211	-
Total	<u><u>\$ 114,211</u></u>	<u><u>\$ 114,211</u></u>

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, and lease payments or debt service. The following are the interfund transfer balances for the year ended June 30, 2022:

	Transfer In	Transfer Out
General Fund	\$ 3,271,486	\$ -
TDA - LTF	-	1,965,385
Development Impact	-	170,399
Miscellaneous Grants	66,387	-
Sewer	59,895	83,877
Refuse	-	11,475
Water	-	134,765
Nonmajor Governmental Funds	-	1,154,334
Nonmajor Enterprise Fund	125,964	3,497
Total	\$ 3,523,732	\$ 3,523,732

During the year, the City transferred \$1,965,385 from its TDA-LTF Fund to the General Fund to fund capital projects. Transfers from COPS (\$744,627) and Road Maintenance and Rehabilitation (\$409,707) to the General Fund were made to fund related projects expended in the General Fund.

NOTE 5 UNEARNED/UNAVAILABLE REVENUE

Unearned revenue consists of moneys received where the City has not yet incurred the qualifying expenditures.

Deferred inflows of resources represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has one transaction type that qualifies for reporting under this category: unavailable revenue. Unavailable revenue is only reported in the governmental funds balance sheet under the modified accrual basis of accounting.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 UNEARNED/UNAVAILABLE REVENUE (CONTINUED)

At June 30, 2022, components of unearned and unavailable revenues were as follows:

	Unearned Revenue	Unavailable Revenue	Total
General Fund:			
Grant Revenue	\$ 157,997	\$ -	\$ 157,997
TDA:			
Grant Revenue	-	573,906	573,906
CalHOME:			
Grant Revenue and Loans	-	2,916,107	2,916,107
Miscellaneous Grants:			
Grant Revenue and Loans	1,509,447	-	1,509,447
Nonmajor Governmental Funds:			
Grant Revenue and Loans	416	709,906	710,322
Total Governmental Activities	<u>\$ 1,667,860</u>	<u>\$ 4,199,919</u>	<u>\$ 5,867,779</u>
Public Transit:			
Grant Revenue	<u>\$ 12,769</u>		
Total Business-Type Activities	<u>\$ 12,769</u>		

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

Type of Indebtedness	Restated Balance July 1, 2021	Additions	Retirements	Adjustments	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities:						
Direct Placement						
Revenue Bonds	\$ 4,350,000	\$ -	\$ (105,000)	\$ -	\$ 4,245,000	\$ 105,000
Unamortized Premiums on Bonds	308,346	-	(11,859)	-	296,487	-
Direct Borrowing						
Notes Payable	982,976	-	(45,573)	(159,764)	777,639	46,985
Other Liabilities						
Leases	183,651	4,414	(79,548)	-	108,517	87,515
Compensated Absences	32,425	-	21,804	-	54,229	54,229
Total Governmental Activities	<u>\$ 5,857,398</u>	<u>\$ 4,414</u>	<u>\$ (220,176)</u>	<u>\$ (159,764)</u>	<u>\$ 5,481,872</u>	<u>\$ 293,729</u>
Business-Type Activities:						
Direct Placement						
Revenue Bonds	\$ 5,900,000	\$ -	\$ (185,000)	\$ -	\$ 5,715,000	\$ 190,000
Other Liabilities						
Compensated Absences	36,322	20,254	-	-	56,576	56,576
Total Business-Type Activities	<u>\$ 5,936,322</u>	<u>\$ 20,254</u>	<u>\$ (185,000)</u>	<u>\$ -</u>	<u>\$ 5,771,576</u>	<u>\$ 246,576</u>

Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2022, are as follows:

Governmental Activities:

Revenue Bonds:

Series 2017 Lease Revenue Bonds dated December 1, 2017, in the original amount of \$4,450,000 at 3% to 4% interest; principal and interest payable each March 1 and September 1 until September 2, 2047, maturity. Bonds issued by the McFarland Improvement Authority. Secured by a pledge of lease revenues.

\$	4,245,000
	<u>4,245,000</u>

Total Revenue Bonds

Notes Payable:

Note payable to the United States Department of Agriculture in the amount of \$770,898; principal and interest at 3.375% due each October 1 through 2058.

750,804

Note payable to the KS State Bank for a street sweeper in the amount of \$119,186; principal and interest at 4.45% due each month through March 2024.

26,835

Total Notes Payable

777,639

Total Governmental Activities

\$ 5,022,639

Business-Type Activities:

Revenue Bonds:

Revenue Bonds dated September 21, 2010, in the original amount of \$7,500,000 at 0.65% to 5% interest; payable semi-annually commencing April 1, 2011. Principal is due annually commencing October 1, 2011, with final payment due October 1, 2040. Secured by a pledge of water and wastewater net revenues.

\$ 5,715,000

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The following are schedules of debt service requirements as of June 30, 2022:

<u>Year Ending June 30,</u>	Governmental Activities			
	Revenue Bonds		Note Payable	
	Principal	Interest	Principal	Interest
2023	\$ 105,000	\$ 164,150	\$ 46,985	\$ 2,207
2024	110,000	161,000	41,223	2,150
2025	115,000	157,700	20,264	2,093
2026	115,000	154,250	20,321	2,036
2027	120,000	150,800	20,378	1,979
2028 - 2032	675,000	684,000	102,754	9,032
2033 - 2037	810,000	538,800	104,207	7,579
2038 - 2042	995,000	362,400	105,681	6,105
2043 - 2047	1,200,000	148,000	107,176	4,611
2048 - 2052	-	-	108,691	3,095
2053 - 2057	-	-	99,959	1,558
2058	-	-	-	188
Total	<u>\$ 4,245,000</u>	<u>\$ 2,521,100</u>	<u>\$ 777,639</u>	<u>\$ 42,633</u>

<u>Year Ending June 30,</u>	Business-Type Activities	
	Revenue Bonds	
	Principal	Interest
2023	\$ 190,000	\$ 277,213
2024	200,000	268,925
2025	210,000	260,213
2026	215,000	250,375
2027	225,000	239,375
2028 - 2032	1,315,000	1,010,625
2033 - 2037	1,680,000	638,000
2038 - 2042	1,680,000	173,000
Total	<u>\$ 5,715,000</u>	<u>\$ 3,117,726</u>

Pledged Revenues

The City has pledged future water and wastewater utility revenue to repay revenue bonds issued in 2010. The various bonds were issued for the purchase of construction of various water or wastewater infrastructure. At June 30, 2022, \$5,715,000 remains outstanding to be repaid by future water and wastewater revenues. If such revenues prove insufficient, the remainder will be repaid as a general obligation of the City. For the fiscal year ended June 30, 2022, the net revenue available for service of this debt was \$1,109,260. The debt principal and interest paid in fiscal year 2021-2022 equals \$469,534 (42.3% of available pledged net revenues).

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LEASES

Leases Payable

The City leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027 with interest rates ranging from 7.3918 to 14.4717%.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 87,515	\$ 6,578
2024	13,497	1,098
2025	5,167	533
2026	1,832	168
2027	506	18
Total Minimum Lease Payments	<u>\$ 108,517</u>	<u>\$ 8,395</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Governmental Activities</u>
Equipment	\$ 188,065
Less: Accumulated Amortization	(81,763)
Total	<u>\$ 106,302</u>

Leases Receivable

The City, acting as a lessor, leases various assets under long-term, noncancelable lease agreements with no interest. The leases expire at various dates through 2026. During the year ended June 30, 2022, the City recognized \$13,951 for governmental activities and \$61,181 for business type activities in lease revenue and no interest revenue, pursuant to these contracts. Total minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 13,947	\$ -	\$ 59,405	\$ -
2024	14,366	-	61,781	-
2025	-	-	64,252	-
2026	-	-	32,757	-
Total Minimum Lease Payments	<u>\$ 28,313</u>	<u>\$ -</u>	<u>\$ 218,195</u>	<u>\$ -</u>

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balances for all major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

ancy	General	TDA-LTF	Gas Tax	CalHOME	Development Impact	Miscellaneous Grants	McFarland Improvement Authority	Other Governmental Funds	Total
Nonspendable:									
Prepays	\$ 4,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,129
Land Held for Resale	446,593	-	-	-	-	-	-	-	446,593
Subtotal	450,722	-	-	-	-	-	-	-	450,722
Restricted for:									
Streets and Transportation	-	-	1,074,238	-	-	-	-	777,351	1,851,589
Impact Fees	-	-	-	-	1,841,095	-	-	-	1,841,095
CalHOME	-	-	-	266,048	-	-	-	-	266,048
General Government	-	-	-	-	-	112,365	-	-	112,365
Debt Service	-	-	-	-	-	-	272,300	-	272,300
Capital Projects	-	-	-	-	-	-	2,852,963	-	2,852,963
Subtotal	-	-	1,074,238	266,048	1,841,095	112,365	3,125,263	777,351	7,196,360
Assigned to:									
CUP Fees for Capital Projects	2,757,119	-	-	-	-	-	-	-	2,757,119
Subtotal	2,757,119	-	-	-	-	-	-	-	2,757,119
Unassigned	876,435	(582,319)	-	-	-	-	-	(100,259)	193,857
Total	\$ 4,084,276	\$ (582,319)	\$ 1,074,238	\$ 266,048	\$ 1,841,095	\$ 112,365	\$ 3,125,263	\$ 677,092	\$ 10,598,058

NOTE 9 RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Description

The City's defined contribution plan provides for retirement benefits to plan members and beneficiaries. The plan is administrated by John Hancock Life Insurance Company.

Funding Policy

The City contributes 10% of permanent employees' salaries who have at least three years of service. Vesting is at 33% per year over three years. In the event an employee terminates service prior to retirement, the employee is entitled to a refund of the employee's contributions plus interest plus the vested portion of the City's contributions. During the current year, the City was required to make contributions to the plan in the amount of \$243,232. The plan also included \$4,753 of forfeitures during the current year.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For general liability and workers' compensation programs, the City is a member of the Central San Joaquin Valley Risk Management Authority (the RMA). The RMA is comprised of 55 member cities and special districts and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the RMA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Each member has a representative on the Board of Directors with officers of the RMA being elected annually by the Board Members.

General Liability

Annual deposits are paid by members and are adjusted retrospectively to cover costs. Each member has a specific self-insured retention (SIR) level. The City of McFarland's SIR is \$25,000. The city is responsible for the first \$25,000 of each occurrence. The City does not share or pay for losses of other members with SIRs under \$25,000. Specific coverage includes general and automobile liability, personal injury, errors and omissions, and certain other coverage. Claims from \$25,000 to \$1,000,000 are covered by a special pre-funded self-insurance pool maintained by the RMA. Claims from \$1,000,000 to \$4,000,000 are self-insured by the California Affiliated Risk Management Authorities (CARMA), a joint powers authority providing excess coverage to a membership consisting of six underlying joint powers authorities, representing approximately 175 cities and special districts. Claims from \$4,000,000 to \$39,000,000 are covered by Excess Comprehensive General Liability Policies.

Workers' Compensation

Annual deposits are paid by members and are adjusted retrospectively to cover costs. Each member has a specific self-insured retention (SIR) level. The City of McFarland's SIR is \$25,000 per occurrence. The City is responsible for the first \$25,000 of each occurrence. The City does not share or pay for losses of other members with SIRs under \$25,000. Losses between \$25,000 and \$500,000 are covered by a special pre-funded self-insurance pool maintained by the RMA.

Claims from \$500,000 to \$5,000,000 are self-insured by the Local Agency Workers' Compensation Excess Joint Powers Authority which is a joint powers authority providing excess coverage to 36 members including cities, special districts, and joint powers authorities. Claims in excess of \$5,000,000 are self-insured by the California State Association of Counties Excess Insurance Authority, another joint powers authority.

There were no settlements in excess of insurance coverage in any of the three prior fiscal years.

**CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 RISK MANAGEMENT (CONTINUED)

Workers' Compensation (Continued)

The audited financial information from Central San Joaquin Valley Risk Management Authority for the year ended June 30, 2022, is as follows:

Total Assets	\$ 150,837,823
Total Liabilities	118,663,929
Net Position	<u>\$ 32,173,894</u>
Total Revenues	\$ 58,911,480
Total Expenses	47,584,363
Change in Net Position	<u>\$ 11,327,117</u>

Complete audited financial statements can be obtained from their office at 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

NOTE 11 OTHER INFORMATION

Fund Deficits

The City has accumulated fund deficits in the following individual funds:

Governmental Funds:	
TDA-LTF	\$ 582,319
CDBG	13,888
HOME	85,457
COPS	914

Commitments

The City has signed agreements to construct various capital improvements subsequent to June 30, 2022. The balance owed on the commitments at June 30, 2022, was approximately \$1,629,553.

Contingencies

Federal and State Government Programs

The City participates in several federal and state grant programs. These programs are subject to audit and review by the grantor pursuant to grant provisions. Expenditures may be disallowed by the granting agencies that cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is involved in several lawsuits. Due to the nature of the cases, The City's counsel is unable to estimate at this time the probability of favorable or unfavorable outcomes. Therefore, no provision has been made in the financial statements for a loss contingency.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PRIOR PERIOD ADJUSTMENT

The City determined that certain transactions were recorded incorrectly in a prior year.

The impact of the restatements on the fund balances and net position as previously reported is presented below:

	Government-Wide Statements	Governmental Fund Statements
	Governmental Activities	COPS
Fund Balance / Net Position - June 30, 2021	\$ 37,870,666	\$ (914)
<u>Adjustments:</u>		
To recognize revenues earned in prior years, but not recorded until the current year.	233,434	233,434
Restated Fund Balance / Net Position - June 30, 2022	<u>\$ 38,104,100</u>	<u>\$ 232,520</u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**CITY OF MCFARLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 2,550,654	2,550,654	\$ 2,743,476	\$ 192,822
Licenses and Permits	315,085	315,085	245,583	(69,502)
Fines and Forfeitures	52,482	52,482	44,267	(8,215)
Use of Money and Property	19,720	19,720	19,544	(176)
Intergovernmental Revenues	3,805,274	3,805,274	725,993	(3,079,281)
Charges for Services	766,095	766,095	3,259,696	2,493,601
Contributions	6,500	6,500	6,851	351
Other Revenues	63,773	63,773	78,561	14,788
Total Revenues	<u>7,579,583</u>	<u>7,579,583</u>	<u>7,123,971</u>	<u>(455,612)</u>
EXPENDITURES				
Current:				
General Government	789,553	789,553	637,204	152,349
Public Safety	4,106,455	4,106,455	3,618,590	487,865
Public Works	865,296	865,296	699,807	165,489
Community Development	566,130	566,130	458,829	107,301
Debt Service:				
Principal	553,708	553,708	125,121	428,587
Interest and Other Charges	6,750	6,750	38,268	(31,518)
Capital Outlay	4,981,188	6,291,606	1,453,375	4,838,231
Total Expenditures	<u>11,869,080</u>	<u>13,179,498</u>	<u>7,031,194</u>	<u>6,148,304</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,289,497)	(5,599,915)	92,777	5,692,692
OTHER FINANCING SOURCES				
Debt Proceeds	2,000,000	2,000,000	-	(2,000,000)
Issuance of Leases	-	-	4,414	4,414
Transfers In	3,692,177	3,692,177	3,271,486	(420,691)
Total Other Financing Sources (Uses)	<u>5,692,177</u>	<u>5,692,177</u>	<u>3,275,900</u>	<u>(420,691)</u>
NET CHANGE IN FUND BALANCES	1,402,680	92,262	3,368,677	5,272,001
Fund Balances - Beginning of Year	<u>715,599</u>	<u>715,599</u>	<u>715,599</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,118,279</u>	<u>\$ 807,861</u>	<u>\$ 4,084,276</u>	<u>\$ 3,276,415</u>

CITY OF MCFARLAND
BUDGETARY COMPARISON SCHEDULE
TDA-LTF – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental Revenues	\$ 1,600,000	\$ 1,600,000	\$ 2,105,508	\$ 505,508
Total Revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>2,105,508</u>	<u>505,508</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,600,000	1,600,000	2,105,508	505,508
OTHER FINANCING USES				
Transfers Out	<u>(1,300,224)</u>	<u>(1,300,224)</u>	<u>(1,965,385)</u>	<u>(665,161)</u>
Total Other Financing Uses	<u>(1,300,224)</u>	<u>(1,300,224)</u>	<u>(1,965,385)</u>	<u>(665,161)</u>
NET CHANGE IN FUND BALANCES	299,776	299,776	140,123	(159,653)
Fund Balances - Beginning of Year	<u>(722,442)</u>	<u>(722,442)</u>	<u>(722,442)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (422,666)</u>	<u>\$ (422,666)</u>	<u>\$ (582,319)</u>	<u>\$ (159,653)</u>

**CITY OF MCFARLAND
BUDGETARY COMPARISON SCHEDULE
GAS TAX – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental Revenues	\$ 376,511	\$ 376,511	\$ 296,927	\$ (79,584)
Total Revenues	<u>376,511</u>	<u>376,511</u>	<u>296,927</u>	<u>(79,584)</u>
EXCESS OF REVENUES OVER EXPENDITURES	376,511	376,511	296,927	(79,584)
OTHER FINANCING USES				
Transfers Out	<u>(376,511)</u>	<u>(376,511)</u>	-	376,511
Total Other Financing Uses	<u>(376,511)</u>	<u>(376,511)</u>	-	376,511
NET CHANGE IN FUND BALANCES	-	-	296,927	296,927
Fund Balances - Beginning of Year	<u>777,311</u>	<u>777,311</u>	<u>777,311</u>	-
FUND BALANCES - END OF YEAR	<u>\$ 777,311</u>	<u>\$ 777,311</u>	<u>\$ 1,074,238</u>	<u>\$ 296,927</u>

CITY OF MCFARLAND
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Licenses and Permits	\$ 1,026,496	\$ 1,026,496	\$ 763,217	\$ (263,279)
Use of Money and Property	2,000	2,000	-	(2,000)
Total Revenues	<u>1,028,496</u>	<u>1,028,496</u>	<u>763,217</u>	<u>(265,279)</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,028,496	1,028,496	763,217	(265,279)
OTHER FINANCING USES				
Transfers Out	<u>(1,028,496)</u>	<u>(1,028,496)</u>	<u>(170,399)</u>	<u>858,097</u>
Total Other Financing Uses	<u>(1,028,496)</u>	<u>(1,028,496)</u>	<u>(170,399)</u>	<u>858,097</u>
NET CHANGE IN FUND BALANCES	-	-	592,818	592,818
Fund Balances - Beginning of Year	<u>1,248,277</u>	<u>1,248,277</u>	<u>1,248,277</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,248,277</u>	<u>\$ 1,248,277</u>	<u>\$ 1,841,095</u>	<u>\$ 592,818</u>

CITY OF MCFARLAND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 APPROPRIATED BUDGET AND BUDGETARY CONTROL

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General and Special Revenue funds. The budgets are presented for reporting purposes on a budgetary basis consistent with accounting principles generally accepted in the United States of America. The McFarland Improvement Authority does not adopt a budget.

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a department and make transfers of appropriations between departments as long as there is no increase or decrease to the overall budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

The City Council adopts budgets for the Enterprise funds. However, all Proprietary fund types are accounted for on a cost of service (net income), or "capital maintenance" measurement focus. As a result, budget comparisons are impractical. Additionally, the City is not legally mandated to report the results of operations for these Proprietary fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.

The City did not present a budgetary schedule for the CalHOME Fund or the Miscellaneous Grants Fund since these funds did not report a budget this year.

COMBINING FUND STATEMENTS

**CITY OF MCFARLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue					Total
	CDBG	HOME	Lighting and Landscape	COPS	Road Maintenance and Rehab	
ASSETS						
Cash and Investments	\$ -	\$ -	\$ 243,882	\$ -	\$ 513,027	\$ 756,909
Receivables:						
Accounts	-	3,383	-	-	-	3,383
Intergovernmental	410,338	-	-	-	23,701	434,039
Loans Receivable	-	709,906	-	-	-	709,906
Total Assets	<u>\$ 410,338</u>	<u>\$ 713,289</u>	<u>\$ 243,882</u>	<u>\$ -</u>	<u>\$ 536,728</u>	<u>\$ 1,904,237</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ 1,165	\$ -	\$ -	\$ 1,165
Accrued Liabilities	-	-	889	-	-	889
Due to Other Funds	424,226	88,840	789	914	-	514,769
Unearned Revenue	-	-	-	-	416	416
Total Liabilities	<u>424,226</u>	<u>88,840</u>	<u>2,843</u>	<u>914</u>	<u>416</u>	<u>517,239</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	<u>-</u>	<u>709,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>709,906</u>
FUND BALANCES						
Restricted	-	-	241,039	-	536,312	777,351
Unassigned	<u>(13,888)</u>	<u>(85,457)</u>	<u>-</u>	<u>(914)</u>	<u>-</u>	<u>(100,259)</u>
Total Fund Balances	<u>(13,888)</u>	<u>(85,457)</u>	<u>241,039</u>	<u>(914)</u>	<u>536,312</u>	<u>677,092</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 410,338</u>	<u>\$ 713,289</u>	<u>\$ 243,882</u>	<u>\$ -</u>	<u>\$ 536,728</u>	<u>\$ 1,904,237</u>

**CITY OF MCFARLAND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	Special Revenue					
	CDBG	HOME	Lighting and Landscape	COPS	Road Maintenance and Rehab	Total
REVENUES						
Taxes	\$ -	\$ -	\$ 139,033	\$ -	\$ 306,549	\$ 445,582
Use of Money and Property	-	-	30	-	-	30
Intergovernmental Revenues	402,547	-	-	511,193	-	913,740
Total Revenues	402,547	-	139,063	511,193	306,549	1,359,352
EXPENDITURES						
Current:						
Public Works	-	-	152,196	-	-	152,196
Capital Outlay	401,973	-	-	-	-	401,973
Total Expenditures	401,973	-	152,196	-	-	554,169
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	574	-	(13,133)	511,193	306,549	805,183
OTHER FINANCING USES						
Transfers Out	-	-	-	(744,627)	(409,707)	(1,154,334)
Total Other Financing Uses	-	-	-	(744,627)	(409,707)	(1,154,334)
NET CHANGE IN FUND BALANCES	574	-	(13,133)	(233,434)	(103,158)	(349,151)
Fund Balances - Beginning of Year as Restated	(14,462)	(85,457)	254,172	232,520	639,470	1,026,243
FUND BALANCES - END OF YEAR	<u>\$ (13,888)</u>	<u>\$ (85,457)</u>	<u>\$ 241,039</u>	<u>\$ (914)</u>	<u>\$ 536,312</u>	<u>\$ 677,092</u>



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**CITY OF MCFARLAND
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2022**



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**CITY OF MCFARLAND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10



**INDEPENDENT AUDITORS' 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**

Honorable City Council
City of McFarland
McFarland, 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 McFarland (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated June 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of McFarland's internal control over financial reporting (internal control) as a basis for designing 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 of McFarland's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of McFarland's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004 and 2022-005 that we consider to be material weaknesses.

Report on 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 financial statements. 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*.

The City of McFarland's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of McFarland's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of McFarland's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



CliftonLarsonAllen LLP

Roseville, California
June 8, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable City Council
City of McFarland
McFarland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of McFarland, California's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of McFarland and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-006. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-006, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of McFarland as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of McFarland's basic financial statements. We have issued our report thereon, dated June 8, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
July 11, 2023

CITY OF MCFARLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Community Facilities Direct Loan and Grant Program	10.766		\$ 664,188	\$ -
Subtotal - Community Facilities Loans and Grant Cluster			<u>664,188</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>664,188</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed-through State of California Department of Housing and Community Development:				
COVID-19 Community Development				
Block Grants/Entitlement Grants (CDBG)	14.228	20-CDBG-CV2-3-00001	\$ 401,973	\$ -
Subtotal - CDBG Entitlement Grants Cluster			<u>401,973</u>	<u>-</u>
HOME Investment Partnership Program (Outstanding Loans)	14.239		\$ 709,906	\$ -
Total U.S. Department of Housing and Urban Development			<u>1,111,879</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710		<u>779,696</u>	<u>-</u>
Total U.S. Department of Justice			<u>779,696</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Passed-through the State Department of Transportation:				
Highway Planning and Construction	20.205	CMAQ-8405	<u>234,022</u>	<u>-</u>
Subtotal - Highway Planning and Construction Cluster			<u>234,022</u>	<u>-</u>
Total U.S. Department of Transportation			<u>234,022</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
Passed-through the State Department of Finance				
COVID-19 Coronavirus				
State and Local Fiscal Recovery Funds	21.027		<u>345,295</u>	<u>-</u>
Subtotal - Assistance Listing Number 21.027			<u>345,295</u>	<u>-</u>
Total U.S. Department of Treasury			<u>345,295</u>	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,135,080</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF MCFARLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards programs of the City of McFarland (the City) for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 ASSISTANCE LISTING NUMBERS

The program titles and Assistance Listing Numbers were obtained from the federal or pass-through grantor.

NOTE 4 INDIRECT COST RATE

The City did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

NOTE 5 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the City determined that no identifying number is assigned for the program or the City was unable to obtain an identifying number from the pass-through entity.

CITY OF MCFARLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 6 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The City offers property rehabilitation and first-time home buyer loans to eligible individuals as part of its HOME program. The loans have continuing compliance requirements and therefore the outstanding balances are reflected on the Schedule. No new loans were issued during the fiscal year ended June 30, 2022.

Assistance Listing Number	Federal Program	Outstanding Loans	Loans with Continuing Compliance Requirements
10.766	Community Facilities Direct Loan and Grant Program	\$ 664,188	\$ 664,188
14.239	Home Investment Partnership Program	709,906	709,906

NOTE 7 COPS UNIVERSAL HIRING GRANT PRIOR YEAR EXPENDITURES

The City had federal expenditures in the amount of \$268,503 for the COPS Universal Hiring Grant that were not included on the SEFA in a prior year. These amounts have been reported in the current year SEFA in addition to the \$511,193 of current year expenditures.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified

2. Internal control over financial reporting:
 - Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported

3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? x yes none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Number(s)

Name of Federal Program or Cluster

21.027

COVID -19 Coronavirus State and Local Fiscal Recovery Funds

14.228

COVID -19 Community Development Block Grants

16.710

Public Safety Partnership and Community Policing Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes x no

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

2022 – 001 Year-End Closing and Account Reconciliations

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The City did not have adequate design of internal controls over significant processes such as performing monthly reconciliations of accounts, including cash, receivables and long-term liabilities.

Furthermore, this year's closing process was delayed because some important procedures were not performed on time while others were performed too early in the process. The results were delays in producing closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.

Criteria or Specific Requirement: A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

Effect: Certain accounts were misstated at year-end, requiring material adjustments.

Cause: The City did not allocate sufficient resources to the accounting function.

Repeat Finding: This is a repeat finding from the prior year (2021-001).

Recommendation: We recommend the City establish procedures for reconciling the general ledger accounts for cash, receivables, accounts payable, to supporting documentation monthly. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

We further recommend that the finance department prepare a year-end closing schedule and include all tasks that are necessary to close the year-end. Such a list should include, at a minimum, the following: a list of year-end tasks, due date of each task, and the responsible employee and management reviewer of each task.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The Finance Department will establish written procedures for reconciliations of all major accounts which are to be completed the end of each month and fiscal year.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 002 Cash Reconciliations

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During our audit, we noted the cash reconciliations provided were completed much later than periods being reconciled.

During much of the year, the operating bank account reconciliations appeared to be not completed at the end of each month. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

Criteria or Specific Requirement: Year-end and monthly reconciliations and adjustments will ensure meaningful and accurate financial statements.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis.

Cause: Management did not perform the cash reconciliations on a monthly basis to confirm the amounts agreed to the general ledger during the fiscal year.

Repeat Finding: This is a repeat finding from the prior year (2021-002).

Recommendation: We recommend that the bank reconciliations be reviewed for accuracy and completeness on a timely basis by the finance department. The review should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents. The composition of unreconciled differences should be determined and followed up on, and any journal entries deemed necessary as a result be recorded.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The Finance Department will establish written procedures for reconciliations of all major accounts which are to be completed the end of each month and fiscal year.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 003 Accounts Receivable

Type of Finding: Material Weakness

Condition: Accounts receivable and revenue were understated by \$2,817,488 in the General Fund for conditional use permits and engineering fees. Accounts receivable and revenue were also understated by \$23,701 in the road fund for road rehabilitation funding.

Criteria or specific requirement: Accounts receivable and the associated revenues should be recorded in the period they are determined to be recognizable in accordance with generally accepted accounting principles (GAAP).

Effect: The following are misstatements detected as a result of audit procedures that are within the City's financial statements:

Accounts receivable and revenues were understated by \$2,817,448 in the General Fund for conditions use permits and engineering fees.

Accounts receivable and revenues were understated by \$23,701 in the Road Fund for road rehabilitation funding.

Cause: Certain accruals were not identified and captured as part of the year end close process.

Repeat Finding: This is not a repeat finding.

Recommendation: The City should provide additional training to departments and staff on revenue recognition in accordance with GAAP and include additional procedures during the year end closing process to capture all year end accruals.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The Finance Department will establish written procedures for reconciliations of all major accounts which are to be completed the end of each month and fiscal year.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 004 Vacation Liability

Type of Finding: Material Weakness

Condition: During our audit we noted the City had recorded accrued vacation liabilities in the General Fund overstating the liability for accrued salaries and benefits in the fund statements.

Criteria or specific requirement: Transactions should only be recorded in the General Fund on the modified accrual basis. As such long term liabilities for accrued vacation should only be recorded in the government wide statements on the full accrual basis.

Effect: Accrued salaries and benefits was overstated by \$54,229 in the General Fund.

Cause: The City treated accrued vacation like a short term liability rather than a long term liability and recorded it in the general fund.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City only record accrued vacation liabilities in the government wide financial statements as part of their year end GASB conversion entries.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The Finance Department will establish written procedures for reconciliations of all major accounts which are to be completed the end of each month and fiscal year.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 005 SEFA Preparation

Type of Finding: Material Weakness

Condition: The City made adjustments to the SEFA for the following program: ALN #16.710 Public Safety Partnership and Community Policing Grants.

Criteria or specific requirement: The Auditee's responsibility per the Uniform Guidance, Section 200.508 Part B, is to "prepare appropriate financial statements, including the Schedule of Expenditures of Awards". This includes determining the correct amount of expenditures that need to be reported for the Schedule of Expenditures of Federal Awards.

The SEFA, while not part of the Basic Financial Statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance. The Uniform Guidance requires auditors to determine major programs and perform risk assessments based on information reported on the SEFA.

Effect: During our review of the preliminary SEFA and testing over the major programs, we noted the City omitted the entire Public Safety Partnership and Community Policing Grants Program from the SEFA which amounted to \$511,193 in federal expenditures.

Cause: The city has had staffing issues and high turnover in grant personnel resulting in the program being excluded from the initial SEFA provided.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City provides additional training to the departments to understand their grant reporting requirements.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The City will provide additional training to individuals responsible for grant reporting requirements.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 006

Federal agency: U.S. Department of Treasury

Federal program title: Covid -19 Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: QCFVLPC1QNF1, FY 2021-2022

Pass-Through Agency: N/A

Pass-Through Number(s): N/A

Award Period: July 1, 2021, to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matter

Condition: We noted three vendors received disbursements of Federal Funding without going through the bid process. In addition, debarment checks for two vendors were not performed.

Criteria or Specific Requirement: Recipients may use award funds to enter into contracts with vendors who are not debarred to procure goods and services necessary to implement eligible purposes which are outlined by Treasury's Interim Final Rule.

Effect: Without checking debarment before engaging services, the City could have entered into an agreement with a vendor that was disbarred from receiving federal funding.

Context: Two of the four items tested did not have debarment procedures performed prior to the commencement of work. In addition the bid process wasn't followed for three of the items tested because expenditures had been previously approved within the City budget.

Cause: State and Local Fiscal Recovery Funds related to the coronavirus relief funding was received in advance as emergency funding. The City did not follow all required compliance in using the funding in response to the emergency.

Repeat Finding: This is not a repeat finding.

Recommendation: CLA recommends that City implement procedures to ensure that federal guidance is followed relating to procurement and debarment.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The City will provide additional training to individuals responsible for procurement and related debarment requirements.



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CITY OF MCFARLAND
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2022



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**CITY OF MCFARLAND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE – STATEMENT OF NET POSITION	5
GOVERNMENT-WIDE – STATEMENT OF ACTIVITIES	6
BALANCE SHEET – GOVERNMENTAL FUNDS	7
RECONCILIATION OF GOVERNMENTAL FUNDS – BALANCE SHEET TO GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES	9
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	10
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO GOVERNMENT-WIDE STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES	12
STATEMENT OF NET POSITION – PROPRIETARY FUNDS	13
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS	14
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS	15
STATEMENT OF NET POSITION – FIDUCIARY FUND	17
STATEMENT OF CHANGES IN NET POSITION – FIDUCIARY FUND	18
NOTES TO BASIC FINANCIAL STATEMENTS	19
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	47
BUDGETARY COMPARISON SCHEDULE – TDA-LTF – MAJOR SPECIAL REVENUE FUND	48
BUDGETARY COMPARISON SCHEDULE – GAS TAX – MAJOR SPECIAL REVENUE FUND	49

**CITY OF MCFARLAND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

BUDGETARY COMPARISON SCHEDULE – DEVELOPMENT IMPACT – MAJOR SPECIAL REVENUE FUND	50
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	51
COMBINING FUND STATEMENTS	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	53
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	54

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of McFarland
McFarland, California

Report on the Audit of the Financial Statements

Opinions

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 McFarland (the City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

Restatements of Fund Balance and Net Position

As disclosed in Note 12 to the financial statements, the City's beginning fund balance and net position was restated for the correction of errors in prior year financial statements. Our opinion is not modified with respect to this matter.

Change in Accounting Principle

As discussed in Note 1 to the financial statements, effective July 1, 2021, the City of McFarland adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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.

Management has omitted 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 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 opinions on the basic financial statements are not affected by this missing information.

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 governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements or the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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.



CliftonLarsonAllen LLP

Roseville, California
June 8, 2023

BASIC FINANCIAL STATEMENTS

CITY OF MCFARLAND
GOVERNMENT-WIDE – STATEMENT OF NET POSITION
JUNE 30, 2022

	Primary Government		
	Governmental	Business-Type	Totals
	Activities	Activities	
ASSETS			
Cash and Investments	\$ 5,257,725	\$ 9,199,133	\$ 14,456,858
Cash with Fiscal Agents	3,626,961	754,651	4,381,612
Receivables:			
Accounts	81,587	905,682	987,269
Intergovernmental	4,029,888	3,979	4,033,867
Interest	-	1,816	1,816
Leases	28,313	218,195	246,508
Other Assets	4,129	5,097	9,226
Internal Balances	(120,277)	120,277	-
Loans Receivable	3,626,013	-	3,626,013
Land Held For Resale	446,593	-	446,593
Capital Assets:			
Nondepreciable/Nonamortizable	3,299,731	1,280,063	4,579,794
Depreciable, Net	28,354,461	15,552,759	43,907,220
Right-to-Use Assets, Net	106,302	-	106,302
Total Assets	<u>48,741,426</u>	<u>28,041,652</u>	<u>76,783,078</u>
LIABILITIES			
Accounts Payable	300,748	343,317	644,065
Accrued Liabilities	35,047	16,091	51,138
Interest Payable	54,717	69,303	124,020
Deposits Payable	151,397	18,539	169,936
Unearned Revenue	1,667,860	12,769	1,680,629
Long-Term Liabilities:			
Due Within One Year	293,729	246,576	540,305
Due in More than One Year	<u>5,188,143</u>	<u>5,525,000</u>	<u>10,713,143</u>
Total Liabilities	<u>7,691,641</u>	<u>6,231,595</u>	<u>13,923,236</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows Related to Leases	<u>27,903</u>	<u>214,134</u>	<u>242,037</u>
NET POSITION			
Net Investment in Capital Assets	29,594,503	11,117,822	40,712,325
Restricted for:			
General	112,365	-	112,365
Streets and Roads	1,843,176	-	1,843,176
Community Development	5,788,156	-	5,788,156
Debt Service	217,583	754,651	972,234
Unrestricted	<u>3,466,099</u>	<u>9,723,450</u>	<u>13,189,549</u>
Total Net Position	<u>\$ 41,021,882</u>	<u>\$ 21,595,923</u>	<u>\$ 62,617,805</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
GOVERNMENT-WIDE – STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

		Program Revenues			Net (Expenses) Revenues and Changes in Net Position		
Functions/Programs	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business- Type Activities	Total
Primary Government:							
Governmental Activities:							
General Government	\$ 1,464,274	\$ 3,067,553	\$ -	\$ -	\$ 1,603,279	\$ -	\$ 1,603,279
Public Safety	3,759,778	196,586	672,478	-	(2,890,714)	-	(2,890,714)
Public Works	1,696,956	61,588	1,348,410	409,876	122,918	-	122,918
Community Development	611,613	992,418	154,832	402,547	938,184	-	938,184
Interest on Long-Term Debt	193,709	-	-	-	(193,709)	-	(193,709)
Total Governmental Activities	7,726,330	4,318,145	2,175,720	812,423	(420,042)	-	(420,042)
Business-Type Activities:							
Sewer	1,606,175	2,023,238	-	-	-	417,063	417,063
Refuse	1,441,189	1,407,955	47,891	-	-	14,657	14,657
Water	1,747,087	2,162,454	5,000	-	-	420,367	420,367
Public Transportation	126,980	-	53,742	-	-	(73,238)	(73,238)
Total Business-Type Activities	4,921,431	5,593,647	106,633	-	-	778,849	778,849
Total Primary Government	\$ 12,647,761	\$ 9,911,792	\$ 2,282,353	\$ 812,423	(420,042)	778,849	358,807
GENERAL REVENUES AND TRANSFERS							
General Revenues:							
Taxes:							
Property Taxes					928,467	-	928,467
Sales and Use Taxes					524,930	-	524,930
Franchise Taxes					203,162	-	203,162
Intergovernmental, Unrestricted:							
Motor Vehicle In-Lieu Tax					1,532,499	-	1,532,499
Interest and Investment Earnings					241	2,964	3,205
Lease Revenue					13,951	61,181	75,132
Settlements					-	5,895,859	5,895,859
Miscellaneous					86,819	-	86,819
Transfers					47,755	(47,755)	-
Total General Revenues and Transfers					3,337,824	5,912,249	9,250,073
CHANGE IN NET POSITION					2,917,782	6,691,098	9,608,880
Net Position - Beginning of Year as Restated					38,104,100	14,904,825	53,008,925
NET POSITION - END OF YEAR					\$ 41,021,882	\$ 21,595,923	\$ 62,617,805

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	TDA-LTF	Gas Tax	CalHOME
ASSETS				
Cash and Investments	\$ 688,635	\$ 140,123	\$ 1,074,238	\$ 266,048
Cash with Fiscal Agent	-	-	-	-
Receivables:				
Accounts	78,204	-	-	-
Intergovernmental	3,019,355	573,906	-	-
Leases	28,313	-	-	-
Prepaid Items	4,129	-	-	-
Due from Other Funds	674,252	-	-	-
Loans Receivable	-	-	-	2,916,107
Land Held for Resale	446,593	-	-	-
	<u>446,593</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,939,481</u>	<u>\$ 714,029</u>	<u>\$ 1,074,238</u>	<u>\$ 3,182,155</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 245,496	\$ -	\$ -	\$ -
Accrued Liabilities	34,158	-	-	-
Deposits Payable	151,397	-	-	-
Due to Other Funds	124,043	722,442	-	-
Advances from Other Funds	114,211	-	-	-
Unearned Revenue	157,997	-	-	-
Total Liabilities	<u>827,302</u>	<u>722,442</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue	-	573,906	-	2,916,107
Related to Leases	27,903	-	-	-
Total Deferred Inflows of Resources	<u>27,903</u>	<u>573,906</u>	<u>-</u>	<u>2,916,107</u>
FUND BALANCES				
Nonspendable	450,722	-	-	-
Restricted	-	-	1,074,238	266,048
Assigned	2,757,119	-	-	-
Unassigned	876,435	(582,319)	-	-
Total Fund Balances	<u>4,084,276</u>	<u>(582,319)</u>	<u>1,074,238</u>	<u>266,048</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,939,481</u>	<u>\$ 714,029</u>	<u>\$ 1,074,238</u>	<u>\$ 3,182,155</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Development Impact	Miscellaneous Grants	McFarland Improvement Authority	Other Governmental Funds	Total
ASSETS					
Cash and Investments	\$ 631,553	\$ 1,700,219	\$ -	\$ 756,909	\$ 5,257,725
Cash with Fiscal Agent	-	-	3,626,961	-	3,626,961
Receivables:					
Accounts	-	-	-	3,383	81,587
Intergovernmental	-	2,588	-	434,039	4,029,888
Leases	-	-	-	-	28,313
Prepaid Items	-	-	-	-	4,129
Due from Other Funds	1,209,542	-	-	-	1,883,794
Loans Receivable	-	-	-	709,906	3,626,013
Land Held for Resale	-	-	-	-	446,593
Total Assets	<u>\$ 1,841,095</u>	<u>\$ 1,702,807</u>	<u>\$ 3,626,961</u>	<u>\$ 1,904,237</u>	<u>\$ 18,985,003</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 54,087	\$ -	\$ 1,165	\$ 300,748
Accrued Liabilities	-	-	-	889	35,047
Deposits Payable	-	-	-	-	151,397
Due to Other Funds	-	26,908	501,698	514,769	1,889,860
Advances from Other Funds	-	-	-	-	114,211
Unearned Revenue	-	1,509,447	-	416	1,667,860
Total Liabilities	-	1,590,442	501,698	517,239	4,159,123
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	709,906	4,199,919
Related to Leases	-	-	-	-	27,903
Total Deferred Inflows of Resources	-	-	-	709,906	4,227,822
FUND BALANCES					
Nonspendable	-	-	-	-	450,722
Restricted	1,841,095	112,365	3,125,263	777,351	7,196,360
Assigned	-	-	-	-	2,757,119
Unassigned	-	-	-	(100,259)	193,857
Total Fund Balances	<u>1,841,095</u>	<u>112,365</u>	<u>3,125,263</u>	<u>677,092</u>	<u>10,598,058</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,841,095</u>	<u>\$ 1,702,807</u>	<u>\$ 3,626,961</u>	<u>\$ 1,904,237</u>	<u>\$ 18,985,003</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
RECONCILIATION OF GOVERNMENTAL FUNDS – BALANCE SHEET TO
GOVERNMENT-WIDE STATEMENT OF NET POSITION – GOVERNMENTAL ACTIVITIES
JUNE 30, 2022

Fund Balance - Total Governmental Funds	\$ 10,598,058
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet.	31,760,494
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Some of the City's revenue is not available to pay for current period expenditures and therefore are not reported in the governmental funds balance sheet.	4,199,919
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Interest on long-term debt is recognized as it accrues, regardless of when it is due.	(54,717)
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Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.

Bonds Payable (Net of Unamortized Premium)	(4,541,487)
Loans Payable	(750,804)
Notes Payable	(26,835)
Lease Payable	(108,517)
Compensated Absences	<u>(54,229)</u>

Net Position of Governmental Activities	<u><u>\$ 41,021,882</u></u>
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CITY OF MCFARLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General Fund	TDA-LTF	Gas Tax	CalHOME
REVENUES				
Taxes	\$ 2,743,476	\$ -	\$ -	\$ -
Licenses and Permits	245,583	-	-	-
Fines and Forfeitures	44,267	-	-	-
Use of Money and Property	19,544	-	-	-
Intergovernmental Revenues	725,993	2,105,508	296,927	-
Charges for Services	3,259,696	-	-	-
Contributions	6,851	-	-	-
Other Revenues	78,561	-	-	55,000
Total Revenues	7,123,971	2,105,508	296,927	55,000
EXPENDITURES				
Current:				
General Government	637,204	-	-	-
Public Safety	3,618,590	-	-	-
Public Works	699,807	-	-	-
Community Development	458,829	-	-	-
Debt Service:				
Principal	125,121	-	-	-
Interest and Fiscal Charges	38,268	-	-	-
Capital Outlay	1,453,375	-	-	-
Total Expenditures	7,031,194	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	92,777	2,105,508	296,927	55,000
OTHER FINANCING SOURCES (USES)				
Transfers In	3,271,486	-	-	-
Transfers Out	-	(1,965,385)	-	-
Leases	4,414	-	-	-
Total Other Financing Sources (Uses)	3,275,900	(1,965,385)	-	-
NET CHANGE IN FUND BALANCES	3,368,677	140,123	296,927	55,000
Fund Balance - Beginning of Year	715,599	(722,442)	777,311	211,048
FUND BALANCES - END OF YEAR	<u>\$ 4,084,276</u>	<u>\$ (582,319)</u>	<u>\$ 1,074,238</u>	<u>\$ 266,048</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Development Impact	Miscellaneous Grants	McFarland Improvement Authority	Other Governmental Funds	Total
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ 445,582	\$ 3,189,058
Licenses and Permits	763,217	-	-	-	1,008,800
Fines and Forfeitures	-	-	-	-	44,267
Use of Money and Property	-	-	-	30	19,574
Intergovernmental Revenues	-	470,030	-	913,740	4,512,198
Charges for Services	-	-	-	-	3,259,696
Contributions	-	-	-	-	6,851
Other Revenues	-	-	1,407	-	134,968
Total Revenues	763,217	470,030	1,407	1,359,352	12,175,412
EXPENDITURES					
Current:					
General Government	-	495,675	-	-	1,132,879
Public Safety	-	-	-	-	3,618,590
Public Works	-	-	-	152,196	852,003
Community Development	-	-	-	-	458,829
Debt Service:					
Principal	-	-	105,000	-	230,121
Interest and Fiscal Charges	-	-	167,300	-	205,568
Capital Outlay	-	-	-	401,973	1,855,348
Total Expenditures	-	495,675	272,300	554,169	8,353,338
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	763,217	(25,645)	(270,893)	805,183	3,822,074
OTHER FINANCING SOURCES (USES)					
Transfers In	-	66,387	-	-	3,337,873
Transfers Out	(170,399)	-	-	(1,154,334)	(3,290,118)
Leases	-	-	-	-	4,414
Total Other Financing Sources (Uses)	(170,399)	66,387	-	(1,154,334)	52,169
NET CHANGE IN FUND BALANCES	592,818	40,742	(270,893)	(349,151)	3,874,243
Fund Balance - Beginning of Year	1,248,277	71,623	3,396,156	1,026,243	6,723,815
FUND BALANCES - END OF YEAR	<u>\$ 1,841,095</u>	<u>\$ 112,365</u>	<u>\$ 3,125,263</u>	<u>\$ 677,092</u>	<u>\$ 10,598,058</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO GOVERNMENT-WIDE
STATEMENT OF ACTIVITIES – GOVERNMENTAL ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change to Fund Balance - Total Governmental Funds \$ 3,874,243

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Expenditures for Capital Outlay	1,855,348
Less: Current Year Depreciation	(1,351,580)
Less: Current Year Amortization	(81,763)
Less: Current Year Adjustments	(18,370)

Some revenues reported in the statement of activities will not be collected for several months after the City's year end and do not provide current financial resources and therefore are not reported as revenues in the governmental funds.

(1,579,055)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. Also, governmental funds report the effect of premiums when debt is first issued; however, the amounts are deferred and amortized in the government-wide financial statements.

Principal Payments for Bonds, and Notes	150,573
Principal Payments for Leases	79,548
Proceeds from Issuance of Leases	(4,414)
Change in Accrued Interest on Long-term Debt	3,197
Amortization of Premium	11,859

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 the governmental funds.

Change in Compensated Absences	(21,804)
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Change in Net Position of Governmental Activities	\$ 2,917,782
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**CITY OF MCFARLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Enterprise Funds				
				Nonmajor Public Transportation	Total
	Sewer	Refuse	Water		
ASSETS					
Current Assets:					
Cash and Investments	\$ 1,167,918	\$ 66,427	\$ 7,865,696	\$ 99,092	\$ 9,199,133
Cash with Fiscal Agent - Restricted	509,645	-	245,006	-	754,651
Receivables:					
Accounts	313,161	283,714	308,807	-	905,682
Intergovernmental	3,979	-	-	-	3,979
Interest	-	-	1,816	-	1,816
Leases	218,195	-	-	-	218,195
Due from Other Funds	4,419	4,114	1,360	604	10,497
Other Assets	-	-	5,097	-	5,097
Total Current Assets	2,217,317	354,255	8,427,782	99,696	11,099,050
Noncurrent Assets:					
Advances to Other Funds	114,211	-	-	-	114,211
Capital Assets:					
Nondepreciable:					
Land	1,120,000	-	160,063	-	1,280,063
Depreciable:					
Buildings, Equipment and Infrastructure	14,981,845	309,677	12,481,930	650,896	28,424,348
Accumulated Depreciation	(5,781,067)	(308,646)	(6,300,299)	(481,577)	(12,871,589)
Total Noncurrent Assets	10,434,989	1,031	6,341,694	169,319	16,947,033
Total Assets	12,652,306	355,286	14,769,476	269,015	28,046,083
LIABILITIES					
Current Liabilities:					
Accounts Payable	51,124	194,882	82,528	14,783	343,317
Accrued Liabilities	7,479	1,812	5,199	1,601	16,091
Interest Payable	43,891	-	25,412	-	69,303
Due to Other Funds	-	-	-	4,431	4,431
Deposits from Others	-	-	18,539	-	18,539
Unearned Revenue	-	-	-	12,769	12,769
Compensated Absences	27,029	14,076	14,989	482	56,576
Bonds Payable	127,145	-	62,855	-	190,000
Total Current Liabilities	256,668	210,770	209,522	34,066	711,026
Noncurrent Liabilities:					
Bonds Payable	3,681,287	-	1,843,713	-	5,525,000
Total Liabilities	3,937,955	210,770	2,053,235	34,066	6,236,026
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - Leases	214,134	-	-	-	214,134
NET POSITION					
Net Investment in Capital Assets	6,512,346	1,031	4,435,126	169,319	11,117,822
Restricted for Debt Service	509,645	-	245,006	-	754,651
Unrestricted	1,478,226	143,485	8,036,109	65,630	9,723,450
Total Net Position	\$ 8,500,217	\$ 144,516	\$ 12,716,241	\$ 234,949	\$ 21,595,923

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Enterprise Funds				Total
	Sewer	Refuse	Water	Nonmajor Public Transportation	
OPERATING REVENUES					
Charges for Services	\$ 2,023,238	\$ 1,407,955	\$ 2,162,454	\$ -	\$ 5,593,647
OPERATING EXPENSES					
Salaries and Employee Benefits	604,288	123,473	500,881	63,371	1,292,013
Services and Supplies	260,642	1,313,005	303,713	29,707	1,907,067
Utilities	135,914	-	375,565	-	511,479
Depreciation	422,349	4,711	473,080	33,902	934,042
Total Operating Expenses	<u>1,423,193</u>	<u>1,441,189</u>	<u>1,653,239</u>	<u>126,980</u>	<u>4,644,601</u>
OPERATING INCOME (LOSS)	600,045	(33,234)	509,215	(126,980)	949,046
NONOPERATING REVENUES (EXPENSES)					
Grants	-	47,891	5,000	53,742	106,633
Lease Revenue	61,181	-	-	-	61,181
Interest Income	2,520	86	358	-	2,964
Interest Expense	(182,982)	-	(93,848)	-	(276,830)
Settlements	-	-	5,895,859	-	5,895,859
Total Nonoperating Revenues (Expenses)	<u>(119,281)</u>	<u>47,977</u>	<u>5,807,369</u>	<u>53,742</u>	<u>5,789,807</u>
INCOME (LOSS) BEFORE TRANSFERS	480,764	14,743	6,316,584	(73,238)	6,738,853
TRANSFERS IN	59,895	-	-	125,964	185,859
TRANSFERS OUT	<u>(83,877)</u>	<u>(11,475)</u>	<u>(134,765)</u>	<u>(3,497)</u>	<u>(233,614)</u>
CHANGE IN NET POSITION	456,782	3,268	6,181,819	49,229	6,691,098
Net Position - Beginning of Year	<u>8,043,435</u>	<u>141,248</u>	<u>6,534,422</u>	<u>185,720</u>	<u>14,904,825</u>
NET POSITION - END OF YEAR	<u>\$ 8,500,217</u>	<u>\$ 144,516</u>	<u>\$ 12,716,241</u>	<u>\$ 234,949</u>	<u>\$ 21,595,923</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MCFARLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Enterprise Funds				
				Nonmajor Public Transportation	Total
	Sewer	Refuse	Water		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 1,973,587	\$ 1,339,007	\$ 2,099,881	\$ 12,728	\$ 5,425,203
Payments to Suppliers	(397,137)	(1,229,971)	(660,433)	(25,450)	(2,312,991)
Payments to Employees	(602,383)	(117,959)	(506,918)	(64,375)	(1,291,635)
Net Cash Provided (Used) by Operating Activities	974,067	(8,923)	932,530	(77,097)	1,820,577
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Grant Proceeds	-	47,891	5,000	53,742	106,633
Loans from Other Funds	44,657	-	-	-	44,657
Nonoperating Receipts	61,181	-	-	-	61,181
Transfers from Other Funds	59,895	-	-	125,964	185,859
Transfers to Other Funds	(83,877)	(11,475)	(134,765)	(3,497)	(233,614)
Settlements	-	-	5,895,859	-	5,895,859
Net Cash Provided (Used) by Noncapital Financing Activities	81,856	36,416	5,766,094	176,209	6,060,575
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Payments Related to the Acquisition of Capital Assets	(108,698)	-	-	(20)	(108,718)
Principal Repayments Related to Capital Purposes	(123,949)	-	(61,051)	-	(185,000)
Interest Repayments Related to Capital Purposes	(190,685)	-	(93,848)	-	(284,533)
Net Cash Used by Capital and Related Financing Activities	(423,332)	-	(154,899)	(20)	(578,251)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Earnings	2,520	86	358	-	2,964
Net Cash Provided by Investing Activities	2,520	86	358	-	2,964
NET INCREASE IN CASH AND CASH EQUIVALENTS	635,111	27,579	6,544,083	99,092	7,305,865
Cash and Cash Equivalents - Beginning of Year	1,042,452	38,848	1,566,619	-	2,647,919
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,677,563</u>	<u>\$ 66,427</u>	<u>\$ 8,110,702</u>	<u>\$ 99,092</u>	<u>\$ 9,953,784</u>
Cash and Investments	1,167,918	66,427	7,865,696	99,092	9,199,133
Cash with Fiscal Agent - Restricted	509,645	--	245,006	--	754,651
CASH AND CASH EQUIVALENTS - PER STATEMENT OF NET POSITION	<u>\$ 1,677,563</u>	<u>\$ 66,427</u>	<u>\$ 8,110,702</u>	<u>\$ 99,092</u>	<u>\$ 9,953,784</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MCFARLAND
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Enterprise Funds				
	Sewer	Refuse	Water	Nonmajor Public Transportation	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 600,045	\$ (33,234)	\$ 509,215	\$ (126,980)	\$ 949,046
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation	422,349	4,711	473,080	33,902	934,042
Increase in:					
Accounts Receivable	(45,590)	(68,948)	(67,255)	-	(181,793)
Lease Receivable	(218,195)	-	-	-	(218,195)
Increase (Decrease) in:					
Accounts Payable	(581)	83,034	18,845	4,257	105,555
Accrued Liabilities	(7,904)	(970)	(10,534)	(468)	(19,876)
Deposits	-	-	4,682	-	4,682
Deferred Inflows - Lease Related	214,134	-	-	-	214,134
Unearned Revenues	-	-	-	12,728	12,728
Compensated Absences	9,809	6,484	4,497	(536)	20,254
Net Cash Provided (Used) by Operating Activities	<u>\$ 974,067</u>	<u>\$ (8,923)</u>	<u>\$ 932,530</u>	<u>\$ (77,097)</u>	<u>\$ 1,820,577</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MCFARLAND
STATEMENT OF NET POSITION
FIDUCIARY FUND
JUNE 30, 2022**

		Private Purpose Trust Fund
		<u>Successor Agency</u>
ASSETS		
Cash and Investments	\$	6,665
Total Assets		<u>6,665</u>
NET POSITION		
Restricted for Successor Agency		<u>6,665</u>
Total Net Position	\$	<u><u>6,665</u></u>

**CITY OF MCFARLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2022**

	Private Purpose Trust Fund
	<u>RDA</u>
	<u>Successor Agency</u>
ADDITIONS	
Property Taxes	\$ -
Total Additions	<u>-</u>
DEDUCTIONS	
Administration	<u>-</u>
Total Deductions	<u>-</u>
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	<u>6,665</u>
NET POSITION - END OF YEAR	<u><u>\$ 6,665</u></u>

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of McFarland, California (the City) was incorporated on July 18, 1957. The City is a full-service city and operates under a Council – City Administration form of government, providing the following services: general government; public safety; public works; and recreation and development. The City is located in Kern County approximately 25 miles north of Bakersfield, the County government seat.

The City has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. The Basic Financial Statements present information on the activities of the reporting entity, including all the fund types of the City.

Accounting principles generally accepted in the United States of America require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

Blended Component Units

Parking Authority – The McFarland Parking Authority of the City of McFarland (the Parking Authority) was formed by the City on April 12, 2012, by Resolution No. 2012-069, under Part 2 of Division 18 of the California Streets and Highways Code, Section 32650. The Parking Authority's legislative body is the City Council as Board of Directors of the Parking Authority. The fundamental aim of the Parking Authority is to purchase property and construct a public parking lot on that property. The Parking Authority did not report any activity during the year. Separate financial statements are not available for the Authority.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Blended Component Units (Continued)

McFarland Improvement Authority – On April 12, 2012, under Resolution No. 2012-070, the Parking Authority and the City entered into a Joint Exercise of Powers Agreement to create the McFarland Improvement Authority (the Improvement Authority). The Improvement Authority's legislative body is the City Council as Commissioners of the Improvement Authority. The fundamental aim of the Improvement Authority is to provide for the financing of capital improvements and working capital. The Improvement Authority issued bonds for the purpose of funding capital improvements. Separate financial statements are not available for the Authority.

McFarland Public Financing Corporation – On July 31, 2001, the City and the Successor Agency to the Former McFarland Redevelopment Agency entered into a Joint Exercise of Powers Agreement establishing the McFarland Public Financing Corporation (the Corporation) for the purpose of issuing its bonds to be used to provide financial assistance to the City, the Agency or any other public entity of the state of California. The City Council of McFarland is the governing body for the Corporation. The McFarland Public Financing Corporation did not report any activity during the year. Separate financial statements are not available for the Corporation.

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information on all of the nonfiduciary activities of the City and its blended component units. These statements include the financial activities of the overall government, except fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular 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) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis is placed on major funds within the governmental and proprietary categories, each is displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General fund includes such activities as general government, public safety, public works, and recreation and development.
- The *TDA-LTF Fund* is used to account for the City's share of the Transportation Development Allocation which is legally restricted for specific purposes, primarily street construction and maintenance and related street expenditures. This fund also accounts for other state and federal grant revenues related to street maintenance or construction.
- The *Gas Tax Fund* is used to account for highway users tax allocated by the state of California.
- The *CalHOME Fund* is used to account for a CalHOME Homeownership Project Development Program award.
- The *Development Impact Fund* is used to account for impact fees.
- The *Miscellaneous Grants Fund* is used to account for grants not frequently awarded to the City.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

Fund Financial Statements (Continued)

- The *McFarland Improvement Authority Fund* is reported as debt service fund and is used to account for the activities of the McFarland Improvement Authority, including debt repayment.

The City reports the following major proprietary funds:

- The *Sewer Fund* is used to account for the provisions of sewer service to the residents of the City. All activities necessary to provide such service are accounted for in this fund.
- The *Refuse Fund* is used to account for the collection and disposal of refuse within the City. All activities necessary to provide such service are accounted for in this fund.
- The *Water Fund* is used to account for the provisions of water service to residents of the City. All activities necessary to provide such service are accounted for in this fund.

The City reports the following additional fund type:

- The *RDA Successor Agency Private Purpose Trust Fund* is a fiduciary fund used to account for monies received from the Kern County Auditor Controller for the repayment of the enforceable obligations of the former McFarland Redevelopment Agency. These funds are restricted for the sole purpose of payment on items on an approved Recognized Payment Obligation Schedule.

C. Basis of Accounting and Measurement Focus

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and 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 tax, grants, entitlements, and donations. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax 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.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting and Measurement Focus (Continued)

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest and charges for services are considered susceptible to accrual and are accrued when their receipt occurs within 60 days after the end of the fiscal year. Certain state and federal grants are considered susceptible to accrual and are accrued when their receipt occurs within 180 days after the end of the fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in the various functions of the governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash and Investments

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

Certain disclosure requirements for deposits and investment risks were made in the following areas: Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentrations of Credit Risk.

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Interest earned on investments is allocated using the Local Agency Fund (LAIF) factor to selected funds by the City.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments (Continued)

The City participates in an investment pool LAIF, which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the state of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to changes in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments" in the accompanying basic financial statements.

E. Receivables

Receivables for governmental activities consist mainly of accounts, intergovernmental, and interest. Receivables for business-type activities consist mainly of user fees, intergovernmental, and interest earnings. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

F. Other Assets

Prepaid Items

Payments made for services that will benefit future accounting periods are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid costs do not reflect current appropriable resources and thus, an equivalent portion of fund balance is reported as nonspendable.

G. Loans Receivable

Loans receivable represent low interest notes and related accrued interest to finance multi-family and single family construction and rehabilitation projects, homebuyer assistance for low income families, as well as business start-up costs. Loan terms are 15 to 55 years with an interest rate at 0% to 5%. The primary source of funding for these loans comes from grants from the Community Development Block Grant (CDBG) program and Home Investment Partnerships (HOME) program. The CDBG and HOME grants contain monitoring requirements to ensure grant compliance. These requirements are reflected in the loan agreements.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Capital and Right-to-Use assets, which include property, plant, equipment and infrastructure assets (e.g., roads, traffic signals, drainage systems and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital and Right-to-Use assets are defined by the City as assets with an initial cost of more than \$1,000 (\$25,000 for infrastructure) and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Capital and Right-to-Use assets used in operations are depreciated or amortized using the straight line method over the assets estimated useful life in the government-wide financial statements. The range of estimated useful lives by type of asset is as follows:

<u>Depreciable/Amortizable Asset</u>	<u>Estimated Lives</u>
Buildings	15 to 40 Years
Improvements Other Than Buildings	15 to 40 Years
Machinery and Equipment	5 to 20 Years
Infrastructure	20 to 50 Years

I. Leases

Leases are defined by the general government as the right to use an underlying asset. As lessee, the City recognizes a lease liability and an intangible right-of-use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right-of-use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability. The City calculates the amortization of the discount on the lease liability and reports that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Leases (Continued)

As lessor, the City recognizes a lease receivable. The lease receivable is measured using the net present value of future lease payments to be received for the lease term and deferred inflow of receivables at the beginning of the lease term. Periodic amortization of the discount on the receivable are reported as interest revenue for that period. Deferred inflows of resources are recognized as inflows on a straight-line basis over the term of the lease. This recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. Any initial direct costs are reported as an outflow of resources for that period. Re-measurement of lease receivables occur when there are modifications, including but not limited to changes in the contract price, lease term, and adding or removing an underlying asset to the lease agreements. In the case of a partial or full lease termination, the carrying value of the lease receivable and the related deferred inflow of resources will be reduced and will include a gain or loss for the difference.

J. Property Tax

Secured property taxes are levied during September of each year for the fiscal year beginning with the preceding July 1 and ending the following June 30. They become a lien on real property on January 1 preceding the fiscal year for which taxes are levied. The Kern County Assessor establishes the value of the property on January 1. Taxes are payable in two installments on November 1 and February 1, and are delinquent if not paid by December 10 and April 10, respectively. In 1978, a state constitutional amendment (Proposition 13) provided that the tax rate be limited to 1% of market value, levied only by the County and shared with all other jurisdictions. Such limitation on the rate may only be increased through voter approval. The County collects property taxes and distributes them to taxing jurisdictions on the basis of the taxing jurisdiction's assessed valuations and on the tax rate for voter-approved debt.

K. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables 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) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Transactions (Continued)

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

L. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits up to certain limits. For governmental funds, compensated absences are recorded as current and noncurrent liabilities only on the government-wide financial statements. For proprietary funds, current and noncurrent liabilities for compensated absences are recorded in both the government wide financial statements and the fund financial statements. There is no liability for unpaid sick leave since the City does not pay such amounts when employees separate from service with the City.

N. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund financial statements, bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as follows:

- **Net Investment In Capital Assets** – This category 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 balance in this category.
- **Restricted Net Position** – This category presents 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 Net Position** – This category represents net position of the City, not restricted for any project or other purpose or included in net investment in capital assets.

When both restricted and unrestricted net position are available for use, it is the City's policy to use restricted net position first, and then unrestricted net position as they are needed.

P. Fund Balance

Fund balances of the governmental funds are presented in the financial statements based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.
- **Restricted** – Amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- **Committed** – Amounts that are obligated to a specific purpose which are internally imposed by the government through formal action (Ordinances and Resolutions) at the highest level of decision making authority (City Council). These commitments can only be overturned by a like action.
- **Assigned** – Amounts that are intended to be used for specific purposes that are considered neither restricted nor committed. Undesignated excess Fund Balances may be assigned by the City Council, City Manager, or Finance Director for specific purposes through the budget process or agenda items. The assigned designation may be reversed by the City Council at any public meeting.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance (Continued)

- **Unassigned** – Residual positive fund balances within the General Fund, which have not been classified within the other above mentioned categories. Unassigned Fund Balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance to be charged: Restricted, Committed, Assigned, and Unassigned.

The City does not have a formal minimum fund balance requirement.

Q. Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. Implementation of New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the City's financial reporting process. New standards applicable to the year ended June 30, 2022, are as follows:

GASB Statement No. 87 – Leases

This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City implemented this standard.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS

The City maintains a cash and investment pool for all funds. Certain restricted funds, which are held and invested by independent outside custodians through contractual agreements are not pooled.

Statement of Net Position:

Cash and Investments	\$ 14,456,858
Cash with Fiscal Agents	4,381,612

Statement of Fiduciary Net Position:

Cash and Investments	6,665
Total	<u>\$ 18,845,135</u>

Cash and investments as of June 30, 2022, consist of the following:

Deposits with Financial Institutions	\$ 18,483,828
Cash on Hand	3,000
Investments	358,307
Total	<u>\$ 18,845,135</u>

Deposits

At year-end, the carrying amount of the City's cash deposits (including amounts in checking accounts and money market accounts) was \$18,845,135 and the bank balance was \$18,937,919. The difference between the bank balance and the carrying amount represents outstanding warrants and wire transfers and deposits in transit.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has no deposit policy for custodial credit risk.

The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2022, all of the City's deposits with financial institutions in excess of federal depository insurance limits were held in fully collateralized accounts, as permitted by the California Government Code.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Deposits (Continued)

Custodial Credit Risk (Continued)

Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency.

Investments

The City had the following investments at June 30, 2021:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Date</u>
State Treasurer's Investment Pool (LAIF)	\$ 358,307	N/A
Total Investments	<u>\$ 358,307</u>	

Interest Rate Risk

The City's exposure to interest rate risk is identified by the above weighted average maturities. The City has no investment policy for interest rate risk.

Credit Rating Risk

The City is required to disclose the credit quality ratings of investments in debt securities as issued by nationally recognized statistical rating organizations. At June 30, 2022, the Credit rating for investment in LAIF was unavailable. The City has no investment policy for credit risk.

Concentration of Credit Risk

The City is required to disclose any investment in any one issuer that represents 5% or more of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. As such, the City has no concentration of credit risk that exceeds 5%. The City has no investment policy for concentration of credit risk.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF). The City has no investment policy for custodial credit risk.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial Credit Risk (Continued)

The table below identifies the investment types that are authorized for the City of McFarland by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that addresses investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Minimum Quality Requirements</u>
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
State Obligations	5 Years	None	None
CA Local Agency Obligations	5 Years	None	None
U.S. Agency Obligations	5 Years	None	None
Bankers Acceptance	180 Days	40%	None
Commercial Paper - Select Agencies	270 Days	25%	A-1
Commercial Paper - Other Agencies	270 Days	40%	A-1
Negotiable Certificates of Deposit	5 Years	30%	None
CD Placement Service	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20%	None
Medium-Term Notes	5 Years	30%	A
Mutual and Money Market Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 Years	None	None
Mortgage Pass-Through Securities	5 Years	20%	AA
Bank/Time Deposits	5 Years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by accounting principles generally accepted in the United States of America. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1* – Quoted prices for identical investments in active markets;
- Level 2* – Observable inputs other than quoted market prices; and
- Level 3* – Unobservable inputs.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Fair Value of Investments (Continued)

The City's position in external investment pools is, in itself, regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the City's investment in external investment pools is not recognized in the three-tiered fair value hierarchy described above.

Investment in External Investment Pools

The City maintains an investment in the state of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, 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. At June 30, 2022, the City's investment in LAIF valued at amortized cost was \$358,307 and is the same as the value of the pool shares. There are no restrictions on withdrawal of funds. The total amount invested by all public agencies in LAIF on that day was \$240.4 billion. Of that amount, 97.19% is invested in nonderivative financial products and 2.81% in structured notes and asset-backed securities.

Restricted Cash and Investments with Fiscal Agents

Cash and investments at June 30, 2022, that are restricted by legal or contractual requirements are comprised of the following:

Governmental Activities:

McFarland Improvement Authority:

Reserves for Capital Projects	\$ 3,354,064
Debt Service Reserves	<u>272,897</u>
Total McFarland Improvement Authority:	<u>3,626,961</u>

Business-Type Activities:

Sewer Fund:

Debt Service Reserves	509,645
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Water Fund:

Debt Service Reserves	<u>245,006</u>
Total	<u><u>754,651</u></u>

Total Restricted Cash and Investments	<u><u>\$ 4,381,612</u></u>
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CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CAPITAL ASSETS

Capital and right-to-use assets activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021 As Restated	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2022
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 993,176	\$ -	\$ -	\$ -	\$ 993,176
Construction In Progress	4,477,613	1,103,148	-	(3,274,206)	2,306,555
Total Capital Assets, Not Being Depreciated	5,470,789	1,103,148	-	(3,274,206)	3,299,731
Capital Assets, Being Depreciated:					
Infrastructure	32,772,180	-	-	3,274,206	36,046,386
Machinery and Equipment	1,523,781	455,576	-	-	1,979,357
Vehicles	1,139,020	292,210	-	(218,734)	1,212,496
Total Capital Assets, Being Depreciated	35,434,981	747,786	-	3,055,472	39,238,239
Less Accumulated Depreciation for:					
Infrastructure	(7,411,221)	(1,122,815)	-	-	(8,534,036)
Machinery and Equipment	(1,281,699)	(140,373)	-	-	(1,422,072)
Vehicles	(879,878)	(88,392)	-	40,600	(927,670)
Total Accumulated Depreciation	(9,572,798)	(1,351,580)	-	40,600	(10,883,778)
Total Capital Assets, Being Depreciated, Net	25,862,183	(603,794)	-	3,096,072	28,354,461
Right-to-Use Assets, Being Amortized:					
Machinery and Equipment	183,651	4,414	-	-	188,065
Total Right-to-Use Assets, Being Amortized	183,651	4,414	-	-	188,065
Less Accumulated Amortization for:					
Machinery and Equipment	-	(81,763)	-	-	(81,763)
Total Accumulated Amortization	-	(81,763)	-	-	(81,763)
Total Right-to-Use Assets, Being Amortized, Net	183,651	(77,349)	-	-	106,302
Governmental Activities Capital Assets, Net	\$ 31,516,623	\$ 422,005	\$ -	\$ (178,134)	\$ 31,760,494

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CAPITAL ASSETS (CONTINUED)

	Balance As Restated	Additions	Retirements	Transfers/ Adjustments	Balance June 30, 2022
Business-Type Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,280,063	\$ -	\$ -	\$ -	\$ 1,280,063
Total Capital Assets, Not Being Depreciated	1,280,063	-	-	-	1,280,063
Capital Assets, Being Depreciated:					
Infrastructure	6,836,223	-	-	-	6,836,223
Buildings and Improvements	8,579,010	-	-	-	8,579,010
Machinery and Other	11,894,931	66,387	-	15,020	11,976,338
Vehicles	1,005,466	-	-	27,311	1,032,777
Total Capital Assets, Being Depreciated	28,315,630	66,387	-	42,331	28,424,348
Less Accumulated Depreciation for:					
Infrastructure	(552,345)	(170,905)	-	-	(723,250)
Buildings and Improvements	(2,772,121)	(410,658)	-	-	(3,182,779)
Machinery and Other	(7,767,015)	(324,055)	-	-	(8,091,070)
Vehicles	(846,066)	(28,424)	-	-	(874,490)
Total Accumulated Depreciation	(11,937,547)	(934,042)	-	-	(12,871,589)
Total Capital Assets, Being Depreciated, Net	16,378,083	(867,655)	-	42,331	15,552,759
Business-Type Activities Capital Assets, Net	<u>\$ 17,658,146</u>	<u>\$ (867,655)</u>	<u>\$ -</u>	<u>\$ 42,331</u>	<u>\$ 16,832,822</u>

Depreciation

Depreciation expense was charged to governmental functions as follows at June 30, 2022:

General Government	\$ 308,977
Public Safety	44,866
Public Works	844,953
Community Development	152,784
Total Depreciation Expense - Governmental Functions	<u>\$ 1,351,580</u>

Depreciation expense was charged to business-type functions as follows at June 30, 2022:

Solid Waste	\$ 422,349
Refuse	4,711
Water	473,080
Public Transit	33,902
Total Depreciation Expense - Business-Type Functions	<u>\$ 934,042</u>

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CAPITAL ASSETS (CONTINUED)

Amortization

Amortization expense was charged to governmental functions as follows at June 30, 2022:

General Government	\$ 3,811
Public Safety	<u>77,952</u>
Total Amortization Expense - Governmental Functions	<u><u>\$ 81,763</u></u>

NOTE 4 INTERFUND TRANSACTIONS

Due to/from Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The following are due from and due to balances as of June 30, 2022:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 674,252	\$ 124,043
McFarland Improvement Authority	-	501,698
TDA - LTF	-	722,442
Development Impact	1,209,542	-
Miscellaneous Grants	-	26,908
Sewer	4,419	-
Refuse	4,114	-
Water	1,360	-
Nonmajor Governmental Funds	-	514,769
Nonmajor Enterprise Fund	604	4,431
Total	<u><u>\$ 1,894,291</u></u>	<u><u>\$ 1,894,291</u></u>

Advances from/to Other Funds

The amount payable to the Sewer Fund relate to a loan for capital projects, including park facilities and other public infrastructure and facilities. The loan is scheduled to be repaid in 2024:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	\$ -	\$ 114,211
Sewer	114,211	-
Total	<u><u>\$ 114,211</u></u>	<u><u>\$ 114,211</u></u>

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

Transfers

Transfers are indicative of funding for capital projects, and lease payments or debt service. The following are the interfund transfer balances for the year ended June 30, 2022:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 3,271,486	\$ -
TDA - LTF	-	1,965,385
Development Impact	-	170,399
Miscellaneous Grants	66,387	-
Sewer	59,895	83,877
Refuse	-	11,475
Water	-	134,765
Nonmajor Governmental Funds	-	1,154,334
Nonmajor Enterprise Fund	125,964	3,497
Total	<u>\$ 3,523,732</u>	<u>\$ 3,523,732</u>

During the year, the City transferred \$1,965,385 from its TDA-LTF Fund to the General Fund to fund capital projects. Transfers from COPS (\$744,627) and Road Maintenance and Rehabilitation (\$409,707) to the General Fund were made to fund related projects expended in the General Fund.

NOTE 5 UNEARNED/UNAVAILABLE REVENUE

Unearned revenue consists of moneys received where the City has not yet incurred the qualifying expenditures.

Deferred inflows of resources represents an acquisition of net position or fund balance that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has one transaction type that qualifies for reporting under this category: unavailable revenue. Unavailable revenue is only reported in the governmental funds balance sheet under the modified accrual basis of accounting.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 5 UNEARNED/UNAVAILABLE REVENUE (CONTINUED)

At June 30, 2022, components of unearned and unavailable revenues were as follows:

	Unearned Revenue	Unavailable Revenue	Total
General Fund:			
Grant Revenue	\$ 157,997	\$ -	\$ 157,997
TDA:			
Grant Revenue	-	573,906	573,906
CalHOME:			
Grant Revenue and Loans	-	2,916,107	2,916,107
Miscellaneous Grants:			
Grant Revenue and Loans	1,509,447	-	1,509,447
Nonmajor Governmental Funds:			
Grant Revenue and Loans	416	709,906	710,322
Total Governmental Activities	<u>\$ 1,667,860</u>	<u>\$ 4,199,919</u>	<u>\$ 5,867,779</u>
Public Transit:			
Grant Revenue	<u>\$ 12,769</u>		
Total Business-Type Activities	<u>\$ 12,769</u>		

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2022:

Type of Indebtedness	Restated Balance July 1, 2021	Additions	Retirements	Adjustments	Balance June 30, 2022	Amounts Due Within One Year
Governmental Activities:						
Direct Placement						
Revenue Bonds	\$ 4,350,000	\$ -	\$ (105,000)	\$ -	\$ 4,245,000	\$ 105,000
Unamortized Premiums on Bonds	308,346	-	(11,859)	-	296,487	-
Direct Borrowing						
Notes Payable	982,976	-	(45,573)	(159,764)	777,639	46,985
Other Liabilities						
Leases	183,651	4,414	(79,548)	-	108,517	87,515
Compensated Absences	32,425	-	21,804	-	54,229	54,229
Total Governmental Activities	<u>\$ 5,857,398</u>	<u>\$ 4,414</u>	<u>\$ (220,176)</u>	<u>\$ (159,764)</u>	<u>\$ 5,481,872</u>	<u>\$ 293,729</u>
Business-Type Activities:						
Direct Placement						
Revenue Bonds	\$ 5,900,000	\$ -	\$ (185,000)	\$ -	\$ 5,715,000	\$ 190,000
Other Liabilities						
Compensated Absences	36,322	20,254	-	-	56,576	56,576
Total Business-Type Activities	<u>\$ 5,936,322</u>	<u>\$ 20,254</u>	<u>\$ (185,000)</u>	<u>\$ -</u>	<u>\$ 5,771,576</u>	<u>\$ 246,576</u>

Compensated absences for the governmental activities are generally liquidated by the fund where the accrued liability occurred.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

Individual issues of debt payable outstanding at June 30, 2022, are as follows:

Governmental Activities:

Revenue Bonds:

Series 2017 Lease Revenue Bonds dated December 1, 2017, in the original amount of \$4,450,000 at 3% to 4% interest; principal and interest payable each March 1 and September 1 until September 2, 2047, maturity. Bonds issued by the McFarland Improvement Authority. Secured by a pledge of lease revenues.

\$	4,245,000
	<u>4,245,000</u>

Total Revenue Bonds

Notes Payable:

Note payable to the United States Department of Agriculture in the amount of \$770,898; principal and interest at 3.375% due each October 1 through 2058.

750,804

Note payable to the KS State Bank for a street sweeper in the amount of \$119,186; principal and interest at 4.45% due each month through March 2024.

26,835

Total Notes Payable

777,639

Total Governmental Activities

\$ 5,022,639

Business-Type Activities:

Revenue Bonds:

Revenue Bonds dated September 21, 2010, in the original amount of \$7,500,000 at 0.65% to 5% interest; payable semi-annually commencing April 1, 2011. Principal is due annually commencing October 1, 2011, with final payment due October 1, 2040. Secured by a pledge of water and wastewater net revenues.

\$ 5,715,000

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 LONG-TERM LIABILITIES (CONTINUED)

The following are schedules of debt service requirements as of June 30, 2022:

<u>Year Ending June 30,</u>	Governmental Activities			
	Revenue Bonds		Note Payable	
	Principal	Interest	Principal	Interest
2023	\$ 105,000	\$ 164,150	\$ 46,985	\$ 2,207
2024	110,000	161,000	41,223	2,150
2025	115,000	157,700	20,264	2,093
2026	115,000	154,250	20,321	2,036
2027	120,000	150,800	20,378	1,979
2028 - 2032	675,000	684,000	102,754	9,032
2033 - 2037	810,000	538,800	104,207	7,579
2038 - 2042	995,000	362,400	105,681	6,105
2043 - 2047	1,200,000	148,000	107,176	4,611
2048 - 2052	-	-	108,691	3,095
2053 - 2057	-	-	99,959	1,558
2058	-	-	-	188
Total	<u>\$ 4,245,000</u>	<u>\$ 2,521,100</u>	<u>\$ 777,639</u>	<u>\$ 42,633</u>

<u>Year Ending June 30,</u>	Business-Type Activities	
	Revenue Bonds	
	Principal	Interest
2023	\$ 190,000	\$ 277,213
2024	200,000	268,925
2025	210,000	260,213
2026	215,000	250,375
2027	225,000	239,375
2028 - 2032	1,315,000	1,010,625
2033 - 2037	1,680,000	638,000
2038 - 2042	1,680,000	173,000
Total	<u>\$ 5,715,000</u>	<u>\$ 3,117,726</u>

Pledged Revenues

The City has pledged future water and wastewater utility revenue to repay revenue bonds issued in 2010. The various bonds were issued for the purchase of construction of various water or wastewater infrastructure. At June 30, 2022, \$5,715,000 remains outstanding to be repaid by future water and wastewater revenues. If such revenues prove insufficient, the remainder will be repaid as a general obligation of the City. For the fiscal year ended June 30, 2022, the net revenue available for service of this debt was \$1,109,260. The debt principal and interest paid in fiscal year 2021-2022 equals \$469,534 (42.3% of available pledged net revenues).

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 LEASES

Leases Payable

The City leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027 with interest rates ranging from 7.3918 to 14.4717%.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 87,515	\$ 6,578
2024	13,497	1,098
2025	5,167	533
2026	1,832	168
2027	506	18
Total Minimum Lease Payments	<u>\$ 108,517</u>	<u>\$ 8,395</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	<u>Governmental Activities</u>
Equipment	\$ 188,065
Less: Accumulated Amortization	(81,763)
Total	<u>\$ 106,302</u>

Leases Receivable

The City, acting as a lessor, leases various assets under long-term, noncancelable lease agreements with no interest. The leases expire at various dates through 2026. During the year ended June 30, 2022, the City recognized \$13,951 for governmental activities and \$61,181 for business type activities in lease revenue and no interest revenue, pursuant to these contracts. Total minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 13,947	\$ -	\$ 59,405	\$ -
2024	14,366	-	61,781	-
2025	-	-	64,252	-
2026	-	-	32,757	-
Total Minimum Lease Payments	<u>\$ 28,313</u>	<u>\$ -</u>	<u>\$ 218,195</u>	<u>\$ -</u>

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 FUND BALANCES

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent.

The fund balances for all major and nonmajor governmental funds as of June 30, 2022, were distributed as follows:

ancy	General	TDA-LTF	Gas Tax	CalHOME	Development Impact	Miscellaneous Grants	McFarland Improvement Authority	Other Governmental Funds	Total
Nonspendable:									
Prepays	\$ 4,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,129
Land Held for Resale	446,593	-	-	-	-	-	-	-	446,593
Subtotal	450,722	-	-	-	-	-	-	-	450,722
Restricted for:									
Streets and Transportation	-	-	1,074,238	-	-	-	-	777,351	1,851,589
Impact Fees	-	-	-	-	1,841,095	-	-	-	1,841,095
CalHOME	-	-	-	266,048	-	-	-	-	266,048
General Government	-	-	-	-	-	112,365	-	-	112,365
Debt Service	-	-	-	-	-	-	272,300	-	272,300
Capital Projects	-	-	-	-	-	-	2,852,963	-	2,852,963
Subtotal	-	-	1,074,238	266,048	1,841,095	112,365	3,125,263	777,351	7,196,360
Assigned to:									
CUP Fees for Capital Projects	2,757,119	-	-	-	-	-	-	-	2,757,119
Subtotal	2,757,119	-	-	-	-	-	-	-	2,757,119
Unassigned	876,435	(582,319)	-	-	-	-	-	(100,259)	193,857
Total	\$ 4,084,276	\$ (582,319)	\$ 1,074,238	\$ 266,048	\$ 1,841,095	\$ 112,365	\$ 3,125,263	\$ 677,092	\$ 10,598,058

NOTE 9 RETIREMENT PLAN

A. General Information about the Pension Plan

Plan Description

The City's defined contribution plan provides for retirement benefits to plan members and beneficiaries. The plan is administrated by John Hancock Life Insurance Company.

Funding Policy

The City contributes 10% of permanent employees' salaries who have at least three years of service. Vesting is at 33% per year over three years. In the event an employee terminates service prior to retirement, the employee is entitled to a refund of the employee's contributions plus interest plus the vested portion of the City's contributions. During the current year, the City was required to make contributions to the plan in the amount of \$243,232. The plan also included \$4,753 of forfeitures during the current year.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

For general liability and workers' compensation programs, the City is a member of the Central San Joaquin Valley Risk Management Authority (the RMA). The RMA is comprised of 55 member cities and special districts and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the RMA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. Each member has a representative on the Board of Directors with officers of the RMA being elected annually by the Board Members.

General Liability

Annual deposits are paid by members and are adjusted retrospectively to cover costs. Each member has a specific self-insured retention (SIR) level. The City of McFarland's SIR is \$25,000. The city is responsible for the first \$25,000 of each occurrence. The City does not share or pay for losses of other members with SIRs under \$25,000. Specific coverage includes general and automobile liability, personal injury, errors and omissions, and certain other coverage. Claims from \$25,000 to \$1,000,000 are covered by a special pre-funded self-insurance pool maintained by the RMA. Claims from \$1,000,000 to \$4,000,000 are self-insured by the California Affiliated Risk Management Authorities (CARMA), a joint powers authority providing excess coverage to a membership consisting of six underlying joint powers authorities, representing approximately 175 cities and special districts. Claims from \$4,000,000 to \$39,000,000 are covered by Excess Comprehensive General Liability Policies.

Workers' Compensation

Annual deposits are paid by members and are adjusted retrospectively to cover costs. Each member has a specific self-insured retention (SIR) level. The City of McFarland's SIR is \$25,000 per occurrence. The City is responsible for the first \$25,000 of each occurrence. The City does not share or pay for losses of other members with SIRs under \$25,000. Losses between \$25,000 and \$500,000 are covered by a special pre-funded self-insurance pool maintained by the RMA.

Claims from \$500,000 to \$5,000,000 are self-insured by the Local Agency Workers' Compensation Excess Joint Powers Authority which is a joint powers authority providing excess coverage to 36 members including cities, special districts, and joint powers authorities. Claims in excess of \$5,000,000 are self-insured by the California State Association of Counties Excess Insurance Authority, another joint powers authority.

There were no settlements in excess of insurance coverage in any of the three prior fiscal years.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 10 RISK MANAGEMENT (CONTINUED)

Workers' Compensation (Continued)

The audited financial information from Central San Joaquin Valley Risk Management Authority for the year ended June 30, 2022, is as follows:

Total Assets	\$ 150,837,823
Total Liabilities	118,663,929
Net Position	<u>\$ 32,173,894</u>
Total Revenues	\$ 58,911,480
Total Expenses	47,584,363
Change in Net Position	<u>\$ 11,327,117</u>

Complete audited financial statements can be obtained from their office at 1750 Creekside Oaks Drive, Suite 200, Sacramento, California 95833.

NOTE 11 OTHER INFORMATION

Fund Deficits

The City has accumulated fund deficits in the following individual funds:

Governmental Funds:	
TDA-LTF	\$ 582,319
CDBG	13,888
HOME	85,457
COPS	914

Commitments

The City has signed agreements to construct various capital improvements subsequent to June 30, 2022. The balance owed on the commitments at June 30, 2022, was approximately \$1,629,553.

Contingencies

Federal and State Government Programs

The City participates in several federal and state grant programs. These programs are subject to audit and review by the grantor pursuant to grant provisions. Expenditures may be disallowed by the granting agencies that cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is involved in several lawsuits. Due to the nature of the cases, The City's counsel is unable to estimate at this time the probability of favorable or unfavorable outcomes. Therefore, no provision has been made in the financial statements for a loss contingency.

CITY OF MCFARLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 PRIOR PERIOD ADJUSTMENT

The City determined that certain transactions were recorded incorrectly in a prior year.

The impact of the restatements on the fund balances and net position as previously reported is presented below:

	Government-Wide Statements	Governmental Fund Statements
	Governmental Activities	COPS
Fund Balance / Net Position - June 30, 2021	\$ 37,870,666	\$ (914)
<u>Adjustments:</u>		
To recognize revenues earned in prior years, but not recorded until the current year.	233,434	233,434
Restated Fund Balance / Net Position - June 30, 2022	<u>\$ 38,104,100</u>	<u>\$ 232,520</u>

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

**CITY OF MCFARLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 2,550,654	2,550,654	\$ 2,743,476	\$ 192,822
Licenses and Permits	315,085	315,085	245,583	(69,502)
Fines and Forfeitures	52,482	52,482	44,267	(8,215)
Use of Money and Property	19,720	19,720	19,544	(176)
Intergovernmental Revenues	3,805,274	3,805,274	725,993	(3,079,281)
Charges for Services	766,095	766,095	3,259,696	2,493,601
Contributions	6,500	6,500	6,851	351
Other Revenues	63,773	63,773	78,561	14,788
Total Revenues	<u>7,579,583</u>	<u>7,579,583</u>	<u>7,123,971</u>	<u>(455,612)</u>
EXPENDITURES				
Current:				
General Government	789,553	789,553	637,204	152,349
Public Safety	4,106,455	4,106,455	3,618,590	487,865
Public Works	865,296	865,296	699,807	165,489
Community Development	566,130	566,130	458,829	107,301
Debt Service:				
Principal	553,708	553,708	125,121	428,587
Interest and Other Charges	6,750	6,750	38,268	(31,518)
Capital Outlay	4,981,188	6,291,606	1,453,375	4,838,231
Total Expenditures	<u>11,869,080</u>	<u>13,179,498</u>	<u>7,031,194</u>	<u>6,148,304</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,289,497)	(5,599,915)	92,777	5,692,692
OTHER FINANCING SOURCES				
Debt Proceeds	2,000,000	2,000,000	-	(2,000,000)
Issuance of Leases	-	-	4,414	4,414
Transfers In	3,692,177	3,692,177	3,271,486	(420,691)
Total Other Financing Sources (Uses)	<u>5,692,177</u>	<u>5,692,177</u>	<u>3,275,900</u>	<u>(420,691)</u>
NET CHANGE IN FUND BALANCES	1,402,680	92,262	3,368,677	5,272,001
Fund Balances - Beginning of Year	<u>715,599</u>	<u>715,599</u>	<u>715,599</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,118,279</u>	<u>\$ 807,861</u>	<u>\$ 4,084,276</u>	<u>\$ 3,276,415</u>

**CITY OF MCFARLAND
BUDGETARY COMPARISON SCHEDULE
TDA-LTF – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental Revenues	\$ 1,600,000	\$ 1,600,000	\$ 2,105,508	\$ 505,508
Total Revenues	<u>1,600,000</u>	<u>1,600,000</u>	<u>2,105,508</u>	<u>505,508</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,600,000	1,600,000	2,105,508	505,508
OTHER FINANCING USES				
Transfers Out	<u>(1,300,224)</u>	<u>(1,300,224)</u>	<u>(1,965,385)</u>	<u>(665,161)</u>
Total Other Financing Uses	<u>(1,300,224)</u>	<u>(1,300,224)</u>	<u>(1,965,385)</u>	<u>(665,161)</u>
NET CHANGE IN FUND BALANCES	299,776	299,776	140,123	(159,653)
Fund Balances - Beginning of Year	<u>(722,442)</u>	<u>(722,442)</u>	<u>(722,442)</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ (422,666)</u>	<u>\$ (422,666)</u>	<u>\$ (582,319)</u>	<u>\$ (159,653)</u>

**CITY OF MCFARLAND
BUDGETARY COMPARISON SCHEDULE
GAS TAX – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental Revenues	\$ 376,511	\$ 376,511	\$ 296,927	\$ (79,584)
Total Revenues	<u>376,511</u>	<u>376,511</u>	<u>296,927</u>	<u>(79,584)</u>
EXCESS OF REVENUES OVER EXPENDITURES	376,511	376,511	296,927	(79,584)
OTHER FINANCING USES				
Transfers Out	<u>(376,511)</u>	<u>(376,511)</u>	-	376,511
Total Other Financing Uses	<u>(376,511)</u>	<u>(376,511)</u>	-	376,511
NET CHANGE IN FUND BALANCES	-	-	296,927	296,927
Fund Balances - Beginning of Year	<u>777,311</u>	<u>777,311</u>	<u>777,311</u>	-
FUND BALANCES - END OF YEAR	<u>\$ 777,311</u>	<u>\$ 777,311</u>	<u>\$ 1,074,238</u>	<u>\$ 296,927</u>

**CITY OF MCFARLAND
BUDGETARY COMPARISON SCHEDULE
DEVELOPMENT IMPACT – MAJOR SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Licenses and Permits	\$ 1,026,496	\$ 1,026,496	\$ 763,217	\$ (263,279)
Use of Money and Property	2,000	2,000	-	(2,000)
Total Revenues	<u>1,028,496</u>	<u>1,028,496</u>	<u>763,217</u>	<u>(265,279)</u>
EXCESS OF REVENUES OVER EXPENDITURES	1,028,496	1,028,496	763,217	(265,279)
OTHER FINANCING USES				
Transfers Out	<u>(1,028,496)</u>	<u>(1,028,496)</u>	<u>(170,399)</u>	<u>858,097</u>
Total Other Financing Uses	<u>(1,028,496)</u>	<u>(1,028,496)</u>	<u>(170,399)</u>	<u>858,097</u>
NET CHANGE IN FUND BALANCES	-	-	592,818	592,818
Fund Balances - Beginning of Year	<u>1,248,277</u>	<u>1,248,277</u>	<u>1,248,277</u>	<u>-</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,248,277</u>	<u>\$ 1,248,277</u>	<u>\$ 1,841,095</u>	<u>\$ 592,818</u>

CITY OF MCFARLAND
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

NOTE 1 APPROPRIATED BUDGET AND BUDGETARY CONTROL

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year for the General and Special Revenue funds. The budgets are presented for reporting purposes on a budgetary basis consistent with accounting principles generally accepted in the United States of America. The McFarland Improvement Authority does not adopt a budget.

The appropriated budget is prepared by fund, function, and department. The City Manager may make transfers of appropriations within a department and make transfers of appropriations between departments as long as there is no increase or decrease to the overall budget. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the ensuing year's budget.

The City Council adopts budgets for the Enterprise funds. However, all Proprietary fund types are accounted for on a cost of service (net income), or "capital maintenance" measurement focus. As a result, budget comparisons are impractical. Additionally, the City is not legally mandated to report the results of operations for these Proprietary fund types on a budget comparison basis; therefore, budgetary data related to these funds has not been presented.

The City did not present a budgetary schedule for the CalHOME Fund or the Miscellaneous Grants Fund since these funds did not report a budget this year.

COMBINING FUND STATEMENTS

**CITY OF MCFARLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue					Total
	CDBG	HOME	Lighting and Landscape	COPS	Road Maintenance and Rehab	
ASSETS						
Cash and Investments	\$ -	\$ -	\$ 243,882	\$ -	\$ 513,027	\$ 756,909
Receivables:						
Accounts	-	3,383	-	-	-	3,383
Intergovernmental	410,338	-	-	-	23,701	434,039
Loans Receivable	-	709,906	-	-	-	709,906
Total Assets	<u>\$ 410,338</u>	<u>\$ 713,289</u>	<u>\$ 243,882</u>	<u>\$ -</u>	<u>\$ 536,728</u>	<u>\$ 1,904,237</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ 1,165	\$ -	\$ -	\$ 1,165
Accrued Liabilities	-	-	889	-	-	889
Due to Other Funds	424,226	88,840	789	914	-	514,769
Unearned Revenue	-	-	-	-	416	416
Total Liabilities	<u>424,226</u>	<u>88,840</u>	<u>2,843</u>	<u>914</u>	<u>416</u>	<u>517,239</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue	<u>-</u>	<u>709,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>709,906</u>
FUND BALANCES						
Restricted	-	-	241,039	-	536,312	777,351
Unassigned	<u>(13,888)</u>	<u>(85,457)</u>	<u>-</u>	<u>(914)</u>	<u>-</u>	<u>(100,259)</u>
Total Fund Balances	<u>(13,888)</u>	<u>(85,457)</u>	<u>241,039</u>	<u>(914)</u>	<u>536,312</u>	<u>677,092</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 410,338</u>	<u>\$ 713,289</u>	<u>\$ 243,882</u>	<u>\$ -</u>	<u>\$ 536,728</u>	<u>\$ 1,904,237</u>

**CITY OF MCFARLAND
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	Special Revenue					
	CDBG	HOME	Lighting and Landscape	COPS	Road Maintenance and Rehab	Total
REVENUES						
Taxes	\$ -	\$ -	\$ 139,033	\$ -	\$ 306,549	\$ 445,582
Use of Money and Property	-	-	30	-	-	30
Intergovernmental Revenues	402,547	-	-	511,193	-	913,740
Total Revenues	402,547	-	139,063	511,193	306,549	1,359,352
EXPENDITURES						
Current:						
Public Works	-	-	152,196	-	-	152,196
Capital Outlay	401,973	-	-	-	-	401,973
Total Expenditures	401,973	-	152,196	-	-	554,169
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	574	-	(13,133)	511,193	306,549	805,183
OTHER FINANCING USES						
Transfers Out	-	-	-	(744,627)	(409,707)	(1,154,334)
Total Other Financing Uses	-	-	-	(744,627)	(409,707)	(1,154,334)
NET CHANGE IN FUND BALANCES	574	-	(13,133)	(233,434)	(103,158)	(349,151)
Fund Balances - Beginning of Year as Restated	(14,462)	(85,457)	254,172	232,520	639,470	1,026,243
FUND BALANCES - END OF YEAR	<u>\$ (13,888)</u>	<u>\$ (85,457)</u>	<u>\$ 241,039</u>	<u>\$ (914)</u>	<u>\$ 536,312</u>	<u>\$ 677,092</u>



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CITY OF MCFARLAND
SINGLE AUDIT REPORT
YEAR ENDED JUNE 30, 2022



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**CITY OF MCFARLAND
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	1
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE	3
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	7
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	8
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	10



**INDEPENDENT AUDITORS' 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**

Honorable City Council
City of McFarland
McFarland, 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 McFarland (the City) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated June 8, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of McFarland's internal control over financial reporting (internal control) as a basis for designing 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 of McFarland's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of McFarland's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001, 2022-002, 2022-003, 2022-004 and 2022-005 that we consider to be material weaknesses.

Report on 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 financial statements. 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*.

The City of McFarland's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of McFarland's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City of McFarland's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



CliftonLarsonAllen LLP

Roseville, California
June 8, 2023



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Honorable City Council
City of McFarland
McFarland, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of McFarland, California's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of McFarland and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-006. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-006, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of McFarland as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of McFarland's basic financial statements. We have issued our report thereon, dated June 8, 2023, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



CliftonLarsonAllen LLP

Roseville, California
July 11, 2023

CITY OF MCFARLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program/Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures	Passed Through to Subrecipients
<u>U.S. Department of Agriculture</u>				
Direct Programs:				
Community Facilities Direct Loan and Grant Program	10.766		\$ 664,188	\$ -
Subtotal - Community Facilities Loans and Grant Cluster			<u>664,188</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>664,188</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>				
Passed-through State of California Department of Housing and Community Development:				
COVID-19 Community Development				
Block Grants/Entitlement Grants (CDBG)	14.228	20-CDBG-CV2-3-00001	\$ 401,973	\$ -
Subtotal - CDBG Entitlement Grants Cluster			<u>401,973</u>	<u>-</u>
HOME Investment Partnership Program (Outstanding Loans)	14.239		\$ 709,906	\$ -
Total U.S. Department of Housing and Urban Development			<u>1,111,879</u>	<u>-</u>
<u>U.S. Department of Justice</u>				
Direct Programs:				
Public Safety Partnership and Community Policing Grants	16.710		<u>779,696</u>	<u>-</u>
Total U.S. Department of Justice			<u>779,696</u>	<u>-</u>
<u>U.S. Department of Transportation</u>				
Passed-through the State Department of Transportation:				
Highway Planning and Construction	20.205	CMAQ-8405	<u>234,022</u>	<u>-</u>
Subtotal - Highway Planning and Construction Cluster			<u>234,022</u>	<u>-</u>
Total U.S. Department of Transportation			<u>234,022</u>	<u>-</u>
<u>U.S. Department of Treasury</u>				
Passed-through the State Department of Finance				
COVID-19 Coronavirus				
State and Local Fiscal Recovery Funds	21.027		<u>345,295</u>	<u>-</u>
Subtotal - Assistance Listing Number 21.027			<u>345,295</u>	<u>-</u>
Total U.S. Department of Treasury			<u>345,295</u>	<u>-</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,135,080</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CITY OF MCFARLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of all federal awards programs of the City of McFarland (the City) for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance for all awards. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 ASSISTANCE LISTING NUMBERS

The program titles and Assistance Listing Numbers were obtained from the federal or pass-through grantor.

NOTE 4 INDIRECT COST RATE

The City did not elect to use the 10 percent de minimis indirect cost rate as covered in 2 CFR §200.414.

NOTE 5 PASS-THROUGH ENTITIES' IDENTIFYING NUMBER

When federal awards were received from a pass-through entity, the Schedule shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the City determined that no identifying number is assigned for the program or the City was unable to obtain an identifying number from the pass-through entity.

CITY OF MCFARLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

NOTE 6 LOANS WITH CONTINUING COMPLIANCE REQUIREMENTS

The City offers property rehabilitation and first-time home buyer loans to eligible individuals as part of its HOME program. The loans have continuing compliance requirements and therefore the outstanding balances are reflected on the Schedule. No new loans were issued during the fiscal year ended June 30, 2022.

Assistance Listing Number	Federal Program	Outstanding Loans	Loans with Continuing Compliance Requirements
10.766	Community Facilities Direct Loan and Grant Program	\$ 664,188	\$ 664,188
14.239	Home Investment Partnership Program	709,906	709,906

NOTE 7 COPS UNIVERSAL HIRING GRANT PRIOR YEAR EXPENDITURES

The City had federal expenditures in the amount of \$268,503 for the COPS Universal Hiring Grant that were not included on the SEFA in a prior year. These amounts have been reported in the current year SEFA in addition to the \$511,193 of current year expenditures.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified

2. Internal control over financial reporting:
 - Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported

3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
 - Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? x yes none reported

2. Type of auditors’ report issued on compliance for major federal programs: Unmodified

3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x yes no

Identification of Major Federal Programs

Assistance Listing Number(s)

Name of Federal Program or Cluster

21.027

COVID -19 Coronavirus State and Local Fiscal Recovery Funds

14.228

COVID -19 Community Development Block Grants

16.710

Public Safety Partnership and Community Policing Grants

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 yes x no

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings

2022 – 001 Year-End Closing and Account Reconciliations

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: The City did not have adequate design of internal controls over significant processes such as performing monthly reconciliations of accounts, including cash, receivables and long-term liabilities.

Furthermore, this year's closing process was delayed because some important procedures were not performed on time while others were performed too early in the process. The results were delays in producing closing entries, trial balances, schedules, reconciliations, account analyses, and other financial reports needed by management and the auditors.

Criteria or Specific Requirement: A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

Effect: Certain accounts were misstated at year-end, requiring material adjustments.

Cause: The City did not allocate sufficient resources to the accounting function.

Repeat Finding: This is a repeat finding from the prior year (2021-001).

Recommendation: We recommend the City establish procedures for reconciling the general ledger accounts for cash, receivables, accounts payable, to supporting documentation monthly. A benefit of monthly reconciliations is that errors do not accumulate but can be identified and attributed to a particular period, which makes it easier to perform future reconciliations.

We further recommend that the finance department prepare a year-end closing schedule and include all tasks that are necessary to close the year-end. Such a list should include, at a minimum, the following: a list of year-end tasks, due date of each task, and the responsible employee and management reviewer of each task.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The Finance Department will establish written procedures for reconciliations of all major accounts which are to be completed the end of each month and fiscal year.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 002 Cash Reconciliations

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition: During our audit, we noted the cash reconciliations provided were completed much later than periods being reconciled.

During much of the year, the operating bank account reconciliations appeared to be not completed at the end of each month. Timely preparation of complete and accurate bank reconciliations is a key to maintaining adequate control over both cash receipts and disbursements.

Criteria or Specific Requirement: Year-end and monthly reconciliations and adjustments will ensure meaningful and accurate financial statements.

Effect: Not reconciling the accounts on a monthly basis means that errors or other problems might not be recognized and resolved on a timely basis.

Cause: Management did not perform the cash reconciliations on a monthly basis to confirm the amounts agreed to the general ledger during the fiscal year.

Repeat Finding: This is a repeat finding from the prior year (2021-002).

Recommendation: We recommend that the bank reconciliations be reviewed for accuracy and completeness on a timely basis by the finance department. The review should include tests of mechanical accuracy and tracing of items on the reconciliation to the relevant source documents. The composition of unreconciled differences should be determined and followed up on, and any journal entries deemed necessary as a result be recorded.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The Finance Department will establish written procedures for reconciliations of all major accounts which are to be completed the end of each month and fiscal year.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 003 Accounts Receivable

Type of Finding: Material Weakness

Condition: Accounts receivable and revenue were understated by \$2,817,488 in the General Fund for conditional use permits and engineering fees. Accounts receivable and revenue were also understated by \$23,701 in the road fund for road rehabilitation funding.

Criteria or specific requirement: Accounts receivable and the associated revenues should be recorded in the period they are determined to be recognizable in accordance with generally accepted accounting principles (GAAP).

Effect: The following are misstatements detected as a result of audit procedures that are within the City's financial statements:

Accounts receivable and revenues were understated by \$2,817,448 in the General Fund for conditions use permits and engineering fees.

Accounts receivable and revenues were understated by \$23,701 in the Road Fund for road rehabilitation funding.

Cause: Certain accruals were not identified and captured as part of the year end close process.

Repeat Finding: This is not a repeat finding.

Recommendation: The City should provide additional training to departments and staff on revenue recognition in accordance with GAAP and include additional procedures during the year end closing process to capture all year end accruals.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The Finance Department will establish written procedures for reconciliations of all major accounts which are to be completed the end of each month and fiscal year.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 004 Vacation Liability

Type of Finding: Material Weakness

Condition: During our audit we noted the City had recorded accrued vacation liabilities in the General Fund overstating the liability for accrued salaries and benefits in the fund statements.

Criteria or specific requirement: Transactions should only be recorded in the General Fund on the modified accrual basis. As such long term liabilities for accrued vacation should only be recorded in the government wide statements on the full accrual basis.

Effect: Accrued salaries and benefits was overstated by \$54,229 in the General Fund.

Cause: The City treated accrued vacation like a short term liability rather than a long term liability and recorded it in the general fund.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City only record accrued vacation liabilities in the government wide financial statements as part of their year end GASB conversion entries.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The Finance Department will establish written procedures for reconciliations of all major accounts which are to be completed the end of each month and fiscal year.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section II – Financial Statement Findings (Continued)

2022 – 005 SEFA Preparation

Type of Finding: Material Weakness

Condition: The City made adjustments to the SEFA for the following program: ALN #16.710 Public Safety Partnership and Community Policing Grants.

Criteria or specific requirement: The Auditee's responsibility per the Uniform Guidance, Section 200.508 Part B, is to "prepare appropriate financial statements, including the Schedule of Expenditures of Awards". This includes determining the correct amount of expenditures that need to be reported for the Schedule of Expenditures of Federal Awards.

The SEFA, while not part of the Basic Financial Statements, is audited in relation to the basic financial statements, in accordance with the requirements of the Uniform Guidance. The Uniform Guidance requires auditors to determine major programs and perform risk assessments based on information reported on the SEFA.

Effect: During our review of the preliminary SEFA and testing over the major programs, we noted the City omitted the entire Public Safety Partnership and Community Policing Grants Program from the SEFA which amounted to \$511,193 in federal expenditures.

Cause: The city has had staffing issues and high turnover in grant personnel resulting in the program being excluded from the initial SEFA provided.

Repeat Finding: This is not a repeat finding.

Recommendation: We recommend the City provides additional training to the departments to understand their grant reporting requirements.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The City will provide additional training to individuals responsible for grant reporting requirements.

**CITY OF MCFARLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Section III – Findings and Questioned Costs – Major Federal Programs

2022 – 006

Federal agency: U.S. Department of Treasury

Federal program title: Covid -19 Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Identification Number and Year: QCFVLPC1QNF1, FY 2021-2022

Pass-Through Agency: N/A

Pass-Through Number(s): N/A

Award Period: July 1, 2021, to June 30, 2022

Type of Finding: Significant Deficiency in Internal Control over Compliance, Other Matter

Condition: We noted three vendors received disbursements of Federal Funding without going through the bid process. In addition, debarment checks for two vendors were not performed.

Criteria or Specific Requirement: Recipients may use award funds to enter into contracts with vendors who are not debarred to procure goods and services necessary to implement eligible purposes which are outlined by Treasury's Interim Final Rule.

Effect: Without checking debarment before engaging services, the City could have entered into an agreement with a vendor that was disbarred from receiving federal funding.

Context: Two of the four items tested did not have debarment procedures performed prior to the commencement of work. In addition the bid process wasn't followed for three of the items tested because expenditures had been previously approved within the City budget.

Cause: State and Local Fiscal Recovery Funds related to the coronavirus relief funding was received in advance as emergency funding. The City did not follow all required compliance in using the funding in response to the emergency.

Repeat Finding: This is not a repeat finding.

Recommendation: CLA recommends that City implement procedures to ensure that federal guidance is followed relating to procurement and debarment.

Views of Responsible Officials and Planned Corrective Actions: There is no disagreement with this finding. The City will provide additional training to individuals responsible for procurement and related debarment requirements.



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City of McFarland Presentation of Audit Reports June 30, 2022

July 27, 2023

WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING

Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor

Agenda

- Purpose of our Audit
- Summary of Audit Results by Engagement
- Required Audit Communication to Governance
- Recent Governmental Accounting Standards Board (GASB) Pronouncements



Purpose of Our Audit

- Express opinions providing *reasonable*, but *not absolute*, assurance whether the City's financial statements are free from material misstatement whether due to fraud or error



Summary of Audit Results by Engagement

Engagement	Opinion on Financial Statements	Audit Findings
City Financial Statements	Unmodified	-5 Material weaknesses identified -1 instance of noncompliance



Summary of Audit Results by Engagement (continued)

Engagement	Opinion on Compliance over Major Federal Programs	Opinion on I/C over Major Federal Programs	Audit Findings
Single Audit	Unmodified	Unmodified	2022-006 Bid process and debarment checks not performed

Identification of Major Federal Programs

Assistance Listing Number(s)	Name of Federal Program or Cluster
21.027	COVID -19 Coronavirus State and Local Fiscal Recovery Funds
14.228	COVID -19 Community Development Block Grants
16.710	Public Safety Partnership and Community Policing Grants
Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	<u> </u> yes <u> x </u> no



Summary of Audit Results: Recap of Findings

Engagement	Type	Account	Condition	Recommendation
Financial Statements	MW 2022-001	Various (cash, prepaids, capital assets, receivables, etc.)	The City did not have adequate design of internal controls over significant processes such as performing monthly reconciliations.	1) Establish procedures for reconciling the general ledger accounts for cash, receivables, capital assets and long-term liabilities to supporting documentation on a monthly basis. 2) Prepare a year-end closing schedule and include all tasks that are necessary to close the year-end. Such a list should include, at a minimum: a list of year-end tasks, due date of each task, and the responsible employee and management reviewer of each task.
Financial Statements	MW 2022-002	Cash	Monthly bank reconciliations were not completed timely during the year.	Complete and review bank reconciliations timely.
Financial Statements	MW 2022-003	Accounts Receivable	Accounts receivable and revenue were understated by \$2,817,488 in the General Fund for conditional use permits and engineering fees. Accounts receivable and revenue were also understated by \$23,701 in the road fund for road rehabilitation funding.	Perform additional review at year end to ensure all accruals are captured.



Summary of Audit Results: Recap of Findings

Engagement	Type	Account	Condition	Recommendation
Financial Statements	MW 2022-004	Vacation Liability	Long term accruals for vacation liabilities were recorded in the fund statements but should only be included at the government wide level.	Only record vacation liabilities as part of the preparation of year end government wide statements.
Financial Statements	MW 2022-005	Federal Grants - SEFA	Adjustments were required to recognize ALN #16.710 Public Safety Partnership and Community Policing Grants in the Schedule of Expenditures of Federal Awards.	Provide additional training to departments and perform review to ensure grants are reported accurately and timely.



Required Audit Communication

Matter to be Communicated	Auditors' Response
Accounting Policies	• Significant accounting policies are described in Note 1. • No new accounting policies and no significant changes.
Accounting Estimates	• No significant estimates identified.
Corrected Misstatements	• Various adjustments related to cash, prepaids, capital assets, long-term debt, revenues and expenditures.
Disagreements with Management	• No disagreements with management
Consultations with Other Accountants	• No consultations with other accountants



Required Audit Communication (continued)

Matter to be Communicated	Auditors' Response
Fraud and Illegal Acts	• None identified
Significant Difficulties Encountered During the Audit	• None identified
Other Information in Documents Containing Audited Financial Statements	• Communicated responsibilities with respect to required supplementary information (RSI), supplementary information (combining fund statements and the schedule of expenditures of federal awards (SEFA))
Management Representations	• Management provided us with a signed copy of the management representation letter upon completion of each engagement



Recent Governmental Accounting Standards Board (GASB) Pronouncements

GASB Statement No. 96: Subscription Based Information Technology Arrangements

- Effective for fiscal year 2022/23.

Questions?



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CITY OF MCFARLAND

STAFF REPORT

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager
Florentine S. Ortiz, Public Works Director

DATE: July 27, 2023

SUBJECT: Report, Discuss, and Possible Approval of Resolution No. 2023-0090, accepting the lowest responsive and responsible Bid and Award of a contract to Bowman Asphalt, Inc. in the amount of \$799,565.00 for the 2023 Street Rehabilitation - Various Locations project and authorize the City Manager to execute the agreement; Allocate funds for the Bid, and up to \$159,914.00 for Contingency, Construction Management and Materials Sampling & Testing

SUMMARY:

The City of McFarland has identified Ebell St. from Woodruff Ave. to Mast Ave.; Wiley St.: from E. Sherwood Ave. to Robertson Ave. and San Juan St. from E. Sherwood Ave. to E. Perkins Ave., as needing major rehabilitation. These streets exhibit a paved surface and structure that is in extremely poor condition, consisting of alligator cracking, block cracking, and asphalt failure creating a hazardous surface that is well beyond its useful life. (See attached site map).

The city published a Notice to Contractors, for Constructions bids on June 09, 2023, and on July 13, 2023 at 2:15 PM. the City Clerk opened sealed bids. A total of six (6) bids were received. The following is the tabulation of the bids received:

Company	Bid Amount
Bowman Asphalt, Inc.	\$ 799,565.00
Central Valley Asphalt	\$ 805,390.10
Emmett Valley Construction	\$ 850,771.20
MAC General Eng.	\$ 917,521.31
Griffith Company	\$ 953,735.00
Burtch Construction	\$ 964,188.00

Attached is the Bid Summary for the three lowest bids

The Project Engineer (BHT Engineering, Inc.) has reviewed and qualified the lowest responsive and responsible bidder, Bowman Asphalt. See attached low bid analysis. The City is allowing 30 working days for the contractor to complete the project.

RECOMMENDATION:

Staff recommends City Council approve Resolution No. 2023-0090 accepting the lowest responsive and responsible bid, award the project and to execute a construction agreement with Bowman Asphalt, Inc. in the amount of \$799,565.00 for the 2023 Street Rehabilitation - Various Locations project and authorize the City Manager to execute the construction agreement.

Additionally, Staff recommends the approval in the amount of \$79,957.00 for Construction Contingencies and \$79,957.00 for Construction Management and Materials Sampling & Testing; crucial to the successful completion of the project. These funds will be utilized for unforeseen work that may arise during the construction process which was unforeseen at the time of bidding and for Construction Management/Observation to further guarantee that the City and its residents receive a quality product acceptable in quality, nature, and construction method.

FISCAL IMPACT:

Costs:	Bid Construction Total:	\$ 799,565.00
	10% Contingency:	\$ 79,957.00
	Construction Management and Materials Sampling & Testing:	\$ 79,957.00
	Total Construction Phase Cost:	\$ 959,479.00
Funding:		
	Local Match (100%): Transportation Development Act	\$ 959,479.00

ATTACHMENTS:

Resolution No. 2023-0090
Bid Summary
Low Bid Analysis
Site Map
Construction Agreement

Memorandum

Transmitted by email on 07/21/23

fortiz@mcfarlandcity.org

pjacobs@mcfarlandcity.org

TO: Florentine S. Ortiz
City of McFarland, Public Works Director
401 W. Kern Ave.
McFarland, CA 93250

FROM: Juan M. Pantoja
Project Manager / Engineer

DATE: July 21, 2023

SUBJECT: Lowest Responsive Bid Analysis for the 2023 Street Rehabilitation - Various Locations, project.

- A. The City of McFarland received a total of SIX (6) bids for the subject project. Bids were opened on July 13, 2023 at 2:15 pm, by the City Clerk, Francisca Alvarado. Bids ranged from a low of \$799,565.00. to a high of \$964,188.00; with an average bid of \$881,861.77. The 6 received bids are:

Company	Bid Amount
Bowman Asphalt	\$ 799,565.00
Central Valley Asphalt	\$ 805,390.10
Emmett Valley Construction	\$ 850,771.20
MAC General Eng.	\$ 917,521.31
Griffith Company	\$ 953,735.00
Burtch Construction	\$ 964,188.00

[Bowman Asphalt](#) submitted the apparent low bid of \$799,565.00, which was about 9% lower than the engineer's estimate of \$879,189.00. The highest bid of \$964,188.00 was about 10% higher than the engineer's estimate.

- B. BHT Engineering, Inc. proceeded to qualify the lowest responsive bidder [Bowman Asphalt](#) and verified the bidder's proposal as follows:
1. The low bidder submitted the proposal on the required forms and provided all requested information.
 2. The low bidder computed the total amount bid and extended amounts correctly.
 3. BHT Staff verified with the State Contractor's License Board (<http://www.cslb.ca.gov/>) and the California Department of Industrial Relations ([Registrations \(salesforce-sites.com\)](#)) that the low bidder and all subcontractors hold current and active State Contractor's Licenses and are registered with the DIR, as follows:

Contractor Name	License No. & Class	License Expiration Date	DIR Regis. No.
Bowman Asphalt, Inc.	862672 A	08/31/2023	1000003010
Harker, Inc. dba Harker Striping & Signage	615222 C32	04/30/2025	1000004812

4. BHT Staff verified that the low bidder's Workers' Compensation Insurance coverage is current.
5. A proposal guarantee accompanied the proposal in the form of a Bid Bond totaling ten percent (10%) of the bid. The low bidder signed and properly notarized the Bid Bond. The surety agent is [Travelers Casualty and Surety Company of America](#).
6. BHT Staff verified through the State Department of Insurance website (<https://interactive.web.insurance.ca.gov/companyprofile/companyprofile>) that the Bonding Company, [Travelers Casualty and Surety Company of America](#), is an admitted surety in the State of California.
7. BHT Engineering, Inc. verified that neither the low bidder nor any of its key personnel appear on the Federal or State debarment lists (<https://www.sam.gov/SAM/>; <https://www.dir.ca.gov/dlse/debar.html>)
8. The low bidder has successfully completed several recent projects in Southern California, [including a project in McFarland, the W. Kern Ave. Reconstruction and 6th Street Overlay, completed on September 23, 2021.](#)

C. Recommendation of Award:

[Bowman Asphalt](#) is the lowest responsive bidder based on the stated basis of award. If a construction contract is awarded, it is recommended that the contract be awarded to [Bowman Asphalt](#).

Attachments: Bid Summary
Bid Opening Checklist
Contractor's License verification
Contractor and Subcontractor's (DIR) Registration number
Bonding Company Information
System for Award Management (SAM) report
DLSE Debarments list

CITY OF MCFARLAND - BID SUMMARY
2023 STREET REHABILITATION - VARIOUS LOCATIONS

				1		2		3			
BID OPENING: JULY 13, 2023 @ 2:15 PM SIX (6) BIDS TOTAL RECEIVED. Three (3) Lowest Bids Shown				Engineer's Estimate		Bowman Asphalt, Inc Bakersfield, CA (661) 334-1356 Lic No. 862672		Central Valley Asphalt Lindsay, CA (559) 562-7802 Lic No. 777434		Emmett Valley Construction Fresno, CA (559) 408-5908 Lic No. 913590	
ITEM NO.	ITEM DESCRIPTION	UNIT OF MEASURE	EST. QNTY.	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	SITE DEMOLITION, HAUL-OFF EXCESS MATERIAL	L.S.	1	\$ 40,000.00	\$ 40,000.00	\$ 42,345.05	\$ 42,345.05	\$ 62,580.00	\$ 62,580.00	\$ 16,000.00	\$ 16,000.00
2	COLD PLANE ± 3" OF EXISTING SURFACE, PROOF ROLL SUBGRADE	S.F.	210,283	\$ 0.45	\$ 94,627.00	\$ 0.40	\$ 84,113.20	\$ 0.20	\$ 42,056.60	\$ 0.40	\$ 84,113.20
3	TYPE B HOT MIX ASPHALT	TON	4100	\$ 110.00	\$ 451,000.00	\$ 91.00	\$ 373,100.00	\$ 98.00	\$ 401,800.00	\$ 120.00	\$ 492,000.00
4	APPLY FOG SEAL ON NEW PAVEMENT	L.S.	1	\$ 7,500.00	\$ 7,500.00	\$ 6,400.00	\$ 6,400.00	\$ 9,000.00	\$ 9,000.00	\$ 10,000.00	\$ 10,000.00
5	INSTALL CURB & GUTTER - (INCLUDES SAWCUT, LAYOUT, DEMOLITION OF EXISTING IMPROVEMENTS, SCARIFY 12" NATIVE MATERIAL, GRADE, & COMPACT TO 90%)	L.F.	602	\$ 70.00	\$ 42,140.00	\$ 100.00	\$ 60,200.00	\$ 92.00	\$ 55,384.00	\$ 95.00	\$ 57,190.00
6	INSTALL ADA CURB RAMP (INCLUDES SAWCUT, LAYOUT, DEMOLITION OF EXISTING IMPROVEMENTS, SCARIFY 12" NATIVE MATERIAL, GRADE, & COMPACT TO 90%)	EA.	17	\$ 4,500.00	\$ 76,500.00	\$ 5,255.00	\$ 89,335.00	\$ 4,353.00	\$ 74,001.00	\$ 4,000.00	\$ 68,000.00
7	INSTALL 8" THICK CONCRETE APRON (INCLUDES SAWCUT, LAYOUT, DEMOLITION OF EXISTING IMPROVEMENTS, SCARIFY 12" NATIVE MATERIAL, GRADE, & COMPACT TO 90%)	S.F.	62	\$ 40.00	\$ 2,480.00	\$ 49.00	\$ 3,038.00	\$ 92.50	\$ 5,735.00	\$ 95.00	\$ 5,890.00
8	INSTALL WHITE THERMOPLASTIC PAVEMENT MARKINGS	S.F.	352	\$ 15.00	\$ 5,280.00	\$ 14.00	\$ 4,928.00	\$ 10.00	\$ 3,520.00	\$ 10.00	\$ 3,520.00
9	INSTALL LIMIT LINE - THERMOPLASTIC	L.F.	331	\$ 6.00	\$ 1,986.00	\$ 3.75	\$ 1,241.25	\$ 6.00	\$ 1,986.00	\$ 6.00	\$ 1,986.00
10	INSTALL 12" YELLOW CROSSWALK LINE - THERMOPLASTIC	L.F.	334	\$ 8.00	\$ 2,672.00	\$ 4.00	\$ 1,336.00	\$ 6.00	\$ 2,004.00	\$ 6.00	\$ 2,004.00
11	INSTALL 6" YELLOW CENTER LINE (DETAIL 2) - THERMOPLASTIC	L.F.	4818	\$ 2.00	\$ 9,636.00	\$ 1.00	\$ 4,818.00	\$ 2.00	\$ 9,636.00	\$ 2.00	\$ 9,636.00
12	INSTALL 6" YELLOW CENTER LINE (DETAIL 22) - THERMOPLASTIC	L.F.	1300	\$ 5.00	\$ 6,500.00	\$ 2.50	\$ 3,250.00	\$ 3.25	\$ 4,225.00	\$ 3.00	\$ 3,900.00
13	INSTALL ON-STREET PARKING STALL STRIPING	L.F.	353	\$ 6.00	\$ 2,118.00	\$ 3.50	\$ 1,235.50	\$ 3.50	\$ 1,235.50	\$ 4.00	\$ 1,412.00
14	FURNISH AND INSTALL SOLAR-POWERED FLASHING LED STOP SIGN - R1-1 (30"x30")	EA.	15	\$ 3,000.00	\$ 45,000.00	\$ 3,000.00	\$ 45,000.00	\$ 2,500.00	\$ 37,500.00	\$ 2,600.00	\$ 39,000.00
15	FURNISH AND INSTALL - PROJECT FUNDING SIGN FOR SB1 - C48 (CA) (48"x30")	EA.	6	\$ 800.00	\$ 4,800.00	\$ 950.00	\$ 5,700.00	\$ 1,000.00	\$ 6,000.00	\$ 500.00	\$ 3,000.00
16	SALVAGE/RE-INSTALL EXISTING SIGN	EA.	14	\$ 200.00	\$ 2,800.00	\$ 375.00	\$ 5,250.00	\$ 270.00	\$ 3,780.00	\$ 250.00	\$ 3,500.00
17	FURNISH AND INSTALL BLUE FIRE HYDRANT MARKER	EA.	2	\$ 25.00	\$ 50.00	\$ 25.00	\$ 50.00	\$ 14.00	\$ 28.00	\$ 400.00	\$ 800.00
18	ADJUST SEWER MANHOLE TO NEW GRADE	EA.	8	\$ 2,000.00	\$ 16,000.00	\$ 1,700.00	\$ 13,600.00	\$ 2,160.00	\$ 17,280.00	\$ 900.00	\$ 7,200.00
19	ADJUST MONUMENT/WATER VALVE TO NEW GRADE	EA.	11	\$ 1,750.00	\$ 19,250.00	\$ 1,400.00	\$ 15,400.00	\$ 1,615.00	\$ 17,765.00	\$ 900.00	\$ 9,900.00
20	FURNISH AND INSTALL TREE ROOT BARRIER	L.F.	17	\$ 50.00	\$ 850.00	\$ 225.00	\$ 3,825.00	\$ 162.00	\$ 2,754.00	\$ 160.00	\$ 2,720.00
21	RELOCATE/ADJUST IRRIGATION SYSTEM - IN KIND	L.F.	60	\$ 50.00	\$ 3,000.00	\$ 40.00	\$ 2,400.00	\$ 52.00	\$ 3,120.00	\$ 50.00	\$ 3,000.00
22	PREPARE AND IMPLEMENT SWPPP	L.S.	1	\$ 5,000.00	\$ 5,000.00	\$ 3,000.00	\$ 3,000.00	\$ 12,000.00	\$ 12,000.00	\$ 4,000.00	\$ 4,000.00
23	TEMPORARY TRAFFIC CONTROL	L.S.	1	\$ 40,000.00	\$ 40,000.00	\$ 30,000.00	\$ 30,000.00	\$ 32,000.00	\$ 32,000.00	\$ 22,000.00	\$ 22,000.00
				TOTAL BASE BID: \$ 879,189.00		\$ 799,565.00		\$ 805,390.10		\$ 850,771.20	

Date Updated: 07/14/23. By: JMP

▼ Contractor's License Detail for License # 615222

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- ▶ CSLB complaint disclosure is restricted by law ([B&P 7124.6](#)) If this entity is subject to public complaint disclosure click on link that will appear below for more information. Click [here](#) for a definition of disclosable actions.
- ▶ Only construction related civil judgments reported to CSLB are disclosed ([B&P 7071.17](#)).
- ▶ Arbitrations are not listed unless the contractor fails to comply with the terms.
- ▶ Due to workload, there may be relevant information that has not yet been entered into the board's license database.

Data current as of 7/19/2023 4:44:52 PM

Business Information

HARKER INC
DBA HARKER STRIPING & SIGNAGE

16010 TRADITION CT
BAKERSFIELD, CA 93314
Business Phone Number:(661) 589-1810

Entity Corporation
Issue Date 03/16/1991
Reissue Date 04/27/1993
Expire Date **04/30/2025**

License Status

This license is current and active.

All information below should be reviewed.

Classifications

C32 - PARKING AND HIGHWAY IMPROVEMENT

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with [AMERICAN CONTRACTORS INDEMNITY COMPANY](#).

Bond Number: SC401238

Bond Amount: \$25,000

Effective Date: 01/01/2023

[Contractor's Bond History](#)

Bond of Qualifying Individual

The qualifying individual NICHOLAS MICHAEL HARKER certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required.

Effective Date: 06/01/2005

Workers' Compensation

This license has workers compensation insurance with the [OAK RIVER INSURANCE COMPANY](#)

Policy Number: HAWC321207

Effective Date: 10/01/2022

Expire Date: 10/01/2023

[Workers' Compensation History](#)

Miscellaneous Information

- ▶ 04/28/1993 - LICENSE REISSUED TO ANOTHER ENTITY

Registration Number	Legal Entity Name	Registration Start Date	Registration Expiration Date	Status	DBA Name	Craft Name
1000003010	BOWMAN ASPHALT, INC.	7/1/23	6/30/25	Active		Parking/Highway/Improvement
1000004812	HARKER INC	7/1/21	6/30/24	Active	HARKER STRIPING AND SIGNAGE	Parking/Highway/Improvement



Company Profile

Company Search

Company Search
ResultsCompany
InformationOld Company
Names

Agent for Service

Reference
Information

NAIC Group List

Lines of Business

Workers'
Compensation
Complaint and
Request for
Action/Appeals
Contact InformationFinancial Statements
PDF's

Annual Statements

Quarterly
Statements

Company Complaint

Company
Performance &
Comparison DataCompany
Enforcement ActionComposite
Complaints Studies

Additional Info

Find A Company
Representative In
Your AreaView Financial
Disclaimer**COMPANY PROFILE****Company Information****TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA****ONE TOWER SQUARE
HARTFORD, CT 06183****Old Company Names****Effective Date**

AETNA CASUALTY & SURETY COMPANY OF AMERICA

07/01/1997

Agent For ServiceMelissa DeKoven
2710 Gateway Oaks Drive, Suite 150N
Sacramento CA 95833-3505**Reference Information**

NAIC #:	31194
California Company ID #:	2444-8
Date Authorized in California:	07/31/1981
License Status:	UNLIMITED-NORMAL
Company Type:	Property & Casualty
State of Domicile:	CONNECTICUT

[back to top](#)**NAIC Group List**NAIC Group #: **3548** Travelers Grp**Lines Of Business**

The company is authorized to transact business within these lines of insurance.
For an explanation of any of these terms, please refer to the [glossary](#).

AIRCRAFT
AUTOMOBILE
BOILER AND MACHINERY
BURGLARY
COMMON CARRIER LIABILITY
CREDIT
DISABILITY
FIRE
LIABILITY
MARINE
MISCELLANEOUS
PLATE GLASS
SPRINKLER
SURETY
TEAM AND VEHICLE
WORKERS' COMPENSATION

[back to top](#)

Entity Registration
Exclusions
Active Exclusions
Responsibility / Qualification

BOWMAN ASPHALT, INC.

Unique Entity ID

FBV7ZPUAHU17

CAGE/NCAGE

0WRW2

Registration Status

Expiration Date

Active Registration

Jul 5, 2024

Purpose of Registration

All Awards

Physical Address

3351 Fairhaven DR
Bakersfield, California
93308-6101, United States

Mailing Address

3351 Fairhaven DR
Bakersfield, California
93308-6101, United States

Version

Current Record

There may be instances when an individual or firm has the same or similar name as your search criteria, but is actually a different party. Therefore, it is important that you verify a potential match with the excluding agency identified in the exclusion's details. To confirm or obtain additional information, contact the federal agency that took the action against the listed party. Agency points of contact, including name and telephone number, may be found by navigating to the Agency Exclusion POCs page within Help.

ACTIVE EXCLUSIONS

There are no active exclusion records associated to this entity by its Unique Entity ID.

An official website of the United States government [Here's how you know](#)



Entity Validation Processing [Show Details](#)

Jul 18, 2023



Planned Platform Maintenance [Show Details](#)

Jul 18, 2023



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All Words

e.g. 1606N020Q02

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Filter By

Keyword Search

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Any Words

All Words

Exact Phrase

e.g. 1606N020Q02

"Lisa Bowman"

"Jose L Hernandez"

"Jose Hernandez"

Federal Organizations

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Status

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Inactive

Reset



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Your search did not return any results for active records.

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Yes

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[Labor Commissioner's Office](#) / DLSE Debarments

DLSE Debarments

The following is a list of contractors barred from bidding on, accepting, or performing any public works contracts, either as a contractor or subcontractor. Please refer to the "Period of Debarment" for status of debarment period as noted below:

As part of your due diligence, we suggest that you also check:

- [Contractor status at the Contractors State License Board \(CSLB\)](#)
- [The Federal debarment list at the Excluded Parties List System](#)

Name of contractor	Period of debarment
MICHAEL FLOORING, INC.; BENNY MICHAEL CSLB License Number: 874947	5/30/2023 through 5/30/2026 Decision SC 7278
TOBO CONSTRUCTION, INC.; JIMI WAN CHAE; MONICA SHIUN OH; KYUNG JIN YOON, CSLB License Number: 758012	5/10/2023 through 5/10/2026 Decision SC 7250
G M Climate Control, Inc. CSLB License Number: 967267	3/2/2023 through 9/2/2024 Decision 40-71536-603
MINAKO AMERICA CORPORATION DBA MINCO CONSTRUCTION; AND REFAAT HILMAY MINA, CSLB License Number: 612429	9/27/2021 through 9/26/2022 Decision LB 6333
GRFCO, INC. DBA ONSITE KRUSHING; GARCIA JUAREZ CONSTRUCTION, INC.; GEORGE ROBERT FROST; AND JAMES CRAIG JACKSON CSLB License Number: 291013 and 84801	5/21/2021 through 5/20/2024 Decision LB 6629
ECS CONTRACTORS, INC. dba ECS ELECTRIC, INC.; UMAR KHALID RANA, an individual and CEO/RMO of ECS CONTRACTORS, INC.; and KANWAL SAJJAD RANA, an individual and RMO of ECS CONTRACTORS, INC. CSLB License Number: 975222	3/1/2020 through 3/1/2023 Decision LB 5590
Avi Shechter, Individually DBA Avi Shechter CSLB Number: 908891 and 1018353	5/6/2019 through 5/5/2022 Decision LB 6328
Patrick Kim, Individually DBA Ritecon Plumbing CSLB Number: 991018	8/21/2018 through 8/20/2019 Decision LB 6762
Bighorn Construction, Inc. CSLB Number: 597866	5/5/2018 through 5/4/2021 Decision LB 6658

Labor Commissioner's Office

Quick Links

- Judgment Enforcement Unit
- Outreach
- Bureau of Field Enforcement
- Wage Claim Adjudication
- Retaliation (RCI)
- Garment Work
- Registration Services
- Public Works
- Electrician Certification Unit
- New Labor Laws in California
- Frequently asked questions
- Legislative reports
- License and Registration Search
- Private Attorney General Act (PAGA)

Resources

- Judgment Search
- Port Drayage Search
- Wage Claims Search
- Frequently asked questions
- License and Registration Search
- Legislative reports
- Publications
- Forms

About the Labor Commissioner's Office

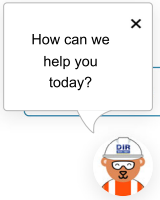
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- Locations, Contacts, and Hours of Operation

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Doug Parks, Individually dba Doug Parks and Son Plumbing	10/11/2017 through 10/10/2019 Decision SC 5807
CSLB Number: 411825	
Worthington Construction, Inc.; Dale Worthington, an individual and CEO/RMO of Worthington Construction, Inc.; and, Holi Jeanne Worthington, an individual and Officer of Worthington Construction	6/15/2018 through 9/16/2019 Decision LB 5267
CSLB Number: 714836	
RMV Construction, Inc., A California Corporation; and Robert Michael Vasil II a.k.a. Robert Michael Vasil a.k.a. Mike Vasil, an Individual and CEO/RMO President of RMV Construction, Inc.	4/1/2017 through 8/18/2018 Decision LB 5266
CSLB Number: 892389	
Gewargis Youkhanis Narso, an individual dba GEHVAC and Technologies, a sole proprietorship, And GEHVAC Co., a sole proprietorship	2/1/2017 through 1/31/2020 Decision 40-48480-516
CSLB Number: 899312 and 1013848	
Joseph Brothers Enterprise, Inc.; Ken Joseph Individually and as CEO	4/3/2018 through 10/3/2019 Decision SC 6390
CSLB Number: 849169	
Dave Cook Concrete Construction, Inc., and David William Cook 34231 Camino Capistrano #102 Capistrano Beach, CA 92624-1189	3/1/2017 through 2/29/2020 Decision LB 6207
CSLB Number: 461897	
Bannaoun Engineers Constructors Corporation; Omar Maloof, An Individual P.O. Box 16599 Beverly Hills, CA 90209-2599	05/12/17 through 05/11/20 Decision SC 5517
CSLB Number: 827829	
Evans Roofing Co., Inc. 2020 South Yale Street Santa Ana, CA 92706	10/31/16 through 10/30/19 Decision LB 6270
CSLB Number: 610549	
Guillermo Ibaibarriaga dba Sierra Nevada Stucco and 2K Roofing Sierra Nevada Stucco P.O. Box 8472 Reno, NV 89502 CSLB Number: 915812 2K Roofing 820 Kuenzli Street Reno, NV 89502 CSLB Number: 954551	05/14/17 through 05/13/20 Decision SC 6037
Del Norte Construction, And Trinidad Manuel Canales, an Individual PO Box 5101 Oxnard, CA 93030	6/01/16 through 5/31/17 Decision LB 5533



5020 Wooley Rd. Oxnard, CA 93030 CSLB Number: #945723	
Diversified Building & Electric Company, Inc. 409 Tennant Station Morgan Hill, CA 95037 Denis Andrew Maris, Individually and Doing Business as Diversified Electric Company CSLB Number: #765312	2/15/16 through 8/15/17 Decision SC 5714
Fast Demolition, Inc. 601-C East Palomar Street #123 Chula Vista, CA 91911 CSLB Number: #792729	4/1/44 through 3/31/47 Decision LB5742 4/1/41 through 3/31/44 Decision LB5665
Rogelio Medina Vazquez., an individual and in his capacity as Responsible Managing Officer of FAST DEMOLITION, INC.	4/1/36 through 3/31/39 Decision LB5740 4/1/33 through 3/31/37 Decision LB5651 4/1/33 through 3/31/37 Decision LB5739 4/1/24 through 3/31/27 Decision LB5741 4/1/30 through 3/31/33 Decision LB5743 4/1/27 through 3/31/30 Decision LB5666 4/1/21 through 3/31/24 Decision LB5667 4/1/18 through 3/31/21 Decision LB5668 4/01/15 through 3/31/18 Decision LB5345
Amerivet Plumbing, Inc.; Walter Edward Jacob Kuhlmann III, Individually And dba Amerivet Plumbing Services CSLB Number: #969048 and #919761	8/6/15 through 8/5/18 Decision SC 5756
Ultimate Inc., And, Enrique Vera, an Individual PO Box 571117 Tarzana, CA 91356-1117 CSLB Number: #949229	12/1/15 through 11/30/18 Decision LB 5655 & LBS659
Travioli Construction, Inc. PO Box 231 Visalia, CA 93274 CSLB Number: #936832	9/11/15 through 3/10/17 Decision SC 5800
Integrity Sheet Metal, Inc. 319 McArthur Way Upland, CA 91786 CSLB #726770 William Ben Hicks, an individual; Margaret Mary Hicks, an individual	2/01/15 through 1/31/18 Decision LB 5596
L A Builders, Inc., a California Corporation 15635 Satcoy Street, #H Van Nuys, CA 91406 CSLB #748591 Alon Gamliel, an individual	2/01/15 through 1/31/18 Decision LB5 171
USA Wall Systems, Inc. 8309 Sunshine Lane Riverside, CA 92508 CSLB #929610	4/01/15 through 3/31/18 Decision LB 5323



Edward Eugene Brammer, an individual and in his capacity as President/CEO/RMO	
Daughter Construction formerly dba Hy Carpentry Construction 15407 Thornlake Avenue Norwalk, CA 90650 CSLB #979297	4/01/15 through 3/31/18 Decision LB 5466, LB5467, LB5468 & LB5520
Sharon Jin Yoo, an individual; Dae Hyun Yoo, an individual and in his capacity as manager/supervisor for Sharon Jin Yoo and in his capacity as General Partner for HY Construction, a General Partnership.	
RDA Construction, Inc. 1692 W. Bullard Ave., Fresno, CA 93711 CSLB# 383306	12/15/14 through 12/14/16 Decision 40-40508-522 & 44-40509-522
Titan Electrical Construction, Inc. Lucas Oliver Stickney, an individual Jamie Noel Furr, an individual 630 Natoma Street San Francisco, CA 94103 CSLB# 919516	11/3/14 through 11/2/17 Decision SC 5539
Ramos Painting Carlos Ray Ramos, an individual P.O. Box 3871 Paso Robles, CA 93447 CSLB# 753575	11/3/14 through 11/2/15 Decision SC 5518
Dick Emard Electric. dba Emard Electric Luke Richard Emard, an individual and RMO 5930 Key Court, Suite A Loomis, CA 95650 CSLB# 794007	11/3/14 thorough 11/2/17 Decision SC 5521
Nixon Electric Gordon Fulton Nixon, an individual 5624 Faust Ave. Woodland Hills, CA 91367 CSLB# 796802	8/1/14 through 7/31/17 Decision LB 4495
Neris General Contractors, a California Corporation Efren Neri, an individual Servando Neri, an individual Rebeca Neri, an individual Luis Abelardo Castro, an individual 6087 California Ave. Long Beach, CA 90805 CSLB# 797967	2/28/14 through 2/27/17 Decision LB 4511, LB4512 & LB4521
Southland Construction Reza Mohammadi, an individual 3943 Irvine Blvd., #405, Irvine, CA 92602 CSLB# 663784 (expired)	10/14/14 through 10/13/17 Decision SAC 5492
National Drywall Corporation, A Dissolved California Corporation 603 S. Milliken Avenue, Suite F Ontario, CA 91761 CSLB #834335	8/4/14 through 8/3/17 Decision SAC 5506
Miguel Contreras, an Individual and Responsible Managing Officer/CEO/President Dora Maria Contreras, an Individual and Agent/Officer of the Corporation	



Tadros & Youssef Construction, Inc. Kamel Shaker Tadros & Makram Youssef Youssef, Individually 1221 E 8th Street, Unit A, Upland, CA 91786 CSLB# 698182 (expired)	5/10/14 through 5/9/17 Decision SAC 5308
Serenity Fire Protection 417 S. Associated Road, Brea, CA 92821 CSLB# 902927	5/1/14 through 4/30/17 Decision LB 4202
Don Kelly Construction , Inc. Don Kelly, Individual and Lisa Kelly, Individual 171 Northview Ridge Lane, P.O. Box 10760, Bozeman, MT 59719	3/25/14 through 3/24/17 Decision LB 4484
Aldan, Inc. P.O. Box 9428, Brea, CA 92822 CSLB #949229	2/28/14 through 2/27/17 Decision LB5175
Russell/Thompson, Inc. James Jean Russell & Valery Alena Thompson, Individually 4684 Oak Glen Dr., Redding, CA 96001 CSLB# 915036 (revoked)	10/31/13 through 10/31/16 Decision SC 5309
Ayodejia A. Ogundare, Individual Dba Pacific Engineering Company 6310 Stewart Way, Bakersfield, CA 93308 CLSB#710322	5/15/2013 through 5/15/2014 Decision SAC 1039
Wallcrete Industries, Inc.; Garit David Wallace and Amber Anderson, Individuals 400 Kansas, Redlands, CA 92373 CSLB#834220	7/29/12 through 7/28/15 Decision SAC 5175
FEI Enterprises, Inc Gabriel Fedida, Individual 5749 Venice Blvd., Los Angeles, CA 90019 CSLB#659252	6/14/12 through 6/13/15 Decision SC 5198
Jeffrey Alan Mott and Michelle Mott, individuals Dda Integrity Landscape 3756 Independence Avenue Sanger, CA 93637 CSLB#774222	3/29/12 through 3/28/15 Decision SC 5160
Jensen Drywall & Stucco Jeffrey E. Jensen 3714 Lynda Place National City, CA 91950-8121 CSB # 664168 Exp. 2/18/11 (expired)	3/31/11 through 3/30/13 Decision SC 5095
All West Construction, Inc. Donald Kent Russell 495 N. Marks Ave. Fresno, CA 93706 CSB # 592321 Exp. 4/3/12 (suspended)	3/31/11 through 3/30/13 Decision se 5013
Country Builders, Inc. Weldon Offill, individually 5915 Graham Ct. Livermore, CA 94550 CSB # 699574 Exp. 11/30/12 (active)	3/1/11 through 2/28/14 Decision SC 5053 Addendum SC 5053



Sutter Foam & Coating, Inc. 909 A. George Washington Yuba City, CA 95993 CSB # 732014 Exp. 1/31/09 (inactive) David Alvin Trexler, an individual 909 A. George Washington Yuba City, CA 95993 Kenneth A. Trexler, an individual 2603 Lago Lane Marysville, CA 95901	7/1/10 through 6/30/13 Decision SAC 5012
Soo Dong Kim, an individual, dba Soo Kim Electric Company 16224 Ridgeview Lane La Mirada, CA 90638 CSB # 568103 Exp. 8/1/09 (inactive) Hyo Nam Jung, an individual, dba Lucid Electric 18621 Well Street Rowland Heights, CA 91748 CSB # 914692 Exp. 4/3/10	4/19/10 through 4/18/13 Decision SAC 1064
Southwest Grading, dba Southwest Grading Services, Inc., 22031 Waite Street Wildomar, CA 92595 David Walter Cholewinski, an individual 22031 Waite Street Wildomar, A 92595 29970 Technology Drive, Ste. 205 Murrieta, CA 92563 CSB #840416 Exp. 6/30/10	3/18/10 through 3/17/13 Decision SAC 1058
S.J. Cimino Electric, Inc., a California corporation, 3267 Dutton Ave. Santa Rosa, CA 95404 Salvatore Joseph Cimino, RMO, CEO and President of S.J. Cimino Electric, Inc. and sole owner of S.J. Cimino Electric, an individual 5825 Heights Rd. Santa Rosa, CA 95401 CSB #343802 Exp. 2/28/10 CSB #294141 Exp. 9/30/13 (inactive)	10/15/09 through 10/14/12 Decision SAC 1052
Cedar Development Corporation Serghon Gabriel Afram, individually 12477 Feather Dr Mira Loma, CA 91752 CSB # 839898 Exp. 6/30/10 (suspended)	8/5/09 through 8/4/12 Decision SAC 1042
All Floors Commercial and Residential Flooring, Inc. Salvador Elias Perea, individually 750 E. McGlincy Lane, #103 Campbell, CA 95008 CSB #430969 Exp. 7/31/09	5/14/09 through 5/13/12 Decision SAC 1040
1-AMD Construction, Inc. Alberto Mordoki, individually Mirella Mordoki, individually 5300 Beach Blvd., Suite 110-416 Buena Park, CA 90621 CSB #787533, revoked	3/16/09 through 3/15/12 Decision SAC1037

Updated: April 2023



AGREEMENT NO. _____

PUBLIC WORKS AGREEMENT

By and Between

CITY OF MCFARLAND

and

Bowman Asphalt, Inc.

AGREEMENT NO. _____

**PUBLIC WORKS AGREEMENT
BETWEEN
THE CITY OF MCFARLAND
AND
Bowman Asphalt, Inc.**

THIS PUBLIC WORKS AGREEMENT (“**Agreement**”) is made and entered into this **27th** day of **July, 2023** by and between the CITY OF MCFARLAND, a municipal corporation (“**City**”) and **Bowman Asphalt, Inc.**, a California Corporation/LLC/Partnership/Etc. (“**Contractor**”). City and Contractor may sometimes be referred to herein as a “Party” or collectively as the “Parties.”

RECITALS

- A. City has sought, by issuance of a Request for Proposals or Invitation for Bids, the performance of the services defined and described particularly in Article 1 of this Agreement.
- B. Following submission of the lowest responsible and responsive bid for the performance of the services, Contractor was selected by the City to perform those services.
- C. Pursuant to the City of McFarland Municipal Code, City has authority to enter into and execute this Agreement.
- D. The Parties desire to formalize the selection of Contractor for performance of the services and desire that the terms of that performance be as particularly defined and described herein.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the mutual promises and covenants made by the Parties and contained herein and other consideration, the value and adequacy of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1. WORK OF CONTRACTOR

1.1 Scope of Work.

The Contractor shall perform all of the work, furnish all labor, materials, equipment, tools, utility services, and transportation, and comply with all of the specifications and requirements set forth in the Contract Documents for the project entitled **2023 STREET REHABILITATION - VARIOUS LOCATIONS**, (“**Project**”), in accordance with the terms and conditions of this Agreement, which may be referred to as the “**services**” or “**work**” hereunder. All such work shall be performed in a good and workmanlike manner, as reasonably determined by the City, and shall be performed in strict compliance with the Contract Documents and all local, state, and federal laws and regulations. As used herein, “**Contract Documents**” refers to all of the documents included in the solicitation of bids for the Project and Contractor’s bid proposal(s), including but not limited to, the Notice Inviting Bids, Instructions to Bidders, Bid, Federal Provisions, Applicable Federal Wage Decision (if any), General Provisions, Special Provisions, Appendices, Plans, Drawings, and Addenda, and any other documents included, referenced, or incorporated therein. The Contract Documents are incorporated into this Agreement. In the event of any conflict or inconsistency between the terms of the Contract Documents and this Agreement, the terms

of this Agreement shall govern.

1.2 Incorporation of Caltrans Specifications.

The provisions of the Caltrans Standard Specifications (as the same may be updated, amended, or supplemented from time to time, "Standard Specifications") are incorporated herein, except as explicitly modified by the Contract Documents. The applicable version of the Standard Specifications shall be the version referenced in the Contract Documents, and if no version is referenced in the Contract Documents, the applicable version shall be the most recent version. In the event of any conflict or inconsistency between the provisions of the Standard Specifications and this Agreement, the terms of this Agreement shall govern.

1.3 Compliance with Labor and Wage Laws.

(a) Public Work. The Parties acknowledge that the work to be performed under this Agreement is a "public work" as defined in Labor Code Section 1720 and that this Agreement is therefore subject to the requirements of Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code relating to public works contracts and the rules and regulations established by the Department of Industrial Relations ("DIR") implementing such statutes. The work performed under this Agreement is subject to compliance monitoring and enforcement by the DIR. Contractor shall post job site notices, as prescribed by state law and DIR regulations.

(b) Registration with DIR. Pursuant to Labor Code Section 1771.1, Contractor and all subcontractors must be registered with, and pay an annual fee to, the DIR prior to and during the performance of any work under this Agreement. Contractor shall notify the City in writing immediately, and in no case more than twenty-four (24) hours, after receiving any information that Contractor's or any of its subcontractors' DIR registration status has been suspended, revoked, expired, or otherwise changed.

(c) Prevailing Wages. Contractor shall pay prevailing wages as required by Labor Code Section 1771. Pursuant to Labor Code Section 1773.2, copies of the prevailing rate of per diem wages are on file at City Hall and will be made available to any interested Party on request. By initiating any work under this Agreement, Contractor acknowledges receipt of a copy of the DIR determination of the prevailing rate of per diem wages, and Contractor shall post a copy of the same at each job site where work is performed under this Agreement. If this Agreement is subject to the payment of federal prevailing wages under the Davis-Bacon Act (40 U.S.C. § 3141 et seq.), then Contractor shall pay the state or federal prevailing wage applicable to each laborer, whichever is higher.

(d) Penalty for Failure to Pay Prevailing Wages. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1774 and 1775 concerning the payment of prevailing rates of wages to workers and the penalties for failure to pay prevailing wages. The Contractor shall, as a penalty to the City, forfeit two hundred dollars (\$200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the DIR for the work or craft in which the worker is employed for any public work done pursuant to this Agreement by Contractor or by any subcontractor.

(e) Payroll Records. Contractor shall comply with and be bound by the provisions of Labor Code Section 1776, which requires Contractor and each subcontractor to: keep accurate payroll records and verify such records in writing under penalty of perjury, as specified in Section 1776; certify and make such payroll records available for inspection as provided by Section 1776; and inform the City of the location of the records.

(f) Apprentices. Contractor shall comply with and be bound by the provisions of Labor Code Sections 1777.5, 1777.6, and 1777.7 and California Code of Regulations Title 8, Section 200 et seq. concerning the employment of apprentices on public works projects. Contractor shall be responsible for compliance with these aforementioned Sections for all apprenticeable occupations. Prior to commencing work under this Agreement, Contractor shall provide City with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, Contractor and each of its subcontractors shall submit to the City a verified statement of the journeyman and apprentice hours performed under this Agreement.

(g) Eight-Hour Workday. Contractor acknowledges that eight (8) hours labor constitutes a legal day's work. Contractor shall comply with and be bound by Labor Code Section 1810.

(h) Penalties for Excess Hours. Contractor shall comply with and be bound by the provisions of Labor Code Section 1813 concerning penalties for workers who work excess hours. The Contractor shall, as a penalty to the City, forfeit twenty-five dollars (\$25) for each worker employed in the performance of this Agreement by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Division 2, Part 7, Chapter 1, Article 3 of the Labor Code. Pursuant to Labor Code Section 1815, work performed by employees of Contractor in excess of eight (8) hours per day, and forty (40) hours during any one week shall be permitted upon public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1½) times the basic rate of pay.

(i) Workers' Compensation. California Labor Code Sections 1860 and 3700 provide that every employer will be required to secure the payment of compensation to its employees if it has employees. In accordance with the provisions of California Labor Code Section 1861, Contractor certifies as follows:

“I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.”

(j) Contractor's Responsibility for Subcontractors. For every subcontractor who will perform work under this Agreement, Contractor shall be responsible for such subcontractor's compliance with Division 2, Part 7, Chapter 1 (commencing with Section 1720) of the California Labor Code and shall make such compliance a requirement in any contract with any subcontractor for work under this Agreement. Contractor shall take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a review of the certified payroll records of the subcontractor on a periodic basis or upon becoming aware of the failure of the subcontractor to pay his or her workers the specified prevailing rate of wages. Contractor shall diligently take corrective action to halt or rectify any such failure by any subcontractor.

1.4 Licenses, Permits, Fees and Assessments.

Contractor shall obtain at its sole cost and expense such licenses, permits, registrations, and approvals as may be required by law for the performance of the services required by this Agreement. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless

City, its officers, employees or agents of City, against any such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder.

1.5 Familiarity with Work.

By executing this Agreement, Contractor warrants that Contractor (i) has thoroughly investigated and considered the Scope of Work to be performed, (ii) has carefully considered how the work should be performed, and (iii) fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder.

1.6 Discovery of Unknown Conditions.

(a) Pursuant to Public Contract Code Section 7104, Contractor shall promptly, and before the following conditions are disturbed, notify the City, in writing, of any: (i) material Contractor believes may be hazardous waste as defined in Section 25117 of the Health & Safety Code required to be removed to a Class I, II, or III disposal site in accordance with existing law; (ii) subsurface, unknown, or latent physical conditions at the Project site, materially different from those indicated by information about the Project site made available to bidders prior to the deadline for submitting bids on the Project; or (iii) unknown physical conditions at the Project site of any unusual nature, different from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement, that will materially affect the performance of Contractor's services hereunder.

(b) City shall promptly investigate the conditions, and if it finds that the conditions do materially differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, the performance of any part of the work, the City shall issue a change order in accordance with Section 1.11 of this Agreement.

(c) In the event that a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date set, but shall proceed with all work to be performed under this Agreement. Contractor shall retain any and all rights provided either by contract or by law, which pertain to the resolution of disputes and protests between the Parties.

1.7 Unidentified Utilities.

To the extent required by Government Code Section 4215, City will compensate Contractor for the cost of locating, repairing damage not due to the failure of Contractor to exercise reasonable care, and removing or relocating utility facilities not identified by City in the Contract Documents with reasonable accuracy, and for equipment on the Project necessarily idled during such work. Nothing herein shall be deemed to require City to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the Project site can be inferred from the presence of other visible facilities, such as buildings, meters, and junction boxes, on or adjacent to the Project site of the construction; provided, however, nothing herein shall relieve City from identifying main or trunklines in the plans and specifications. If Contractor, while performing the work, discovers utility facilities not identified by City in the plans or specifications, Contractor shall immediately notify City and the utility in writing. This Agreement is subject to Government Code Sections 4126 through 4216.9. Contractor must notify utilities and obtain an identification number before excavation or be subject to liability for damages to subsurface

installations.

1.8 Trench Excavation.

Pursuant to Labor Code Section 6705, if this Agreement is for more than \$25,000 and requires the excavation of any trench or trenches five feet or more in depth, Contractor shall submit, in advance of such excavation, a detailed plan showing the design of shoring, bracing, sloping, or other provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. The plan shall be reviewed and accepted by the City, or a registered civil or structural engineer employed by the City to whom authority has been delegated, prior to the excavation. If the plan varies from the shoring system standards, the plan shall be prepared by a registered civil or structural engineer. This Section 1.8 shall not be deemed to allow the use of a shoring, sloping, or protective system less effective than that required by the Construction Safety Orders (set forth in the California Code of Regulations, Title 8, Subchapter 4). This Section 1.8 shall not be construed to impose tort liability on the City or any of its employees. Full compensation for sheeting, shoring, bracing, sloping, and all other provisions required for worker protection shall be considered as included in the contract price shown in the appropriate Bid item in the Contract Documents, and no additional compensation will be allowed therefor.

1.9 Protection and Care of Work and Materials.

The Contractor shall adopt reasonable methods, including providing and maintaining storage facilities, during the life of this Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as caused by City's own negligence. Stored materials shall be reasonably accessible for inspection. Contractor shall not, without City's consent, assign, sell, mortgage, hypothecate, or remove equipment or materials which have been installed or delivered and which may be necessary for the completion of the work.

1.10 Warranty.

Contractor warrants all work under this Agreement (which for purposes of this Section shall be deemed to include unauthorized work which has not been removed or corrected and any non-conforming construction or materials incorporated into the work) to be of good quality and free from any defective or faulty material and workmanship. Contractor agrees that for a period of one year (or the period of time specified elsewhere in this Agreement, or the Contract Documents, or in any guarantee or warranty provided by any manufacturer or supplier of equipment or materials incorporated into the work, whichever is later) after the date of final acceptance of the Project by the City, Contractor shall within ten (10) days after being notified in writing by the City of any defect in the work or non-conformance of the work to the requirements under this Agreement, commence and prosecute with due diligence all work necessary to fulfill the terms of the warranty at its sole cost and expense. Notwithstanding the foregoing, Contractor shall act as soon as requested by the City in response to any emergency condition or situation. In addition, Contractor shall, at its sole cost and expense, repair, remove and replace any portions of the work (or work of its subcontractors) damaged by its defective work or which becomes damaged in the course of repairing or replacing defective work. For any work so corrected, Contractor's obligation hereunder to correct defective work shall be reinstated for an additional one-year period, commencing with the date of acceptance of such corrected work. Contractor shall perform such tests as the City may require to verify that any corrective actions, including, without limitation, redesign, repairs, and replacements comply with the requirements of this Agreement. All costs associated with such corrective actions and testing,

including the removal, replacement, and reinstitution of equipment and materials necessary to gain access, shall be the sole responsibility of the Contractor. All warranties and guarantees of subcontractors, suppliers, and manufacturers with respect to any portion of the work, whether express or implied, are deemed to be obtained by Contractor for the benefit of the City, regardless of whether or not such warranties and guarantees have been transferred or assigned to the City by separate agreement and Contractor agrees to enforce such warranties and guarantees, if necessary, on behalf of the City. In the event that Contractor fails to perform its obligations under this Section, or under any other warranty or guaranty under this Agreement or the Contract Documents, to the reasonable satisfaction of the City, the City shall have the right to correct and replace any defective or non-conforming work or materials at Contractor's sole expense. Contractor shall be obligated to fully reimburse the City for any expenses incurred hereunder upon demand.

1.11 Additional Work and Change Orders.

Change orders shall be processed as provided in the Standard Specifications, as may be amended by the Contract Documents and as follows:

The City Manager or their designee shall have authority to fully execute change orders up to any compensation or time extension constraints that may be imposed by the City Council, if any at the time of approval of this agreement.

1.12 Grant Fund Requirements.

(a) Federal Funds; Uniform Requirements. If the Project is funded in whole or in part by federal funds, as indicated in Contract Documents, City and Contractor shall comply with all applicable provisions of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200) ("Uniform Requirements"), which are incorporated herein by reference. In the event of any inconsistency between the applicable Uniform Requirements and the other provisions of the Agreement, the applicable Uniform Requirements shall prevail.

(b) Grant Requirements. If the Project is funded in whole or in part by any grant funds, as indicated in the Contract Documents, City and Contractor shall comply with all requirements and conditions of the grant(s), which are incorporated herein by this reference.

1.13 Special Requirements.

Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements," attached hereto as **Exhibit B** and incorporated herein by this reference. In the event of a conflict between the provisions of Exhibit B and any other provisions of this Agreement, the provisions of Exhibit B shall govern. *(If REQUIRED CONTRACT PROVISIONS FOR FEDERAL-AID CONSTRUCTION CONTRACTS applies, attach as Exhibit "B")*

ARTICLE 2. COMPENSATION AND METHOD OF PAYMENT.

2.1 Contract Sum.

Subject to any limitations set forth in this Agreement, City agrees to pay Contractor the amounts set forth in Contractor's Bid, attached hereto as **Exhibit A** and incorporated herein by this reference. Subject to any additions or deductions that may be made by change order or amendment, and any penalties or damages that may be assessed against Contractor, Contractor shall receive total compensation,

including reimbursement of Contractor's expenses, of **Seven Hundred Ninety-Nine Thousand Five Hundred Sixty-Five dollars and Zero cents (\$799,565.00)** ("Contract Sum") for completion of the work. The Contract Sum shall constitute full compensation for furnishing all materials and for doing all the work contemplated and embraced in this Agreement; and also for all loss or damage arising out of the nature of the work, or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the plans and specifications, and the requirements of the Contract Documents and this Agreement. The Contract Sum shall be made in the form of progress payments and a final payment as provided in this Section 2 and the Contract Documents unless the Bid or Contract Documents explicitly provide for a lump sum payment.

Compensation may include reimbursement for actual and necessary expenditures for reproduction costs, telephone expenses, and travel expenses approved by the Project Manager in advance, or actual subcontractor expenses of an approved subcontractor pursuant to Section 4.5, and only if specified in **Exhibit A**. The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City. Coordination of the performance of the work with City is a critical component of the services. If Contractor is required to attend additional meetings to facilitate such coordination, Contractor shall not be entitled to any additional compensation for attending said meetings.

2.2 Invoices.

Each month Contractor shall furnish to City an original invoice for all work performed and expenses incurred during the preceding month in a form approved by City's Finance Director. By submitting an invoice for payment under this Agreement, Contractor is certifying compliance with all provisions of this Agreement.

All invoices shall include a copy of Contractor's Certified Payroll and proof that Certified Payroll has been submitted to the DIR. Contractor shall also submit a list of the prevailing wage rates (including federal prevailing wage rates, if applicable) for all employees and subcontractors providing services under this Agreement, as applicable, with Contractor's first invoice. If these rates change at any time during the term of this Agreement, Contractor shall submit a new list of rates to the City with its first invoice following the effective date of the rate change.

2.3 Payment.

City shall, as soon as practicable, independently review each invoice submitted by the Contractor to determine whether the work performed, and expenses incurred comply with the provisions of this Agreement. Except as to any charges for work performed or expenses incurred by Contractor which are disputed by City, City will cause Contractor to be paid within thirty (30) days of receipt of Contractor's correct and undisputed invoice; however, Contractor acknowledges and agrees that due to City warrant run procedures, the City cannot guarantee that payment will occur within this time period. In the event that City does not cause Contractor to be paid within thirty (30) days of receipt of an undisputed and properly submitted invoice, Contractor shall be entitled to the payment of interest to the extent allowed under Public Contract Code Section 20104.50. In the event any charges or expenses are disputed by City, the original invoice shall be returned by City to Contractor, not later than seven (7) days after receipt by the City, for correction and resubmission. Returned invoices shall be accompanied by a document setting forth in writing the reasons why the payment request was rejected. Review and payment by the City of any invoice provided by the Contractor shall not constitute a waiver of any rights or remedies provided

herein or any applicable law.

2.4 Retention; Substitution of Securities.

City will deduct a five percent (5%) retention from all progress payments. In accordance with Public Contract Code Section 22300, which is hereby incorporated into this Agreement, City shall permit the substitution of securities for any moneys withheld by City to ensure performance under this Agreement. The retention held by the City shall be released within sixty (60) days after the date of completion of the work and the Project, as required by Government Code Section 7107. In the event of a dispute between City and Contractor, City may withhold from the final payment an amount not to exceed one hundred fifty percent (150%) of the disputed amount.

ARTICLE 3. PERFORMANCE SCHEDULE

3.1 Schedule of Performance.

Contractor shall begin work within **fifteen (15)** calendar days after receiving a Notice to Proceed from the City and the work shall be completed within **Thirty (30)** consecutive working days from the date on which Contractor received the Notice to Proceed, or otherwise in accordance with any schedule contained in or required to be provided by the Contract Documents, and any revisions thereof approved by the City in writing. Time is of the essence. If the work is not completed within said time period, liquidated damages shall apply as set forth below.

3.2 Force Majeure.

The time period(s) for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Contractor shall within ten (10) days of the commencement of such delay notify the Project Manager in writing of the causes of the delay. The Project Manager shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Project Manager such delay is justified. The Project Manager's determination shall be final and conclusive upon the parties to this Agreement. In no event shall Contractor be entitled to recover damages against the City for any delay in the performance of this Agreement, however caused, Contractor's sole remedy being extension of this Agreement pursuant to this Section.

3.3 Liquidated Damages.

Since the determination of actual damages for any delay in performance of this Agreement would be extremely difficult or impractical to determine in the event of a breach of this Agreement, the Contractor and its sureties shall be liable for and shall pay to the City the sum of **ONE THOUSAND DOLLARS AND ZERO CENTS (\$1,000.00)** as liquidated damages for each working day of delay in the performance of any service required hereunder. The City may withhold any accrued liquidated damages from any monies payable on account of services performed by the Contractor. To the extent required by Government Code Section 4215, Contractor shall not be assessed liquidated damages for delay in completion of the work when such delay was caused by the failure of the City or owner of the utility to provide for removal or relocation of utility facilities.

3.4 Inspection and Final Acceptance.

City may inspect and accept or reject any of Contractor's work under this Agreement, either during performance or when completed. If City finds that Contractor's work does not meet the requirements and standards provided in the Bid Document, Contractor shall remedy any defects in the work at Contractor's sole expense following notice by the City. City shall accept work by a timely written acceptance, otherwise work shall be deemed to have been rejected. City's acceptance shall be conclusive as to such work except with respect to latent defects, fraud and such gross mistakes as to amount to fraud. Acceptance of any work by City shall not constitute a waiver of any of the provisions of this Agreement including, but not limited to, Articles 1 and 5, pertaining to warranty and indemnification and insurance, respectively.

ARTICLE 4. COORDINATION OF WORK

4.1 Representatives and Personnel of Contractor.

The following principals of Contractor ("Principals") are hereby designated as being the principals and representatives of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

_____ (Name)	_____ (Title)
_____ (Name)	_____ (Title)

It is expressly understood that the experience, knowledge, capability, and reputation of the foregoing Principals were a substantial inducement for City to enter into this Agreement. Therefore, the Principals shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. All personnel of Contractor, and any authorized agents, shall at all times be under the exclusive direction and control of the Principals. For purposes of this Agreement, the Principals may not be replaced, nor may their responsibilities be substantially reduced by Contractor without the express written approval of City. Additionally, Contractor shall make every reasonable effort to maintain the stability and continuity of Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement. Contractor shall notify City of any changes in Contractor's staff and subcontractors, if any, assigned to perform the services required under this Agreement, prior to and during any such performance.

4.2 Status of Contractor.

Contractor shall have no authority to bind City in any manner, or to incur any obligation, debt, or liability of any kind on behalf of or against City, whether by contract or otherwise, unless such authority is expressly conferred under this Agreement or is otherwise expressly conferred in writing by City. Contractor shall not at any time or in any manner represent that Contractor or any of Contractor's officers, employees, or agents are in any manner officials, officers, employees, or agents of City. Neither Contractor, nor any of Contractor's officers, employees, or agents, shall obtain any rights to retirement, health care or any other benefits which may otherwise accrue to City's employees. Contractor expressly waives any claim Contractor may have to any such rights.

4.3 Project Manager.

The “**Project Manager**” for the City shall be the City Engineer or any other person as may be designated by the Project Manager. It shall be the Contractor’s responsibility to assure that the Project Manager is kept informed of the progress of the performance of the services and the Contractor shall refer any decisions which must be made by City to the Project Manager. Unless otherwise specified herein, any approval of City required hereunder shall mean the approval of the Project Manager. The Project Manager shall have authority, if specified in writing by the City Manager, to sign all documents on behalf of the City required hereunder to carry out the terms of this Agreement.

4.4 Independent Contractor.

Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its agents or employees, perform the services required herein, except as otherwise set forth herein. City shall have no voice in, or authority over, the selection, discharge, supervision or control of Contractor’s employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venturer or a member of any joint enterprise with Contractor.

4.5 Prohibition Against Subcontracting or Assignment.

The experience, knowledge, capability and reputation of Contractor, its Principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Contractor shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. All subcontractors shall obtain, at its or Contractor’s expense, such licenses, permits, registrations and approvals (including from the City) as may be required by law for the performance of any services or work under this Agreement. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the express consent of City.

ARTICLE 5. INSURANCE, INDEMNIFICATION AND BONDS

5.1 Insurance Coverages.

Without limiting Contractor’s indemnification obligation to the City (as set forth below), and prior to commencement of any services under this Agreement, Contractor shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and, in a form, satisfactory to City.

(a) General liability insurance. Contractor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$2,000,000 per occurrence, \$4,000,000 general aggregate, for bodily injury, personal injury, and

property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO “insured contract” language will not be accepted.

(b) Automobile liability insurance. Contractor shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Contractor arising out of or in connection with Services to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000 combined single limit for each accident.

(c) Professional liability (errors & omissions) insurance. Contractor shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this Agreement and Contractor agrees to maintain continuous coverage through a period no less than three (3) years after completion of the services required by this Agreement.

(d) Workers’ compensation insurance. Contractor shall maintain Workers’ Compensation Insurance (Statutory Limits) and Employer’s Liability Insurance (with limits of at least \$1,000,000).

(e) Builder’s Risk Insurance. Contractor shall maintain Builder’s Risk (Course of Construction) insurance utilizing an “All Risk” (Special Perils) coverage form, with limits equal to the completed value of the Project and no coinsurance penalty provisions or provisional limit provisions. The policy must include: (1) coverage for any ensuing loss from faulty workmanship, nonconforming work, omission or deficiency in design or specifications; (2) coverage against machinery accidents and operational testing; (3) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures and all other properties constituting a part of the Project; (4) ordinance or law coverage for contingent rebuilding, demolition, and increased costs of construction; (5) transit coverage (unless insured by the supplier or receiving contractor), with sub-limits sufficient to insure the full replacement value of any key equipment item; (6) ocean marine cargo coverage insuring any Project materials or supplies, if applicable; (7) coverage with sub-limits sufficient to insure the full replacement value of any property or equipment stored either on or off the Project site or any staging area.

(f) Pollution Liability Insurance. Contractor shall maintain Environmental Impairment Liability insurance, written on a Contractor’s Pollution Liability form or other form acceptable to City providing coverage for liability arising out of sudden, accidental, and gradual pollution and remediation. The policy limit shall be no less than \$1,000,000 per claim and in the aggregate. All activities contemplated in this Agreement shall be specifically scheduled on the policy as “covered operations.” The policy shall provide coverage for the hauling of waste from the Project site to the final disposal location, including non-owned disposal sites.

5.2 General Insurance Requirements.

(a) Subcontractors. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and certified endorsements for each subcontractor. All coverages for subcontractors shall include all of the requirements stated herein.

(b) Proof of Insurance. Contractor shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers’ compensation. Insurance certificates and endorsements must be approved by City’s Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all

times during the term of this Agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

(c) Duration of Coverage. Contractor shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the services hereunder by Contractor, its agents, representatives, employees or subcontractors.

(d) Primary/noncontributing. Coverage provided by Contractor shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non- contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

(e) City's Rights of Enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary, and any premium paid by City will be promptly reimbursed by Contractor or City will withhold amounts sufficient to pay the premium from any payments due to the Contractor. In the alternative, City may cancel this Agreement.

(f) Waiver of Subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Contractor or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Contractor hereby waives its own right of recovery against City and shall require similar written express waivers and insurance clauses from each of its subcontractors.

(g) Enforcement of Contract Provisions (non-estoppel). Contractor acknowledges and agrees that any actual or alleged failure on the part of the City to inform Contractor of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

(h) Requirements Not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any Party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Contractor maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

(i) Notice of Cancellation. Contractor agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

(j) Additional Insured Status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess/umbrella liability policies.

(k) Prohibition of Undisclosed Coverage Limitations. None of the coverages required

herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

(l) Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

(m) Pass Through Clause. Contractor agrees to ensure that its subconsultants, subcontractors, and any other Party involved with the Project who is brought onto or involved in the Project by Contractor, provide the same minimum insurance coverage and endorsements required of Contractor. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Section. Contractor agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the Project will be submitted to City for review.

(n) Agency's Right to Revise Specifications. The City reserves the right at any time during the term of this Agreement to change the amounts and types of insurance required by giving the Contractor ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Contractor, the City and Contractor may renegotiate Contractor's compensation.

(o) Self-Insured Retentions. Any self-insured retentions must be declared to and approved by City. City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by City.

(p) Timely Notice of Claims. Contractor shall give City prompt and timely notice of claims made or suits instituted that arise out of or result from Contractor's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

(q) Additional Insurance. Contractor shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

5.3 Indemnification.

Contractor shall indemnify, defend with legal counsel approved by City, and hold harmless City, its officers, officials, employees, agents, representatives, and volunteers (collectively, "**Indemnitees**") from and against all liability, loss, damage, expense, cost (including, without limitation, reasonable legal counsel fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with Contractor's (or its employees', officers', agents', or subcontractor's) performance of the work hereunder or its failure to comply with any of its obligations contained in this Agreement, including any injuries to or death of any person (including, but not limited to, workers and the public), or damage to property resulting from the construction of the work or by or in consequence of any negligence regarding the work, use of improper materials or equipment in construction of the work, negligence or refusal of Contractor to faithfully perform the work and all of Contractor's obligations under this Agreement, or by or on account of any act or omission by the Contractor (or its employees /agents) or its subcontractors (or their employees / agents) during the progress of the work or at any time before the completion and final acceptance of the Project by the City, except with respect to any loss or damage which is caused by the sole or active negligence or willful misconduct of the City as determined by a court

of competent jurisdiction. Should conflict of interest principles preclude a single legal counsel from representing both City and Contractor, or should City otherwise find Contractor's legal counsel unacceptable, then Contractor shall reimburse the City its costs of defense, including, without limitation, reasonable attorneys' fees, expert fees and all other costs and fees of litigation. Contractor shall promptly pay any final judgment rendered against the City (and its officers, officials, employees and volunteers) with respect to claims determined by a trier of fact to have been the result of the Contractor's negligent, reckless or wrongful performance. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination or expiration of this Agreement.

Contractor's obligations under this Section apply regardless of whether or not such claim, charge, damage, demand, action, proceeding, loss, stop notice, cost, expense, judgment, civil fine or penalty, or liability was caused in part or contributed to by the City or any Indemnitees. In instances where City or its Indemnitees is shown to have been actively negligent and where City's active negligence accounts for only a percentage of the liability involved, the obligation of Contractor will be for that entire portion or percentage of liability not attributable to the active negligence of the City.

5.4 Notification of Third-Party Claims.

City shall timely notify Contractor of the receipt of any third-Party claim relating to the work under this Agreement. City shall be entitled to recover from Contractor its reasonable costs incurred in providing such notification.

5.5 Performance and Labor Bonds.

Concurrently with execution of this Agreement Contractor shall deliver to the City, the following in the form required under the Contract Documents or otherwise by the City Clerk:

(a) A performance bond in the amount of the Contract Sum of this Agreement, which secures the faithful performance of this Agreement ("**Performance Bond**").

(b) A labor and materials bond in the amount of the Contract Sum of this Agreement, which secures the payment of all persons furnishing labor and/or materials in connection with the work under this Agreement ("**Payment Bond**").

(c) A warranty bond, guaranteeing the Contractor's warranty under Section 1.11 of this Agreement, in an amount not less than **5%** of the Contract Sum.

The bonds shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his/her power of attorney. The bonds shall be unconditional and remain in force during the entire term of this Agreement.

City shall release the Performance Bond and Payment Bond when the following have occurred: (a) Contractor has made a written request for release and provided evidence of satisfaction of all other requirements under Article 5 of this Agreement, (b) the work for the Project has been finally accepted by the City, and (c) after passage of the time within which lien claims are required to be made pursuant to applicable laws; if lien claims have been timely filed, City shall hold the Payment Bond until such claims have been resolved, Contractor has provided statutory bond, or otherwise as required by applicable law.

5.6 Sufficiency of Insurer or Surety.

Insurance and bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated “A” or better in the most recent edition of Best’s Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City (“**Risk Manager**”) due to unique circumstances. If this Agreement continues for more than 3 years duration, or in the event the Risk Manager determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the City, the Contractor agrees that the minimum limits of the insurance policies and the performance bond required under Article 5 of this Agreement may be changed accordingly upon receipt of written notice from the Risk Manager.

ARTICLE 6. RECORDS, REPORTS, AND RELEASE OF INFORMATION

6.1 Records.

Contractor shall keep, and require subcontractors to keep, such ledgers, books of accounts, invoices, vouchers, canceled checks, reports, studies, certified and accurate copies of payroll records in compliance with all applicable laws, or other documents relating to the disbursements charged to City and services performed hereunder (the “**books and records**”), as shall be necessary to perform the services required by this Agreement and enable the Project Manager to evaluate the performance of such services. Any and all such documents shall be maintained in accordance with generally accepted accounting principles and shall be complete and detailed. The Project Manager shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of 3 years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required. In the event of dissolution of Contractor’s business, custody of the books and records may be given to City, and access shall be provided by Contractor’s successor in interest. Notwithstanding the above, the Contractor shall fully cooperate with the City in providing access to the books and records if a public records request is made and disclosure is required by law including but not limited to the California Public Records Act.

6.2 Reports.

Contractor shall periodically prepare and submit to the Project Manager such reports concerning the performance of the services required by this Agreement as the Project Manager shall require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein or, if Contractor is providing design services, the cost of the project being designed, Contractor shall promptly notify the Project Manager of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto.

6.3 Ownership of Documents.

All drawings, specifications, maps, designs, photographs, studies, surveys, data, notes, computer files, reports, records, documents and other materials (the “**documents and materials**”) prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Project Manager or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership use, reuse, or assignment of the documents

and materials hereunder. Any use, reuse, or assignment of such completed documents for other projects and/or use of uncompleted documents without specific written authorization by the Contractor will be at the City's sole risk and without liability to Contractor, and Contractor's guarantee and warranties shall not extend to such use, reuse, or assignment. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom. Moreover, Contractor with respect to any documents and materials that may qualify as "works made for hire" as defined in 17 U.S.C. § 101, such documents and materials are hereby deemed "works made for hire" for the City.

6.4 Confidentiality and Release of Information.

(a) Information gained or work product produced by Contractor in its performance of this Agreement shall be considered confidential unless such information is in the public domain or already known to Contractor. Contractor shall not release or disclose any such information or work product to persons or entities other than City without prior written authorization from the Project Manager.

(b) Contractor, its officers, employees, agents, or subcontractors, shall not, without prior written authorization from the Project Manager or unless requested by the City Attorney, voluntarily provide documents, declarations, letters of support, testimony at depositions, response to interrogatories or other information concerning the work performed under this Agreement. Response to a subpoena or court order shall not be considered "voluntary" provided Contractor gives City notice of such court order or subpoena.

(c) If Contractor, or any officer, employee, agent, or subcontractor of Contractor, provides any information or work product in violation of this Agreement, then City shall have the right to reimbursement and indemnity from Contractor for any damages, costs and fees, including attorneys' fees, caused by or incurred as a result of Contractor's conduct.

(d) Contractor shall promptly notify City should Contractor, its officers, employees, agents or subcontractors be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions or other discovery request, court order or subpoena from any Party regarding this Agreement and the work performed with respect to the Project. City retains the right, but has no obligation, to represent Contractor or be present at any deposition, hearing or similar proceeding. Contractor agrees to cooperate fully with City and to provide City with the opportunity to review any response to discovery requests provided by Contractor. However, this right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

ARTICLE 7. ENFORCEMENT OF AGREEMENT AND TERMINATION

7.1 California Law.

This Agreement shall be interpreted, construed, and governed both as to validity and to performance of the Parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Fresno, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action. In the event of litigation in a U.S. District Court, venue shall lie exclusively in the Central District of California, in the County of Fresno, State of California.

7.2 Termination.

The City may terminate this Agreement and be relieved of the payment of any consideration to Contractor should Contractor fail to perform the covenants herein contained or contained in the Specifications at the time and in the manner as required. In the event of such termination, the City may proceed with the work in any manner deemed proper by the City. The cost to the City shall be deducted from any sum due the Contractor under this Agreement, and the balance, if any, shall be paid to the Contractor upon demand.

7.3 Dispute Resolution Process.

(a) Section 20104 et seq. of the California Public Contract Code prescribes a process utilizing informal conferences, non-binding judicial-supervised mediation, and judicial arbitration to resolve disputes on construction claims of \$375,000 or less. Additionally, Section 9204 of the Public Contract Code prescribes a process for negotiation and mediation to resolve disputes on construction claims. The intent of this Section is to implement Sections 20104 et seq. and Section 9204 of the California Public Contract Code. This Section shall be construed to be consistent with said statutes.

(b) For purposes of these procedures, “claim” means a separate demand by the Contractor, after the City has denied Contractor’s timely and duly made request for payment for extra work and/or a time extension, for (A) a time extension, (B) payment of money or damages arising from work done by or on behalf of the Contractor pursuant to this Agreement and payment of which is not otherwise expressly provided for or the Contractor is not otherwise entitled to, or (C) an amount the payment of which is disputed by the City.

(c) The following requirements apply to all claims to which this Section applies:

i. Claim Submittal. The claim shall be in writing and include the documents necessary to substantiate the claim. Claims governed by this procedure must be filed on or before the date of final payment. Nothing in this Section is intended to extend the time limit or supersede notice requirements otherwise provided in this Agreement for the filing of claims, including all requirements pertaining to compensation or payment for extra work, disputed work, and/or changed conditions. Failure to follow such contractual requirements shall bar any claims or subsequent lawsuits for compensation or payment thereon.

ii. Supporting Documentation. The Contractor shall submit all claims in the following format:

1. Summary of the claim, including references to the specific Bid Document provisions or provisions under this Agreement upon which the claim is based.

2. List of documents relating to claim: (a) Specifications, (b) Drawings, (c) Clarifications (Requests for Information), (d) Schedules, and (e) Other.

3. Chronology of events and correspondence related to the claim.

4. Statement of grounds for the claim.

5. Analysis of the claim’s cost, if any.

6. Analysis of the claim's time/schedule impact, if any.

(d) City's Response. Upon receipt of a claim pursuant to this Section, City shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the Contractor a written statement identifying what portion of the claim is disputed and what portion is undisputed. Any payment due on an undisputed portion of the claim will be processed and made within 60 days after the City issues its written statement.

i. If the City needs approval from the City Council to provide the Contractor a written statement identifying the disputed portion and the undisputed portion of the claim, and the City Council does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the City shall have up to three days following the next duly publicly noticed meeting of the City Council after the 45-day period, or extension, expires to provide the Contractor a written statement identifying the disputed portion and the undisputed portion.

ii. Within 30 days of receipt of a claim, the City may request in writing additional documentation supporting the claim or relating to defenses or claims the City may have against the Contractor. If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of City and the Contractor.

iii. The City's written response to the claim, as further documented, shall be submitted to the Contractor within 30 days (if the claim is less than \$50,000, within 15 days) after receipt of the further documentation, or within a period of time no greater than that taken by the Contractor in producing the additional information or requested documentation, whichever is greater.

(e) Meet and Confer. If the Contractor disputes the City's written response, or the City fails to respond within the time prescribed, the Contractor may so notify the City, in writing, either within 15 days of receipt of the City's response or within 15 days of the City's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, the City shall schedule a meet and confer conference within 30 days for settlement of the dispute.

(f) Mediation. Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the City shall provide the Contractor a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the City issues its written statement. Any disputed portion of the claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, with the City and the Contractor sharing the associated costs equally. The City and Contractor shall mutually agree to a mediator within ten (10) business days after the disputed portion of the claim has been identified in writing, unless the Parties agree to select a mediator at a later time.

i. If the Parties cannot agree upon a mediator, each Party shall select a mediator and those mediators shall select a qualified neutral third Party to mediate with regard to the disputed portion of the claim. Each Party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator.

ii. For purposes of this Section, mediation includes any nonbinding process,

including, but not limited to, neutral evaluation or a dispute review board, in which an independent third Party or board assists the Parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this Section.

iii. Unless otherwise agreed to by the City and the Contractor in writing, the mediation conducted pursuant to this Section shall excuse any further obligation under Public Contract Code Section 20104.4 to mediate after litigation has been commenced.

iv. All unresolved claims shall be considered jointly in a single mediation, unless a new unrelated claim arises after mediation is completed.

(g) City's Responses. The City's failure to respond to a claim from the Contractor within the time periods described in this Section or to otherwise meet the time requirements of this Section shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of the City's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this Section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility of qualifications of the Contractor. City's failure to respond shall not waive City's rights to any subsequent procedures for the resolution of disputed claims.

(h) Government Code Claims. If following the mediation, the claim or any portion remains in dispute, the Contractor must comply with the claim procedures set forth in Government Code Section 900 *et seq.* prior to filing any lawsuit against the City. Such Government Code claims and any subsequent lawsuit based upon the Government Code claims shall be limited to those matters that remain unresolved after all procedures pertaining to extra work, disputed work, construction claims, and/or changed conditions, including any required mediation, have been followed by Contractor. If no such Government Code claim is submitted, or if the prerequisite contractual requirements are not satisfied, no action against the City may be filed. A Government Code claim must be filed no earlier than the date that Contractor completes all contractual prerequisites to filing a Government Code claim, including any required mediation. A Government Code claim shall be inclusive of all unresolved claims unless a new unrelated claim arises after the Government Code claim is submitted. For purposes of Government Code Section 900 *et seq.*, the running of the period of time within which a claim must be filed shall be tolled from the time the Contractor submits his or her written claim to the City until the time the claim is denied, including any period of time utilized by the meet and confer conference or mediation that does not result in a complete resolution of all claims.

(i) Civil Actions for Claims of \$375,000 or Less. The following procedures are established for all civil actions filed to resolve claims totaling \$375,000 or less:

i. Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to non-binding mediation unless waived by mutual stipulation of both Parties or unless mediation was held prior to commencement of the action in accordance with Public Contract Code Section 9204 and the procedures in this Section. The mediation process shall provide for the selection within 15 days by both Parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court.

ii. If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article

3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

iii. Upon stipulation of the Parties, arbitrators appointed for these purposes shall be experienced in construction law, and, upon stipulation of the Parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the Parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division.

iv. In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any Party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the reasonable attorneys' fees of the other Party arising out of the trial de novo.

7.4 Waiver.

Waiver by any Party to this Agreement of any term, condition, or covenant of this Agreement shall not constitute a waiver of any other term, condition, or covenant. Waiver by any Party of any breach of the provisions of this Agreement shall not constitute a waiver of any other provision or a waiver of any subsequent breach or violation of any provision of this Agreement. Acceptance by City of any work or services by Contractor shall not constitute a waiver of any of the provisions of this Agreement. No delay or omission in the exercise of any right or remedy by a non-defaulting Party on any default shall impair such right or remedy or be construed as a waiver. Any waiver by either Party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.5 Rights and Remedies are Cumulative.

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either Party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other Party.

7.6 Unfair Business Practices Claims.

Pursuant to Public Contract Code Section 7103.5, in entering into this Agreement, Contractor offers and agrees to assign to the City all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. § 15) or under the Cartwright Act (Chapter 2, (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials related to this Agreement. This assignment shall be made and become effective at the time the City tenders final payment to the Contractor without further acknowledgment by the Parties.

ARTICLE 8. CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees.

No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the

Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest.

Contractor covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in any manner with the interests of City or which would in any way hinder Contractor's performance of services under this Agreement. Contractor further covenants that in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent or subcontractor without the express written consent of the Project Manager. Contractor agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of City in the performance of this Agreement.

No officer or employee of the City shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to this Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The Contractor warrants that it has not paid or given and will not pay or give any third Party any money or other consideration for obtaining this Agreement.

8.3 Covenant Against Discrimination.

Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class in the performance of this Agreement. Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, sexual orientation, marital status, national origin, ancestry, or other protected class.

8.4 Unauthorized Aliens.

Contractor hereby promises and agrees to comply with all of the provisions of the Federal Immigration and Nationality Act, 8 U.S.C. § 1101 et seq., as amended, and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Contractor so employ such unauthorized aliens for the performance of work and/or services covered by this Agreement, and should any liability or sanctions be imposed against City for such use of unauthorized aliens, Contractor hereby agrees to and shall reimburse City for the cost of all such liabilities or sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 Provisions Required By Law.

Each and every provision of law and clause required by law to be inserted in this Agreement shall be deemed to be inserted herein, and this Agreement shall be read and enforced as though it were included herein. If through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either Party, this Agreement shall forthwith be amended to make such insertion or correction.

9.2 Notices.

Any notice, demand, request, document, consent, approval, or communication either Party desires or is required to give to the other Party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Project Manager (with her/his name and City title), City of McFarland, 401 W Kern Ave, McFarland, CA 93250, and in the case of the Contractor, to the person at the address designated on the execution page of this Agreement. Either Party may change its address by notifying the other Party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section. All correspondence relating to this Agreement shall be serialized consecutively.

9.3 Interpretation.

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either Party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.4 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

9.5 Integration; Amendment.

This Agreement, together with the documents incorporated herein (including the Standard Specifications and the Contract Documents) and the exhibits attached hereto constitutes the entire, complete, and exclusive expression of the understanding of the Parties with respect to the subject matter hereof. It is understood that there are no oral agreements between the Parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements, and understandings, if any, between the Parties, and none shall be used to interpret this Agreement. No amendment to or modification of this Agreement shall be valid unless made in writing and approved by the Contractor and by the City Council. The Parties agree that this requirement for written modifications cannot be waived and that any attempted waiver shall be void.

9.6 Severability.

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either Party of the basic benefit of their bargain or renders this Agreement meaningless.

9.7 Warranty & Representation of Non-Collusion.

No official, officer, or employee of City has any financial interest, direct or indirect, in this Agreement, nor shall any official, officer, or employee of City participate in any decision relating to this Agreement which may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any

corporation, partnership, or association in which (s)he is directly or indirectly interested, or in violation of any State or municipal statute or regulation. The determination of “financial interest” shall be consistent with State law and shall not include interests found to be “remote” or “non-interests” pursuant to Government Code Sections 1091 or 1091.5. Contractor warrants and represents that it has not paid or given, and will not pay or give, to any third Party including, but not limited to, any City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded any agreement. Contractor further warrants and represents that (s)he/it has not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third Party including, but not limited to, any City official, officer, or employee, as a result of consequence of obtaining or being awarded any agreement. Contractor is aware of and understands that any such act(s), omission(s) or other conduct resulting in such payment of money, consideration, or other thing of value will render this Agreement void and of no force or effect.

9.8 Corporate Authority.

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party, (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other agreement to which said Party is bound. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the date and year first-above written.

CITY:

CITY OF MCFARLAND, a municipal corporation

Kenny Williams, City Manager

ATTEST:

Francisca Alvarado, City Clerk

APPROVED AS TO FORM:

HODGES LAW GROUP

By: _____
Nathan M. Hodges, City Attorney

CONTRACTOR:
BOWMAN ASPHALT, INC.

By: _____

Name: _____

By: _____

Name: _____

Address: _____

Two corporate officer signatures required when Contractor is a corporation, with one signature required from each of the following groups: 1) Chairman of the Board, President or any Vice President; and 2) Secretary, any Assistant Secretary, Chief Financial Officer or any Assistant Treasurer. CONTRACTOR'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO CONTRACTOR'S BUSINESS ENTITY.

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EXHIBIT A

CONTRACTOR'S BID

EXHIBIT B

SPECIAL REQUIREMENTS

PERFORMANCE BOND

WHEREAS, the CITY OF MCFARLAND, ("City"), has awarded to **Bowman Asphalt, Inc.**, as Contractor ("Principal"), a Contract for the work entitled and described as follows: **2023 STREET REHABILITATION - VARIOUS LOCATIONS;**

WHEREAS, the Contractor is required under the terms of said Contract to furnish a bond for the faithful performance of the Contract;

NOW, THEREFORE, we the undersigned Contractor and Surety, are held and firmly bound unto the City in the sum of **Seven Hundred Ninety-Nine Thousand Five Hundred Sixty-Five dollars and Zero cents (\$799,565.00)**, this amount being not less than one hundred percent (100%) of the total Contract price, lawful money of the United States of America, for payment of which sum well and truly be made we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents. In case suit is brought upon this bond, the Surety will pay a reasonable attorney's fee to the City in an amount to be fixed by the court.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the hereby bound Contractor, or its heirs, executors, administrators, successors, or assigns, shall in all things stand and abide by, well and truly keep and perform all undertakings, terms, covenants, conditions, and agreements in the said Contract and any alteration thereof, made as therein provided, all within the time and in the manner designated and in all respects according to their true intent and meaning, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

FURTHER, the said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or modification of the Contract Documents or of the work to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of such change, extension of time, alteration, or modification of the Contract Documents or of the work to be performed thereunder.

Executed on _____, 2023

PRINCIPAL

By: _____

(Seal Of Corporation)

Name: _____

Title: _____

(Attach Acknowledgment of Authorized Representative of Principal)

Any claims under this bond may be addressed to:

Name and address of Surety:

Name and address of Surety's agent for service of process in California, if different from above:

Telephone number of Surety's Agent in California:

(Attach Acknowledgment)

SURETY

By:

(Attorney-in-Fact)

APPROVED:

(Attorney for CITY)

NOTICE:

No substitution or revision to this bond form will be accepted. Sureties must be authorized to do business in and have an agent for service of process in California. Certified copy of Power of Attorney must be attached.

PAYMENT BOND
(Labor and Material Bond)

WHEREAS, the CITY OF MCFARLAND, ("City"), has awarded to **Bowman Asphalt, Inc.**, as Contractor ("Principal"), a Contract for the work entitled and described as follows: **2023 STREET REHABILITATION - VARIOUS LOCATIONS;**

WHEREAS, said Contractor is required to furnish a bond in conjunction with said Contract, to secure the payment of claims of laborers, mechanics, material men, and other persons as provided by law;

NOW, THEREFORE, we the undersigned Contractor and Surety, are held and firmly bound unto the City in the sum of **Seven Hundred Ninety-Nine Thousand Five Hundred Sixty-Five dollars and Zero cents (\$799,565.00)**, this amount being not less than one hundred percent (100%) of the total Contract price, lawful money of the United States of America, for payment of which sum well and truly be made we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents. In case suit is brought upon this bond, the Surety will pay a reasonable attorney's fee to the City in an amount to be fixed by the court.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if said Contractor, its heirs, executors, administrators, successors, assigns, or subcontractor fails to pay: (1) for any work, materials, services, provisions, provender, or other supplies, or for the use of implements of machinery, used in, upon, for, or about the performance of the work to be done, or for any work or labor thereon of any kind; (2) for work performed by any of the persons named in Civil Code Section 9100; (3) for any amounts due under the Unemployment Insurance Code with respect to work or labor performed under the contract; and/or (4) for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the Contractor and/or its subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, then the Surety herein will pay for the same in an amount not exceeding the sum specified in this bond, otherwise the above obligation shall be void.

This bond shall inure to the benefit of any of the persons named in Civil Code Section 9100 so as to give a right of action to such persons or their assigns in any suit brought upon the bond. Moreover, if the City or any entity or person entitled to file stop payment notices is required to engage the services of an attorney in connection with a lawsuit concerning the enforcement of this bond, Contractor / Principal and surety shall pay City or any entity or person reasonable attorney's fees incurred, but in no event shall the surety be liable in the aggregate for more than the penal sum of this Payment Bond.

Said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or modification of the Contract Documents or of the work to be performed thereunder shall in any way affect its obligations on this bond, and it does hereby waive notice of such change, extension of time, alteration, or modification of the Contract Documents or of the work to be performed thereunder.

///

///

///

Executed on _____, 2023

PRINCIPAL

By: _____

(Seal Of Corporation)

Name: _____

Title: _____

(Attach Acknowledgment of Authorized Representative of Principal)

Any claims under this bond may be addressed to:

Name and address of Surety:

Name and address of Surety's agent for service of process in California, if different from above:

Telephone number of Surety's Agent in California:

(Attach Acknowledgment)

SURETY

By: _____

(Attorney-in-Fact)

APPROVED:

(Attorney for CITY)

NOTICE:

No substitution or revision to this bond form will be accepted. Sureties must be authorized to do business in and have an agent for service of process in California. Certified copy of Power of Attorney must be attached.

WORKERS COMPENSATION INSURANCE CERTIFICATE

Description of Contract: **City of McFarland**
Project: 2023 STREET REHABILITATION - VARIOUS LOCATIONS

Type of Insurance: Workers' Compensation and Employers' Liability Insurance

THIS IS TO CERTIFY that the following policy has been issued by the below-stated company in conformance with the requirements of Article 5 of the Contract and is in force at this time, and is in a form approved by the Insurance Commissioner.

The Company will give at least 30 days' written notice to the City and Engineer/Architect prior to any cancellation of said policy.

POLICY NUMBER EXPIRATION DATE LIMITS OF LIABILITY

Workers' Compensation: Statutory Limits Under
the Laws of the State of California

Employers' Liability:

\$_____ Each Accident

\$_____ Disease - Policy Limit

\$_____ Disease - Each Employee

_____ Named Insured (Contractor)	_____ Insurance Company
_____ Street Number	_____ Street Number
_____ City and State	_____ City and State
	By: _____ (Company Representative)

(SEE NOTICE ON NEXT PAGE)

Insurance Company Agent for Service
of Process in California:

Name

Agency

Street Number

City and State

Telephone Number

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend, or alter the coverage afforded by the policy listed herein.

This is to certify that the policy has been issued to the named insured for the policy period indicated, notwithstanding any requirement, term, or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the insurance afforded by the policy described herein is subject to all the terms, exclusions, and conditions of such policy.

NOTICE:

No substitution or revision to the above certificate form will be accepted. If the insurance called for is provided by more than one insurance company, a separate certificate in the exact above form shall be provided for each insurance company.

CITY OF MCFARLAND - BID SUMMARY
2023 STREET REHABILITATION - VARIOUS LOCATIONS

				1		2		3			
BID OPENING: JULY 13, 2023 @ 2:15 PM SIX (6) BIDS TOTAL RECEIVED. Three (3) Lowest Bids Shown				Engineer's Estimate		Bowman Asphalt, Inc Bakersfield, CA (661) 334-1356 Lic No. 862672		Central Valley Asphalt Lindsay, CA (559) 562-7802 Lic No. 777434		Emmett Valley Construction Fresno, CA (559) 408-5908 Lic No. 913590	
ITEM NO.	ITEM DESCRIPTION	UNIT OF MEASURE	EST. QNTY.	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST	UNIT COST	TOTAL COST
1	SITE DEMOLITION, HAUL-OFF EXCESS MATERIAL	L.S.	1	\$ 40,000.00	\$ 40,000.00	\$ 42,345.05	\$ 42,345.05	\$ 62,580.00	\$ 62,580.00	\$ 16,000.00	\$ 16,000.00
2	COLD PLANE ± 3" OF EXISTING SURFACE, PROOF ROLL SUBGRADE	S.F.	210,283	\$ 0.45	\$ 94,627.00	\$ 0.40	\$ 84,113.20	\$ 0.20	\$ 42,056.60	\$ 0.40	\$ 84,113.20
3	TYPE B HOT MIX ASPHALT	TON	4100	\$ 110.00	\$ 451,000.00	\$ 91.00	\$ 373,100.00	\$ 98.00	\$ 401,800.00	\$ 120.00	\$ 492,000.00
4	APPLY FOG SEAL ON NEW PAVEMENT	L.S.	1	\$ 7,500.00	\$ 7,500.00	\$ 6,400.00	\$ 6,400.00	\$ 9,000.00	\$ 9,000.00	\$ 10,000.00	\$ 10,000.00
5	INSTALL CURB & GUTTER - (INCLUDES SAWCUT, LAYOUT, DEMOLITION OF EXISTING IMPROVEMENTS, SCARIFY 12" NATIVE MATERIAL, GRADE, & COMPACT TO 90%)	L.F.	602	\$ 70.00	\$ 42,140.00	\$ 100.00	\$ 60,200.00	\$ 92.00	\$ 55,384.00	\$ 95.00	\$ 57,190.00
6	INSTALL ADA CURB RAMP (INCLUDES SAWCUT, LAYOUT, DEMOLITION OF EXISTING IMPROVEMENTS, SCARIFY 12" NATIVE MATERIAL, GRADE, & COMPACT TO 90%)	EA.	17	\$ 4,500.00	\$ 76,500.00	\$ 5,255.00	\$ 89,335.00	\$ 4,353.00	\$ 74,001.00	\$ 4,000.00	\$ 68,000.00
7	INSTALL 8" THICK CONCRETE APRON (INCLUDES SAWCUT, LAYOUT, DEMOLITION OF EXISTING IMPROVEMENTS, SCARIFY 12" NATIVE MATERIAL, GRADE, & COMPACT TO 90%)	S.F.	62	\$ 40.00	\$ 2,480.00	\$ 49.00	\$ 3,038.00	\$ 92.50	\$ 5,735.00	\$ 95.00	\$ 5,890.00
8	INSTALL WHITE THERMOPLASTIC PAVEMENT MARKINGS	S.F.	352	\$ 15.00	\$ 5,280.00	\$ 14.00	\$ 4,928.00	\$ 10.00	\$ 3,520.00	\$ 10.00	\$ 3,520.00
9	INSTALL LIMIT LINE - THERMOPLASTIC	L.F.	331	\$ 6.00	\$ 1,986.00	\$ 3.75	\$ 1,241.25	\$ 6.00	\$ 1,986.00	\$ 6.00	\$ 1,986.00
10	INSTALL 12" YELLOW CROSSWALK LINE - THERMOPLASTIC	L.F.	334	\$ 8.00	\$ 2,672.00	\$ 4.00	\$ 1,336.00	\$ 6.00	\$ 2,004.00	\$ 6.00	\$ 2,004.00
11	INSTALL 6" YELLOW CENTER LINE (DETAIL 2) - THERMOPLASTIC	L.F.	4818	\$ 2.00	\$ 9,636.00	\$ 1.00	\$ 4,818.00	\$ 2.00	\$ 9,636.00	\$ 2.00	\$ 9,636.00
12	INSTALL 6" YELLOW CENTER LINE (DETAIL 22) - THERMOPLASTIC	L.F.	1300	\$ 5.00	\$ 6,500.00	\$ 2.50	\$ 3,250.00	\$ 3.25	\$ 4,225.00	\$ 3.00	\$ 3,900.00
13	INSTALL ON-STREET PARKING STALL STRIPING	L.F.	353	\$ 6.00	\$ 2,118.00	\$ 3.50	\$ 1,235.50	\$ 3.50	\$ 1,235.50	\$ 4.00	\$ 1,412.00
14	FURNISH AND INSTALL SOLAR-POWERED FLASHING LED STOP SIGN - R1-1 (30"x30")	EA.	15	\$ 3,000.00	\$ 45,000.00	\$ 3,000.00	\$ 45,000.00	\$ 2,500.00	\$ 37,500.00	\$ 2,600.00	\$ 39,000.00
15	FURNISH AND INSTALL - PROJECT FUNDING SIGN FOR SB1 - C48 (CA) (48"x30")	EA.	6	\$ 800.00	\$ 4,800.00	\$ 950.00	\$ 5,700.00	\$ 1,000.00	\$ 6,000.00	\$ 500.00	\$ 3,000.00
16	SALVAGE/RE-INSTALL EXISTING SIGN	EA.	14	\$ 200.00	\$ 2,800.00	\$ 375.00	\$ 5,250.00	\$ 270.00	\$ 3,780.00	\$ 250.00	\$ 3,500.00
17	FURNISH AND INSTALL BLUE FIRE HYDRANT MARKER	EA.	2	\$ 25.00	\$ 50.00	\$ 25.00	\$ 50.00	\$ 14.00	\$ 28.00	\$ 400.00	\$ 800.00
18	ADJUST SEWER MANHOLE TO NEW GRADE	EA.	8	\$ 2,000.00	\$ 16,000.00	\$ 1,700.00	\$ 13,600.00	\$ 2,160.00	\$ 17,280.00	\$ 900.00	\$ 7,200.00
19	ADJUST MONUMENT/WATER VALVE TO NEW GRADE	EA.	11	\$ 1,750.00	\$ 19,250.00	\$ 1,400.00	\$ 15,400.00	\$ 1,615.00	\$ 17,765.00	\$ 900.00	\$ 9,900.00
20	FURNISH AND INSTALL TREE ROOT BARRIER	L.F.	17	\$ 50.00	\$ 850.00	\$ 225.00	\$ 3,825.00	\$ 162.00	\$ 2,754.00	\$ 160.00	\$ 2,720.00
21	RELOCATE/ADJUST IRRIGATION SYSTEM - IN KIND	L.F.	60	\$ 50.00	\$ 3,000.00	\$ 40.00	\$ 2,400.00	\$ 52.00	\$ 3,120.00	\$ 50.00	\$ 3,000.00
22	PREPARE AND IMPLEMENT SWPPP	L.S.	1	\$ 5,000.00	\$ 5,000.00	\$ 3,000.00	\$ 3,000.00	\$ 12,000.00	\$ 12,000.00	\$ 4,000.00	\$ 4,000.00
23	TEMPORARY TRAFFIC CONTROL	L.S.	1	\$ 40,000.00	\$ 40,000.00	\$ 30,000.00	\$ 30,000.00	\$ 32,000.00	\$ 32,000.00	\$ 22,000.00	\$ 22,000.00
				TOTAL BASE BID: \$ 879,189.00		\$ 799,565.00		\$ 805,390.10		\$ 850,771.20	

Date Updated: 07/14/23. By: JMP

Memorandum

Transmitted by email on 07/21/23

fortiz@mcfarlandcity.org

pjacobs@mcfarlandcity.org

TO: Florentine S. Ortiz
City of McFarland, Public Works Director
401 W. Kern Ave.
McFarland, CA 93250

FROM: Juan M. Pantoja
Project Manager / Engineer

DATE: July 21, 2023

SUBJECT: Lowest Responsive Bid Analysis for the 2023 Street Rehabilitation - Various Locations, project.

- A. The City of McFarland received a total of SIX (6) bids for the subject project. Bids were opened on July 13, 2023 at 2:15 pm, by the City Clerk, Francisca Alvarado. Bids ranged from a low of \$799,565.00. to a high of \$964,188.00; with an average bid of \$881,861.77. The 6 received bids are:

Company	Bid Amount
Bowman Asphalt	\$ 799,565.00
Central Valley Asphalt	\$ 805,390.10
Emmett Valley Construction	\$ 850,771.20
MAC General Eng.	\$ 917,521.31
Griffith Company	\$ 953,735.00
Burtch Construction	\$ 964,188.00

[Bowman Asphalt](#) submitted the apparent low bid of \$799,565.00, which was about 9% lower than the engineer's estimate of \$879,189.00. The highest bid of \$964,188.00 was about 10% higher than the engineer's estimate.

- B. BHT Engineering, Inc. proceeded to qualify the lowest responsive bidder [Bowman Asphalt](#) and verified the bidder's proposal as follows:
1. The low bidder submitted the proposal on the required forms and provided all requested information.
 2. The low bidder computed the total amount bid and extended amounts correctly.
 3. BHT Staff verified with the State Contractor's License Board (<http://www.cslb.ca.gov/>) and the California Department of Industrial Relations ([Registrations \(salesforce-sites.com\)](#)) that the low bidder and all subcontractors hold current and active State Contractor's Licenses and are registered with the DIR, as follows:

Contractor Name	License No. & Class	License Expiration Date	DIR Regis. No.
Bowman Asphalt, Inc.	862672 A	08/31/2023	1000003010
Harker, Inc. dba Harker Striping & Signage	615222 C32	04/30/2025	1000004812

4. BHT Staff verified that the low bidder's Workers' Compensation Insurance coverage is current.
5. A proposal guarantee accompanied the proposal in the form of a Bid Bond totaling ten percent (10%) of the bid. The low bidder signed and properly notarized the Bid Bond. The surety agent is [Travelers Casualty and Surety Company of America](#).
6. BHT Staff verified through the State Department of Insurance website (<https://interactive.web.insurance.ca.gov/companyprofile/companyprofile>) that the Bonding Company, [Travelers Casualty and Surety Company of America](#), is an admitted surety in the State of California.
7. BHT Engineering, Inc. verified that neither the low bidder nor any of its key personnel appear on the Federal or State debarment lists (<https://www.sam.gov/SAM/>; <https://www.dir.ca.gov/dlse/debar.html>)
8. The low bidder has successfully completed several recent projects in Southern California, [including a project in McFarland, the W. Kern Ave. Reconstruction and 6th Street Overlay, completed on September 23, 2021.](#)

C. Recommendation of Award:

[Bowman Asphalt](#) is the lowest responsive bidder based on the stated basis of award. If a construction contract is awarded, it is recommended that the contract be awarded to [Bowman Asphalt](#).

Attachments: Bid Summary
Bid Opening Checklist
Contractor's License verification
Contractor and Subcontractor's (DIR) Registration number
Bonding Company Information
System for Award Management (SAM) report
DLSE Debarments list

CITY OF MCFARLAND - BID SUMMARY
2023 STREET REHABILITATION - VARIOUS LOCATIONS

				1		2		3			
BID OPENING: JULY 13, 2023 @ 2:15 PM SIX (6) BIDS TOTAL RECEIVED. Three (3) Lowest Bids Shown				Engineer's Estimate		Bowman Asphalt, Inc Bakersfield, CA (661) 334-1356 Lic No. 862672		Central Valley Asphalt Lindsay, CA (559) 562-7802 Lic No. 777434		Emmett Valley Construction Fresno, CA (559) 408-5908 Lic No. 913590	
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5	INSTALL CURB & GUTTER - (INCLUDES SAWCUT, LAYOUT, DEMOLITION OF EXISTING IMPROVEMENTS, SCARIFY 12" NATIVE MATERIAL, GRADE, & COMPACT TO 90%)	L.F.	602	\$ 70.00	\$ 42,140.00	\$ 100.00	\$ 60,200.00	\$ 92.00	\$ 55,384.00	\$ 95.00	\$ 57,190.00
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9	INSTALL LIMIT LINE - THERMOPLASTIC	L.F.	331	\$ 6.00	\$ 1,986.00	\$ 3.75	\$ 1,241.25	\$ 6.00	\$ 1,986.00	\$ 6.00	\$ 1,986.00
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11	INSTALL 6" YELLOW CENTER LINE (DETAIL 2) - THERMOPLASTIC	L.F.	4818	\$ 2.00	\$ 9,636.00	\$ 1.00	\$ 4,818.00	\$ 2.00	\$ 9,636.00	\$ 2.00	\$ 9,636.00
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13	INSTALL ON-STREET PARKING STALL STRIPING	L.F.	353	\$ 6.00	\$ 2,118.00	\$ 3.50	\$ 1,235.50	\$ 3.50	\$ 1,235.50	\$ 4.00	\$ 1,412.00
14	FURNISH AND INSTALL SOLAR-POWERED FLASHING LED STOP SIGN - R1-1 (30"x30")	EA.	15	\$ 3,000.00	\$ 45,000.00	\$ 3,000.00	\$ 45,000.00	\$ 2,500.00	\$ 37,500.00	\$ 2,600.00	\$ 39,000.00
15	FURNISH AND INSTALL - PROJECT FUNDING SIGN FOR SB1 - C48 (CA) (48"x30")	EA.	6	\$ 800.00	\$ 4,800.00	\$ 950.00	\$ 5,700.00	\$ 1,000.00	\$ 6,000.00	\$ 500.00	\$ 3,000.00
16	SALVAGE/RE-INSTALL EXISTING SIGN	EA.	14	\$ 200.00	\$ 2,800.00	\$ 375.00	\$ 5,250.00	\$ 270.00	\$ 3,780.00	\$ 250.00	\$ 3,500.00
17	FURNISH AND INSTALL BLUE FIRE HYDRANT MARKER	EA.	2	\$ 25.00	\$ 50.00	\$ 25.00	\$ 50.00	\$ 14.00	\$ 28.00	\$ 400.00	\$ 800.00
18	ADJUST SEWER MANHOLE TO NEW GRADE	EA.	8	\$ 2,000.00	\$ 16,000.00	\$ 1,700.00	\$ 13,600.00	\$ 2,160.00	\$ 17,280.00	\$ 900.00	\$ 7,200.00
19	ADJUST MONUMENT/WATER VALVE TO NEW GRADE	EA.	11	\$ 1,750.00	\$ 19,250.00	\$ 1,400.00	\$ 15,400.00	\$ 1,615.00	\$ 17,765.00	\$ 900.00	\$ 9,900.00
20	FURNISH AND INSTALL TREE ROOT BARRIER	L.F.	17	\$ 50.00	\$ 850.00	\$ 225.00	\$ 3,825.00	\$ 162.00	\$ 2,754.00	\$ 160.00	\$ 2,720.00
21	RELOCATE/ADJUST IRRIGATION SYSTEM - IN KIND	L.F.	60	\$ 50.00	\$ 3,000.00	\$ 40.00	\$ 2,400.00	\$ 52.00	\$ 3,120.00	\$ 50.00	\$ 3,000.00
22	PREPARE AND IMPLEMENT SWPPP	L.S.	1	\$ 5,000.00	\$ 5,000.00	\$ 3,000.00	\$ 3,000.00	\$ 12,000.00	\$ 12,000.00	\$ 4,000.00	\$ 4,000.00
23	TEMPORARY TRAFFIC CONTROL	L.S.	1	\$ 40,000.00	\$ 40,000.00	\$ 30,000.00	\$ 30,000.00	\$ 32,000.00	\$ 32,000.00	\$ 22,000.00	\$ 22,000.00
				TOTAL BASE BID: \$ 879,189.00		\$ 799,565.00		\$ 805,390.10		\$ 850,771.20	

Date Updated: 07/14/23. By: JMP

CITY OF MCFARLAND - BID OPENING CHECKLIST

Project Name: 2023 STREET REHABILITATION – VARIOUS LOCATIONS

Bid Opening Date and Time: July 13, 2023 @ 2:15pm

Bids Opened by: Francisca Alvarado

BIDDER'S NAME	DATE/TIME RECEIVED	ADDENDUM (S) INCLUDED?	BID SECURITY INCLUDED?	NONCOLLUSION AFFIDAVIT INCLUDED?	BID SIGNED IN INK?	BID AMOUNT
Burtch Const	7/13/23 12:50 pm	✓	✓	✓	✓	964,188.00
Emmett Valley Const INC	7/13/23 1:50 pm	✓	✓	✓	✓	850,771.20
Bowman Asphalt INC	7/13/23 2:00 pm	✓	✓	✓	✓	799,565.00
Mae General Engineering INC	7/13/23 2:00 pm	✓	✓	✓	✓	917,471.31
Griffith Company	7/13/23 2:00 pm	✓	✓	✓	✓	953,735.00
Central Valley Asphalt	7/13/23 1:54 pm	✓	✓	✓	✓	800,390.10

I, F. Alvarado, hereby state that at 2:15 p.m. on July 13, 2023, there was an opening of bids received pertaining to the above named project in the City of McFarland.

[Signature]
Signature

City Clerk
Title

7/13/2023
Date

▼ Contractor's License Detail for License # 862672

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- ▶ CSLB complaint disclosure is restricted by law ([B&P 7124.6](#)) If this entity is subject to public complaint disclosure click on link that will appear below for more information. Click [here](#) for a definition of disclosable actions.
- ▶ Only construction related civil judgments reported to CSLB are disclosed ([B&P 7071.17](#)).
- ▶ Arbitrations are not listed unless the contractor fails to comply with the terms.
- ▶ Due to workload, there may be relevant information that has not yet been entered into the board's license database.

Data current as of 7/19/2023 4:42:41 PM

Business Information

BOWMAN ASPHALT INC
3351 FAIRHAVEN DR
BAKERSFIELD, CA 93308
Business Phone Number:(661) 334-1356

Entity Corporation
Issue Date 08/10/2005
Expire Date 08/31/2023

License Status

This license is current and active.

All information below should be reviewed.

Classifications

A - GENERAL ENGINEERING

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with [AMERICAN CONTRACTORS INDEMNITY COMPANY](#).

Bond Number: 100737606

Bond Amount: \$25,000

Effective Date: 04/28/2023

[Contractor's Bond History](#)

Bond of Qualifying Individual

This license filed Bond of Qualifying Individual number **100737616** for JOSE LUIS HERNANDEZ in the amount of **\$25,000** with [AMERICAN CONTRACTORS INDEMNITY COMPANY](#).

Effective Date: 05/17/2023

[BQI's Bond History](#)

Workers' Compensation

This license has workers compensation insurance with the [EXECUTIVE RISK INDEMNITY INC](#)

Policy Number: 54309525

Effective Date: 10/01/2022

Expire Date: 10/01/2023

[Workers' Compensation History](#)

Other

- ▶ Personnel listed on this license (current or disassociated) are listed on other licenses.

▼ Contractor's License Detail for License # 615222

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- ▶ CSLB complaint disclosure is restricted by law ([B&P 7124.6](#)) If this entity is subject to public complaint disclosure click on link that will appear below for more information. Click [here](#) for a definition of disclosable actions.
- ▶ Only construction related civil judgments reported to CSLB are disclosed ([B&P 7071.17](#)).
- ▶ Arbitrations are not listed unless the contractor fails to comply with the terms.
- ▶ Due to workload, there may be relevant information that has not yet been entered into the board's license database.

Data current as of 7/19/2023 4:44:52 PM

Business Information

HARKER INC
DBA HARKER STRIPING & SIGNAGE

16010 TRADITION CT
BAKERSFIELD, CA 93314
Business Phone Number:(661) 589-1810

Entity Corporation
Issue Date 03/16/1991
Reissue Date 04/27/1993
Expire Date **04/30/2025**

License Status

This license is current and active.

All information below should be reviewed.

Classifications

C32 - PARKING AND HIGHWAY IMPROVEMENT

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with [AMERICAN CONTRACTORS INDEMNITY COMPANY](#).

Bond Number: SC401238

Bond Amount: \$25,000

Effective Date: 01/01/2023

[Contractor's Bond History](#)

Bond of Qualifying Individual

The qualifying individual NICHOLAS MICHAEL HARKER certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required.

Effective Date: 06/01/2005

Workers' Compensation

This license has workers compensation insurance with the [OAK RIVER INSURANCE COMPANY](#)

Policy Number: HAWC321207

Effective Date: 10/01/2022

Expire Date: 10/01/2023

[Workers' Compensation History](#)

Miscellaneous Information

- ▶ 04/28/1993 - LICENSE REISSUED TO ANOTHER ENTITY

Registration Number	Legal Entity Name	Registration Start Date	Registration Expiration Date	Status	DBA Name	Craft Name
1000003010	BOWMAN ASPHALT, INC.	7/1/23	6/30/25	Active		Parking/Highway/Improvement
1000004812	HARKER INC	7/1/21	6/30/24	Active	HARKER STRIPING AND SIGNAGE	Parking/Highway/Improvement



Company Profile

Company Search

Company Search
ResultsCompany
InformationOld Company
Names

Agent for Service

Reference
Information

NAIC Group List

Lines of Business

Workers'
Compensation
Complaint and
Request for
Action/Appeals
Contact InformationFinancial Statements
PDF's

Annual Statements

Quarterly
Statements

Company Complaint

Company
Performance &
Comparison DataCompany
Enforcement ActionComposite
Complaints Studies

Additional Info

Find A Company
Representative In
Your AreaView Financial
Disclaimer**COMPANY PROFILE****Company Information****TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA****ONE TOWER SQUARE
HARTFORD, CT 06183****Old Company Names****Effective Date**

AETNA CASUALTY & SURETY COMPANY OF AMERICA

07/01/1997

Agent For ServiceMelissa DeKoven
2710 Gateway Oaks Drive, Suite 150N
Sacramento CA 95833-3505**Reference Information**

NAIC #:	31194
California Company ID #:	2444-8
Date Authorized in California:	07/31/1981
License Status:	UNLIMITED-NORMAL
Company Type:	Property & Casualty
State of Domicile:	CONNECTICUT

[back to top](#)**NAIC Group List**NAIC Group #: **3548** Travelers Grp**Lines Of Business**

The company is authorized to transact business within these lines of insurance.
For an explanation of any of these terms, please refer to the [glossary](#).

AIRCRAFT
AUTOMOBILE
BOILER AND MACHINERY
BURGLARY
COMMON CARRIER LIABILITY
CREDIT
DISABILITY
FIRE
LIABILITY
MARINE
MISCELLANEOUS
PLATE GLASS
SPRINKLER
SURETY
TEAM AND VEHICLE
WORKERS' COMPENSATION

[back to top](#)

Entity Registration
Exclusions
Active Exclusions
Responsibility / Qualification

BOWMAN ASPHALT, INC.

Unique Entity ID

FBV7ZPUAHU17

CAGE/NCAGE

0WRW2

Registration Status

Expiration Date

Active Registration

Jul 5, 2024

Purpose of Registration

All Awards

Physical Address

3351 Fairhaven DR
Bakersfield, California
93308-6101, United States

Mailing Address

3351 Fairhaven DR
Bakersfield, California
93308-6101, United States

Version

Current Record

There may be instances when an individual or firm has the same or similar name as your search criteria, but is actually a different party. Therefore, it is important that you verify a potential match with the excluding agency identified in the exclusion's details. To confirm or obtain additional information, contact the federal agency that took the action against the listed party. Agency points of contact, including name and telephone number, may be found by navigating to the Agency Exclusion POCs page within Help.

ACTIVE EXCLUSIONS

There are no active exclusion records associated to this entity by its Unique Entity ID.

An official website of the United States government [Here's how you know](#)



Entity Validation Processing [Show Details](#)

Jul 18, 2023



Planned Platform Maintenance [Show Details](#)

Jul 18, 2023



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Help

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All Words

e.g. 1606N020Q02

Search Results

Saved Searches

Select Domain

All Domains

Filter By

Keyword Search

For more information on how to use our keyword search, visit our [help guide](#)

☐ Any Words 

☒ All Words 

☐ Exact Phrase 

e.g. 1606N020Q02

"Lisa Bowman" 

"Jose L Hernandez" 

"Jose Hernandez" 

Federal Organizations

Enter Code or Name

Status

☒ Active

☐ Inactive

Reset



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Your search did not return any results for active records.

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Search

- Labor Law
- Cal/OSHA - Safety & Health
- Workers' Comp
- Self Insurance
- Apprenticeship
- Director's Office
- Boards

[Labor Commissioner's Office](#) / DLSE Debarments

DLSE Debarments

The following is a list of contractors barred from bidding on, accepting, or performing any public works contracts, either as a contractor or subcontractor. Please refer to the "Period of Debarment" for status of debarment period as noted below:

As part of your due diligence, we suggest that you also check:

- [Contractor status at the Contractors State License Board \(CSLB\)](#)
- [The Federal debarment list at the Excluded Parties List System](#)

Name of contractor	Period of debarment
MICHAEL FLOORING, INC.; BENNY MICHAEL CSLB License Number: 874947	5/30/2023 through 5/30/2026 Decision SC 7278
TOBO CONSTRUCTION, INC.; JIMI WAN CHAE; MONICA SHIUN OH; KYUNG JIN YOON, CSLB License Number: 758012	5/10/2023 through 5/10/2026 Decision SC 7250
G M Climate Control, Inc. CSLB License Number: 967267	3/2/2023 through 9/2/2024 Decision 40-71536-603
MINAKO AMERICA CORPORATION DBA MINCO CONSTRUCTION; AND REFAAT HILMAY MINA, CSLB License Number: 612429	9/27/2021 through 9/26/2022 Decision LB 6333
GRFCO, INC. DBA ONSITE KRUSHING; GARCIA JUAREZ CONSTRUCTION, INC.; GEORGE ROBERT FROST; AND JAMES CRAIG JACKSON CSLB License Number: 291013 and 84801	5/21/2021 through 5/20/2024 Decision LB 6629
ECS CONTRACTORS, INC. dba ECS ELECTRIC, INC.; UMAR KHALID RANA, an individual and CEO/RMO of ECS CONTRACTORS, INC.; and KANWAL SAJJAD RANA, an individual and RMO of ECS CONTRACTORS, INC. CSLB License Number: 975222	3/1/2020 through 3/1/2023 Decision LB 5590
Avi Shechter, Individually DBA Avi Shechter CSLB Number: 908891 and 1018353	5/6/2019 through 5/5/2022 Decision LB 6328
Patrick Kim, Individually DBA Ritecon Plumbing CSLB Number: 991018	8/21/2018 through 8/20/2019 Decision LB 6762
Bighorn Construction, Inc. CSLB Number: 597866	5/5/2018 through 5/4/2021 Decision LB 6658

Labor Commissioner's Office

Quick Links

- Judgment Enforcement Unit
- Outreach
- Bureau of Field Enforcement
- Wage Claim Adjudication
- Retaliation (RCI)
- Garment Work
- Registration Services
- Public Works
- Electrician Certification Unit
- New Labor Laws in California
- Frequently asked questions
- Legislative reports
- License and Registration Search
- Private Attorney General Act (PAGA)

Resources

- Judgment Search
- Port Drayage Search
- Wage Claims Search
- Frequently asked questions
- License and Registration Search
- Legislative reports
- Publications
- Forms

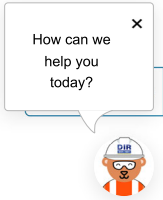
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- Locations, Contacts, and Hours of Operation

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Doug Parks, Individually dba Doug Parks and Son Plumbing	10/11/2017 through 10/10/2019 Decision SC 5807
CSLB Number: 411825	
Worthington Construction, Inc.; Dale Worthington, an individual and CEO/RMO of Worthington Construction, Inc.; and, Holi Jeanne Worthington, an individual and Officer of Worthington Construction	6/15/2018 through 9/16/2019 Decision LB 5267
CSLB Number: 714836	
RMV Construction, Inc., A California Corporation; and Robert Michael Vasil II a.k.a. Robert Michael Vasil a.k.a. Mike Vasil, an Individual and CEO/RMO President of RMV Construction, Inc.	4/1/2017 through 8/18/2018 Decision LB 5266
CSLB Number: 892389	
Gewargis Youkhanis Narso, an individual dba GEHVAC and Technologies, a sole proprietorship, And GEHVAC Co., a sole proprietorship	2/1/2017 through 1/31/2020 Decision 40-48480-516
CSLB Number: 899312 and 1013848	
Joseph Brothers Enterprise, Inc.; Ken Joseph Individually and as CEO	4/3/2018 through 10/3/2019 Decision SC 6390
CSLB Number: 849169	
Dave Cook Concrete Construction, Inc., and David William Cook 34231 Camino Capistrano #102 Capistrano Beach, CA 92624-1189	3/1/2017 through 2/29/2020 Decision LB 6207
CSLB Number: 461897	
Bannaoun Engineers Constructors Corporation; Omar Maloof, An Individual P.O. Box 16599 Beverly Hills, CA 90209-2599	05/12/17 through 05/11/20 Decision SC 5517
CSLB Number: 827829	
Evans Roofing Co., Inc. 2020 South Yale Street Santa Ana, CA 92706	10/31/16 through 10/30/19 Decision LB 6270
CSLB Number: 610549	
Guillermo Ibaibarriaga dba Sierra Nevada Stucco and 2K Roofing Sierra Nevada Stucco P.O. Box 8472 Reno, NV 89502 CSLB Number: 915812 2K Roofing 820 Kuenzli Street Reno, NV 89502 CSLB Number: 954551	05/14/17 through 05/13/20 Decision SC 6037
Del Norte Construction, And Trinidad Manuel Canales, an Individual PO Box 5101 Oxnard, CA 93030	6/01/16 through 5/31/17 Decision LB 5533



5020 Wooley Rd. Oxnard, CA 93030 CSLB Number: #945723	
Diversified Building & Electric Company, Inc. 409 Tennant Station Morgan Hill, CA 95037 Denis Andrew Maris, Individually and Doing Business as Diversified Electric Company CSLB Number: #765312	2/15/16 through 8/15/17 Decision SC 5714
Fast Demolition, Inc. 601-C East Palomar Street #123 Chula Vista, CA 91911 CSLB Number: #792729	4/1/44 through 3/31/47 Decision LB5742 4/1/41 through 3/31/44 Decision LB5665
Rogelio Medina Vazquez., an individual and in his capacity as Responsible Managing Officer of FAST DEMOLITION, INC.	4/1/36 through 3/31/39 Decision LB5740 4/1/33 through 3/31/37 Decision LB5651 4/1/33 through 3/31/37 Decision LB5739 4/1/24 through 3/31/27 Decision LB5741 4/1/30 through 3/31/33 Decision LB5743 4/1/27 through 3/31/30 Decision LB5666 4/1/21 through 3/31/24 Decision LB5667 4/1/18 through 3/31/21 Decision LB5668 4/01/15 through 3/31/18 Decision LB5345
Amerivet Plumbing, Inc.; Walter Edward Jacob Kuhlmann III, Individually And dba Amerivet Plumbing Services CSLB Number: #969048 and #919761	8/6/15 through 8/5/18 Decision SC 5756
Ultimate Inc., And, Enrique Vera, an Individual PO Box 571117 Tarzana, CA 91356-1117 CSLB Number: #949229	12/1/15 through 11/30/18 Decision LB 5655 & LBS659
Travioli Construction, Inc. PO Box 231 Visalia, CA 93274 CSLB Number: #936832	9/11/15 through 3/10/17 Decision SC 5800
Integrity Sheet Metal, Inc. 319 McArthur Way Upland, CA 91786 CSLB #726770 William Ben Hicks, an individual; Margaret Mary Hicks, an individual	2/01/15 through 1/31/18 Decision LB 5596
L A Builders, Inc., a California Corporation 15635 Saticoy Street, #H Van Nuys, CA 91406 CSLB #748591 Alon Gamliel, an individual	2/01/15 through 1/31/18 Decision LB5 171
USA Wall Systems, Inc. 8309 Sunshine Lane Riverside, CA 92508 CSLB #929610	4/01/15 through 3/31/18 Decision LB 5323



Edward Eugene Brammer , an individual and in his capacity as President/CEO/RMO	
Daughter Construction formerly dba Hy Carpentry Construction 15407 Thornlake Avenue Norwalk, CA 90650 CSLB #979297	4/01/15 through 3/31/18 Decision LB 5466, LB5467, LB5468 & LB5520
Sharon Jin Yoo , an individual; Dae Hyun Yoo , an individual and in his capacity as manager/supervisor for Sharon Jin Yoo and in his capacity as General Partner for HY Construction, a General Partnership.	
RDA Construction, Inc. 1692 W. Bullard Ave., Fresno, CA 93711 CSLB# 383306	12/15/14 through 12/14/16 Decision 40-40508-522 & 44-40509-522
Titan Electrical Construction, Inc. Lucas Oliver Stickney, an individual Jamie Noel Furr, an individual 630 Natoma Street San Francisco, CA 94103 CSLB# 919516	11/3/14 through 11/2/17 Decision SC 5539
Ramos Painting Carlos Ray Ramos, an individual P.O. Box 3871 Paso Robles, CA 93447 CSLB# 753575	11/3/14 through 11/2/15 Decision SC 5518
Dick Emard Electric. dba Emard Electric Luke Richard Emard, an individual and RMO 5930 Key Court, Suite A Loomis, CA 95650 CSLB# 794007	11/3/14 thorough 11/2/17 Decision SC 5521
Nixon Electric Gordon Fulton Nixon, an individual 5624 Faust Ave. Woodland Hills, CA 91367 CSLB# 796802	8/1/14 through 7/31/17 Decision LB 4495
Neris General Contractors, a California Corporation Efren Neri, an individual Servando Neri, an individual Rebeca Neri, an individual Luis Abelardo Castro, an individual 6087 California Ave. Long Beach, CA 90805 CSLB# 797967	2/28/14 through 2/27/17 Decision LB 4511, LB4512 & LB4521
Southland Construction Reza Mohammadi, an individual 3943 Irvine Blvd., #405, Irvine, CA 92602 CSLB# 663784 (expired)	10/14/14 through 10/13/17 Decision SAC 5492
National Drywall Corporation, A Dissolved California Corporation 603 S. Milliken Avenue, Suite F Ontario, CA 91761 CSLB #834335 Miguel Contreras , an Individual and Responsible Managing Officer/CEO/President Dora Maria Contreras , an Individual and Agent/Officer of the Corporation	8/4/14 through 8/3/17 Decision SAC 5506



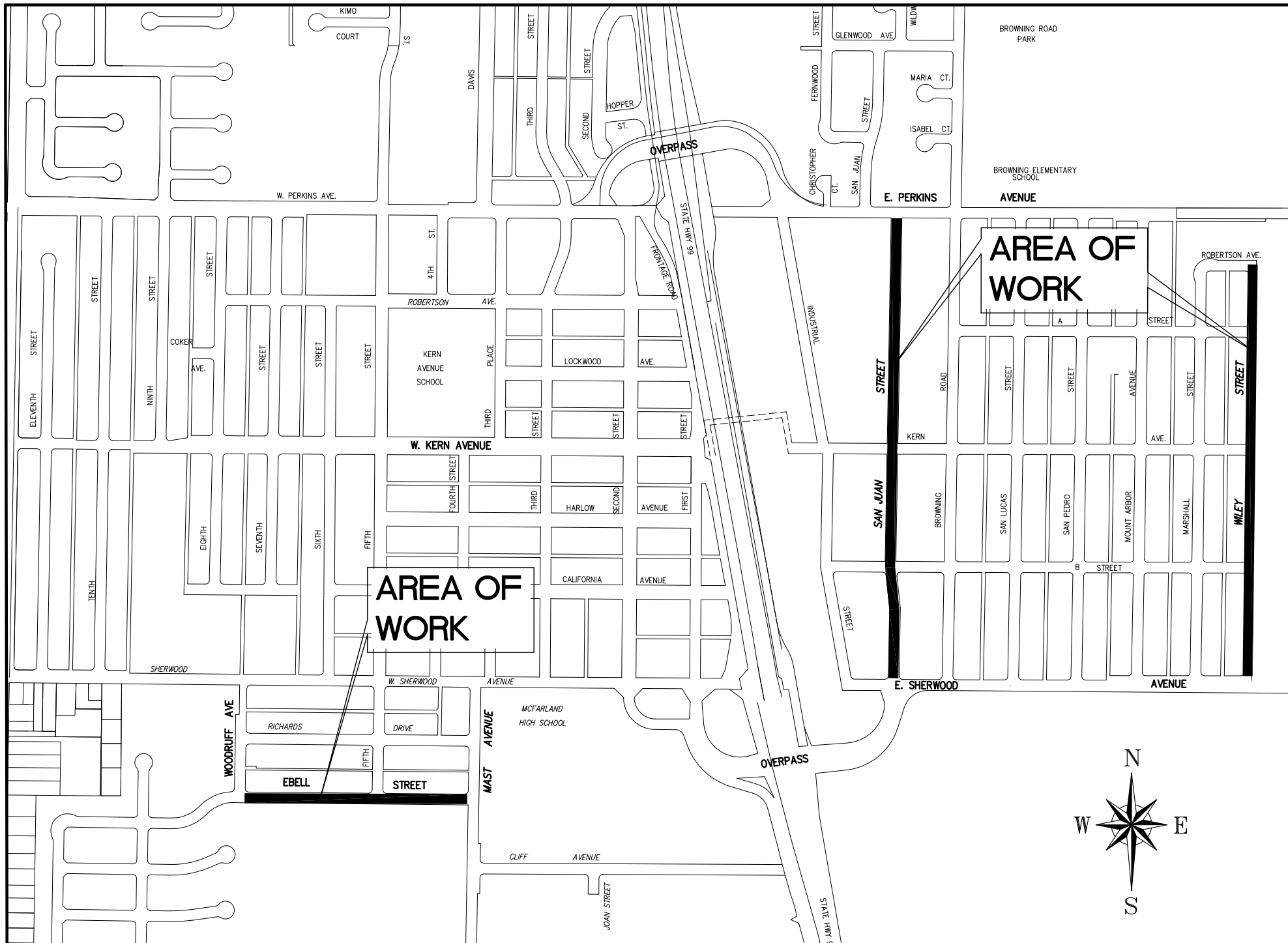
Tadros & Youssef Construction, Inc. Kamel Shaker Tadros & Makram Youssef Youssef, Individually 1221 E 8th Street, Unit A, Upland, CA 91786 CSLB# 698182 (expired)	5/10/14 through 5/9/17 Decision SAC 5308
Serenity Fire Protection 417 S. Associated Road, Brea, CA 92821 CSLB# 902927	5/1/14 through 4/30/17 Decision LB 4202
Don Kelly Construction , Inc. Don Kelly, Individual and Lisa Kelly, Individual 171 Northview Ridge Lane, P.O. Box 10760, Bozeman, MT 59719	3/25/14 through 3/24/17 Decision LB 4484
Aldan, Inc. P.O. Box 9428, Brea, CA 92822 CSLB #949229	2/28/14 through 2/27/17 Decision LB5175
Russell/Thompson, Inc. James Jean Russell & Valery Alena Thompson, Individually 4684 Oak Glen Dr., Redding, CA 96001 CSLB# 915036 (revoked)	10/31/13 through 10/31/16 Decision SC 5309
Ayodejia A. Ogundare, Individual Db a Pacific Engineering Company 6310 Stewart Way, Bakersfield, CA 93308 CLSB#710322	5/15/2013 through 5/15/2014 Decision SAC 1039
Wallcrete Industries, Inc.; Garit David Wallace and Amber Anderson, Individuals 400 Kansas, Redlands, CA 92373 CSLB#834220	7/29/12 through 7/28/15 Decision SAC 5175
FEI Enterprises, Inc Gabriel Fedida, Individual 5749 Venice Blvd., Los Angeles, CA 90019 CSLB#659252	6/14/12 through 6/13/15 Decision SC 5198
Jeffrey Alan Mott and Michelle Mott, individuals Dda Integrity Landscape 3756 Independence Avenue Sanger, CA 93637 CSLB#774222	3/29/12 through 3/28/15 Decision SC 5160
Jensen Drywall & Stucco Jeffrey E. Jensen 3714 Lynda Place National City, CA 91950-8121 CSB # 664168 Exp. 2/18/11 (expired)	3/31/11 through 3/30/13 Decision SC 5095
All West Construction, Inc. Donald Kent Russell 495 N. Marks Ave. Fresno, CA 93706 CSB # 592321 Exp. 4/3/12 (suspended)	3/31/11 through 3/30/13 Decision se 5013
Country Builders, Inc. Weldon Offill, individually 5915 Graham Ct. Livermore, CA 94550 CSB # 699574 Exp. 11/30/12 (active)	3/1/11 through 2/28/14 Decision SC 5053 Addendum SC 5053



Sutter Foam & Coating, Inc. 909 A. George Washington Yuba City, CA 95993 CSB # 732014 Exp. 1/31/09 (inactive) David Alvin Trexler, an individual 909 A. George Washington Yuba City, CA 95993 Kenneth A. Trexler, an individual 2603 Lago Lane Marysville, CA 95901	7/1/10 through 6/30/13 Decision SAC 5012
Soo Dong Kim, an individual, dba Soo Kim Electric Company 16224 Ridgeview Lane La Mirada, CA 90638 CSB # 568103 Exp. 8/1/09 (inactive) Hyo Nam Jung, an individual, dba Lucid Electric 18621 Well Street Rowland Heights, CA 91748 CSB # 914692 Exp. 4/3/10	4/19/10 through 4/18/13 Decision SAC 1064
Southwest Grading, dba Southwest Grading Services, Inc., 22031 Waite Street Wildomar, CA 92595 David Walter Cholewinski, an individual 22031 Waite Street Wildomar, A 92595 29970 Technology Drive, Ste. 205 Murrieta, CA 92563 CSB #840416 Exp. 6/30/10	3/18/10 through 3/17/13 Decision SAC 1058
S.J. Cimino Electric, Inc., a California corporation, 3267 Dutton Ave. Santa Rosa, CA 95404 Salvatore Joseph Cimino, RMO, CEO and President of S.J. Cimino Electric, Inc. and sole owner of S.J. Cimino Electric, an individual 5825 Heights Rd. Santa Rosa, CA 95401 CSB #343802 Exp. 2/28/10 CSB #294141 Exp. 9/30/13 (inactive)	10/15/09 through 10/14/12 Decision SAC 1052
Cedar Development Corporation Serghon Gabriel Afram, individually 12477 Feather Dr Mira Loma, CA 91752 CSB # 839898 Exp. 6/30/10 (suspended)	8/5/09 through 8/4/12 Decision SAC 1042
All Floors Commercial and Residential Flooring, Inc. Salvador Elias Perea, individually 750 E. McGlincy Lane, #103 Campbell, CA 95008 CSB #430969 Exp. 7/31/09	5/14/09 through 5/13/12 Decision SAC 1040
1-AMD Construction, Inc. Alberto Mordoki, individually Mirella Mordoki, individually 5300 Beach Blvd., Suite 110-416 Buena Park, CA 90621 CSB #787533, revoked	3/16/09 through 3/15/12 Decision SAC1037

Updated: April 2023





2023 STREET REHABILITATION - VARIOUS LOCATIONS
VICINITY MAP - NTS

STAFF REPORT CITY OF MCFARLAND

TO: Honorable Mayor and City Council Members

FROM: Kenny Williams, City Manager
Serrena McCuan, Human Resources Director

DATE: July 27, 2023

SUBJECT: Report, Discuss, and Possible Approval of the Employment Agreement between the City and Adam Cabrera.

SUMMARY:

In recent months, Patrick Jacobs has commendably fulfilled the roles as the City's Interim Public Works Director and Interim Deputy Public Works Director. However, his employment agreement expired on June 30, 2023. Also, commencing July 1, 2023, the City Council authorized the consolidation of two Deputy Public Works Director roles into a singular Assistant Public Works Director position. This strategic restructuring is designed to address the evolving needs and challenges of our city more efficiently.

In preparation for this transition, we have filled the Public Works Director position and have actively sought a suitable individual for the full-time Assistant Public Works Director role. Our exhaustive recruitment and evaluation process led us to identify Mr. Adam Cabrera as an exceptionally strong contender for the position.

Mr. Cabrera has several years of experience in project management in both private and public sectors. Based on his knowledge, skills, and abilities Mr. Cabrera was provided with a conditional job offer.

FINANCIAL IMPACT:

Mr. Cabrera was offered a salary of \$78,000 annually plus benefits as listed below.

- 401K \$7,800 annually
- Payroll tax \$6,000 annually
- Medical Benefits \$20,000 annually (Estimate)

Total estimated annual cost \$111,800. No additional appropriation is required at this time as the total cost is within the amount budgeted for this position in fiscal year 2023-2024.

RECOMMENDATION:

**STAFF REPORT
CITY OF MCFARLAND**

Staff recommends council discuss & possibly approve the employment agreement between the City and Adam Cabrera for the position of Assistant Public Works Director.

ATTACHMENT:

Employment agreement between the City and Adam Cabrera.

EMPLOYMENT AGREEMENT

This employment agreement ("Agreement") is made on this 27th day of July 2023, by and between the City of McFarland, a Municipal Corporation ("City"), and Adam Cabrera ("Cabrera"). The City and Cabrera are collectively referred to as the "Parties" where appropriate. Once effective, this Agreement shall replace and supersede any prior employment contracts or agreements between the Parties, which are hereby deemed rescinded and of no further effect, except where indicated within this Agreement.

RECITALS:

WHEREAS, the City Council now wishes to engage the services of Cabrera as the City's Assistant Public Works Director; and

WHEREAS, the position of Assistant Public Works Director is an "at will" position, not subject to the City's personnel rules; and

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth hereinafter, the Parties mutually agree as follows:

AGREEMENT

1. **Incorporation.** The Parties incorporate the foregoing recitals as if fully set forth herein verbatim.
2. **Hire.** City acknowledges that it will hire Cabrera as its Public Works Director as of July 31, 2023 ("Effective Date"). Cabrera and the City agree to the terms and conditions of this Agreement. Cabrera shall remain in the exclusive hire of City during the term of this Agreement and shall neither accept other employment nor become employed by any other employer until the end of the Term or earlier termination of this Agreement.
3. **"At-Will" Employment.** Cabrera's employment with City is at the sole will, discretion, and pleasure of the City. The City Manager may fix any such additional terms and conditions of employment, as they may determine from time to time, relating to Cabrera's performance, provided such terms and conditions are not inconsistent with or in conflict with the provisions of this Agreement, the City Municipal Code, or any other law.

The terms of the City's personnel rules, policies, procedures, ordinances, or resolutions (collectively "Personnel Policies") shall not apply to Cabrera unless made expressly applicable, except that all policies and regulations related to the prevention of harassment, discrimination and retaliation shall apply to Cabrera.

This Agreement is not intended to, or does it confer any right to any property interest in continued employment, or any due process property right to a hearing before or after a decision by the City Manager to terminate Cabrera's employment. Subject to State and

Federal law, nothing contained in this Agreement shall in any way prevent, limit or otherwise interfere with the right of the City to terminate the services of Cabrera.

4. Duties.

- a. Assistant Public Works Director.** Employee accepts employment with the City as its Assistant Public Works Director and agrees to perform all functions, duties, and services as promulgated by City regulations and procedures, the City Manager, and the Assistant Public Works Director job description, including, but not limited to the following:
 - i. Plan, organize, direct, and supervise all departmental programs. Oversee and evaluate the efficiency and effectiveness of all aspects of the department's programs in light of the City's goals, objectives, and priorities.
 - ii. Directs development of City goals, objectives, and priorities. Based on these City goals, objectives, and priorities, develop those of each department. Participate in the development and administration of the departmental budgets.
 - iii. Directs the selection and assignment of department employees and provide for the supervision and training of all such personnel. Assign, direct, evaluate and recommend reward and discipline of employees directly supervised, in accordance with City policy. Assure that department employees are instructed in job safe practices associated with their typical work environments and in the handling of hazardous materials. Resolve routine personnel issues. Investigate accidents.
 - iv. Maintain adequate monitoring and reporting systems to ensure the adequacy, quality and timeliness of department activities, programs, and compliance with City regulations. Determine work procedures to improve efficiency and effectiveness of operations.
 - v. Prepare City Council agenda items for review and approval by the City Manager
 - vi. Attend a variety of management meetings and other city meetings representing the department. Make presentations before various boards and commissions and as requested by the City Manager, before the City Council
 - vii. Represent the City on various regional, community and professional boards, committees, and commissions, as requested by the City Manager. Make necessary presentations and maintain effective liaison with colleagues and practitioners in similar local, state, and federal activities.
 - viii. Provide technical staff assistance to the City Manager and other department heads. Draft correspondence in response to public inquiries and monitor department program activities for compliance with regulations and City priorities. Serve the City by taking on special non-public works assignments from the City Manager, staffing special studies, inquiries and fact finding. Prepare staff analysis and reports on various projects and programs. Present analysis in both oral and written form to the City Manager and Council
 - ix. Resolve the department's most difficult, complex and sensitive customer service issues as necessary or directed and maintain related records. Keep the City manager informed of problems, issues, and concerns. Recommend changes in programs and policies to the City Manager

- x. Research, identify and develop suggested changes to the department programs and prepare proposed supporting budgets during the City's annual budgetary process. Direct the development and presentation of the Public Works budgets.
- xi. Estimate department revenues and expenses, including any revenue and expense associated with grants and contracts of the department. Administer budgets for each of the departmental divisions.
- xii. Direct the planning, development, and implementation of public works projects. Approve plans for public works projects. Review contractor bids and recommend contract award.
- xiii. Enter into discussions with outside entities concerning the establishment of contractual relationships with the City concerning those matters under department cognizance. Monitor these and other City contracts that relate to and are within the scope of department responsibilities.
- xiv. Responsible for authorizing the purchase of departmental materials and equipment within the established dollar limits and the department's budget. Prepare staff analysis and reports on various projects and programs. Present analysis in both oral and written form through Council and other public presentations, as requested by the City Manager
- xv. Plan, organize, direct, and coordinate all the activities of the Public Works Department. Functional activities include street and traffic signing maintenance and repair, vehicular and equipment maintenance and repair, electrical and electronic maintenance and repair, solid waste collection and disposal, wastewater collection and treatment, and water production, treatment, code enforcement, engineering and distribution programs and services.
- xvi. Plan for facility expansion, storage facilities, and equipment purchases. Assure safe storage of volatile materials that meet State OSHA requirements and regulations. Prepare specifications for projects and equipment. Implement Federal and State mandates.
- xvii. Prepare or supervise the timely preparation of mandatory annual reports to the Federal, State, and other agencies. Prepare additional periodic reports for the City Manager and City Council.
- xviii. Performs other duties as assigned.

5. **Term.** Except as hereinafter described, the term of this Agreement shall be for one (1) year commencing on the Effective Date. The term of this contract shall automatically renew for an additional one (1) year on the effective date of each subsequent year, unless mutually agreed by both parties to renegotiate the terms of this contract. The termination of this contract may be accomplished pursuant to the provisions of Section 6 of this Agreement.

6. **Termination.** Cabrera's "at-will" employment as Assistant Public Works Director may be terminated as follows:

- a. **Resignation.** If Cabrera elects to resign at any time during the term of this Agreement, he may do so upon giving City thirty (30) days' written notice.

Termination pursuant to such action shall occur thirty (30) calendar days after service of said notice, or on such other date as may be agreed to by the Parties.

- b. Retirement.** If Cabrera elects to retire, He shall inform City, in writing, at least thirty (30) days prior to the effective date of such retirement. City shall cooperate fully with Employee to provide all information in a timely manner.
- c. Termination “Without Cause.”** City reserves the right to terminate this Agreement and Cabrera's employment as Assistant Public Works Director at any time, “without cause” or advance notice.
- d. Termination “With Cause.”** The City reserves the right to terminate this Agreement and Cabrera’s employment at any time, “with cause.” “Cause” shall include, but not be limited to:
 - i. Willful misconduct or gross negligence;
 - ii. Theft, or attempted theft, financial mismanagement, material dishonesty, willful or persistent breach of duties, engaging in conduct tending to bring embarrassment or disrepute to the City, unauthorized or excessive absences;
 - iii. A formal investigation commissioned by the City Council and conducted by a third-party investigator hired by the City Council in which the City Council has determined that the Employee has engaged in unlawful discrimination or harassment of Employees or any third party while on City Premises or on City time. City is not required to wait until Employee has exhausted any appeal rights prior to terminating this Agreement “for cause;”
 - iv. Conviction of any felony, or for any misdemeanor involving moral turpitude, corruption, or dishonesty. “Conviction” shall include any guilty plea, plea of nolo contendere, or any other disposition other than a dismissal of charges or acquittal. City is not required to wait until Employee has exhausted any appeal rights prior to terminating this Agreement “for cause;”
 - v. Cabrera’s death; or
 - vi. If Cabrera is determined by a court of competent jurisdiction of the State of California’s Fair Political Practices Commission to have knowingly and unlawfully participated in a governmental decision in which he had a conflict of interest as defined in Government Code Section 87100 et seq. or Government Code Section 1090 et seq.;
 - vii. Cabrera’s permanent disability if such disability precludes Cabrera from performing His essential job duties for more than six (6) cumulative months after attempts at a reasonable accommodation pursuant to the Americans with Disabilities Act and/or California’s Fair Employment & Housing Act.

7. Salary and Benefits. Cabrera’s salary and other benefits for all work or services called for under this Agreement shall be as follows:

- A. Salary.** Commencing on the Effective Date, Cabrera’s annual salary shall be seventy-eight thousand dollars (\$78,000), which shall be paid in bi-weekly pay periods. Any

salary increases shall be implemented by written amendment to this Agreement and upon approval by the City Council.

- B. **Vacation.** Cabrera shall receive eighty (80) hours of vacation leave, commencing on the effective date. At the end of each year of Cabrera's employment, any unused vacation hours shall be cashed out prior to his accrual of an additional eighty (80) hours.
- C. **Sick Leave.** Cabrera shall accrue eight (8) hours of sick leave per month of employment. The balance of sick leave shall not exceed any maximum accrual amounts set forth in the City's Employee Handbook. Unused sick leave will not be paid out upon termination or expiration of this Agreement.
- D. **Administrative Leave.** Cabrera shall receive forty (40) hours of administrative leave per year, commencing on the first day of each year of his employment. Administrative leave will not carry over calendar years. At the end of each year of Cabrera's employment, any unused hours shall be cashed out prior to His accrual of an additional forty (40) hours.
- E. **Holiday and Other Leaves.** Cabrera shall receive the same leaves, holidays, and other time off as provided to other employees at the City.
- F. **Health Insurance Benefits.** City shall provide health insurance coverage for Cabrera and his family consistent with the health insurance benefits provided to City employees. Cabrera may waive this health insurance coverage so long as he has proof of other group coverage in accordance with the Affordable Care Act, (i.e. is not purchasing coverage from the exchange).
- G. **Term Life Insurance.** The City shall pay the premiums for a group life insurance policy consistent with the City employee handbook. Cabrera shall name the beneficiary of the life insurance policy, provided said beneficiary has and maintains an insurable interest in Cabrera.
- H. **Vehicle.** Cabrera shall be required to adhere to all City policies and procedures regarding the use of City vehicles.
- I. **Cell Phone.** City shall provide Cabrera with a cell phone purchased by City to be used by Cabrera exclusively for performance of His duties under this Agreement and City shall pay the monthly charges for the cell phone data usage. Alternatively, at Cabrera's election, City will pay Cabrera an allowance of \$50.00 per month for use toward His personal cell phone and data plan. Cabrera acknowledges that use of the City provided cell phone, or His personal cell phone, for City business may be subject to such usage to disclosure under the California Public Records Act.
- J. **Retirement.** City represents and Cabrera acknowledges that City is not a CalPERS agency for retirement purposes. The City shall contribute the equivalent of ten percent

(10%) of Cabrera's salary annually to Cabrera's 401(k) or deferred compensation retirement account. Cabrera shall choose whether he wants the contribution made to His 401(k) or deferred compensation account, or a combination of both.

K. Expenses. City shall reimburse Cabrera for all reasonable out-of-pocket expenses incurred while performing the duties described in this Agreement, which may include travel, meals, lodging expenses, and parking fees. Cabrera shall submit a receipt and a description of the expenses to the City's Finance Director within thirty (30) days of the date each expense is incurred as a condition of obtaining reimbursement.

8. Bonding and Indemnification. City shall bear the full costs of any fidelity or other bond required of Cabrera under any law or ordinance. City shall defend, save harmless and indemnify Cabrera from any and all demands, claims, suits, actions, or other legal proceedings ("Claims") brought against Him in His individual capacity or in His official capacity as Assistant Public Works Director, provided the Claims arise while Cabrera is acting within the course and scope of His employment and provided He did not act or fail to act because of actual fraud, corruption or malice. The provision shall not extend to claims brought by City itself or where indemnity is otherwise prohibited by law.

9. Evaluation. The City Manager shall evaluate Cabrera after the first six (6) months of the Term of this Agreement. The City Manager shall have the right to establish the format and the forms to be used.

10. Notices. Notices pursuant to this Agreement shall be deemed to be given when personally delivered to the party to whom directed or when deposited in the United States Mail, postage prepaid or by electronic mail (Email) or, if notice is given to City, if sent by confirmed facsimile, addressed as follows:

City
City Manager, City of McFarland
401 West Kern Avenue
McFarland, California 93250
Email: Kwilliams@mcfarlandcity.org

Cabrera
Adam Cabrera



Either party may change His or its address by providing written notice to the other party in the manner described herein.

11. General Provisions.

A. Entire Agreement. This Agreement constitutes the complete understanding between the Parties, is fully integrated, and supersedes any and all prior agreements – including the Parties' Consulting Agreement – promises, representations, or inducements, no matter their form, concerning the subject matter of this Agreement. No subsequent agreements, promises, representations, or inducements will be binding unless recorded in a written document, which specifically references this Agreement and is signed by the Parties or their authorized representatives. The Parties acknowledge that this

Agreement may be used as evidence in any subsequent proceeding in which either Party alleges a breach of this Agreement or seeks to enforce its terms, provisions, obligations, or as compelled by law.

- B. **Captions.** The headings used in this Agreement are inserted for reference purposes only and shall not be deemed to limit or affect in any way the meaning or interpretation of any of the terms or provisions of this Agreement.
- C. **Severability.** If any provision contained in this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be deemed severable and shall not be affected thereby and same shall remain in full force and effect.
- D. **Amendment.** This Agreement may only be amended by a writing executed by all parties.
- E. **Governing Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of California. Any action or motion to enforce the terms or conditions of this Agreement shall be brought only in the Superior Court of California for the County of Kern.
- F. **Waiver.** Waiver by any party of any breach of this Agreement by the other party, whether such waiver be direct or implied, shall not be construed as a continuing waiver or consent to any subsequent breach of this Agreement on the part of the other party.
- G. **Further Assurances.** Each party shall execute and deliver such papers, documents, and instruments, and perform such acts as are necessary or appropriate, to implement the terms of this Agreement and the intent of the parties to this Agreement.
- H. **Assignment.** Neither this Agreement, nor any interest in it, may be assigned or transferred by any party without the prior written consent of all the parties. Any such assignment will be subject to such terms and conditions as City may choose to impose.
- I. **Binding Effect.** The rights and obligations of this Agreement shall inure to the benefit of, and be binding upon, the parties to the contract and their heirs, administrators, executors, personal representatives, successors and assigns, and whenever the context so requires, the masculine gender and includes the feminine and neuter, and the singular number includes the plural. This Agreement may be executed in any number of counterparts, each of which shall be considered as an original and be effective as such.
- J. **Merger And Modification.** This contract sets forth the entire Agreement between the parties and supersedes all other oral or written representations. This contract may be modified only in writing, approved by the City Council and signed by all the parties.
- K. **Attorneys' Fees.** If either party commences any action or proceeding relating to this Agreement or the enforcement of any provision of this Agreement against the other

party, the prevailing party, in such action or proceeding, shall be entitled to recover reasonable attorneys' fees, costs, and all other litigation costs.

- L. Execution.** This Agreement is effective July 31, 2023. It is the product of negotiation, and all parties are equally responsible for authorship of this Agreement. Section 1654 of the California Civil Code shall not apply to the interpretation of this Agreement.
- M. Non-Interest.** Except for Cabrera, no officer or employee of City shall hold any interest in this Agreement (California Government Code section 1090).
- N. Counterparts.** This Agreement may be executed in counterparts and the respective signature pages for each party may thereafter be attached to the body of this Agreement to constitute one integrated Agreement which is as fully effective and binding as if the entire document had been signed at one time.
- O. Acknowledgement of Statutes That May Affect Employment Relationship.** City and Employee acknowledge that, in addition to the statutes previously referenced in this Agreement, the following statutes shall govern this employment relationship under the circumstances described in the statutes:

 - a.** Government Code section 53243 states that on or after January 1, 2012, any contract executed or renewed between a local agency, such as the City, and an officer or Employee of a local agency, such as Cabrera, that provides paid leave salary offered by the local agency to the officer or Employee pending an investigation shall require that any salary provided for that purpose be fully reimbursed if the officer or Employee is convicted of a crime involving an abuse of His office or position.
 - b.** Government Code section 53243.1 states that on or after January 1, 2012, any contract executed or renewed between a local agency, such as the City, and an officer or Employee of a local agency, such as Employee that provides funds for the legal criminal defense of an officer or Employee shall require that any funds provided for that purpose be fully reimbursed to the local agency if the officer or Employee is convicted of a crime involving an abuse of His office or position.
 - c.** Government Code section 53243.3 states that on or after January 1, 2012, if a local agency, such as the City, provides, in the absence of a contractual obligation, for any of the payments described in the corresponding article of the Government Code, then the Employee or officer, such as Employee, receiving any payments provided for those purposes shall fully reimburse the local agency that provided those payments in the event that the Employee or officer is convicted of a crime involving the abuse of His office or position.
 - d.** Government Code sections 87100 et seq., section 1090 and section 1126, and all other similar statutory and administrative rules, prohibit conflicts of interest. During the term of this Agreement, Cabrera shall comply with all those

requirements of law, and shall not engage in any business or transaction or maintain a financial interest which conflicts, or reasonably might be expected to conflict, with the proper discharge of Employee's duties under this Agreement.

Cabrera represents that He has reviewed, is familiar with, and agrees to comply fully with each of these provisions if any of these provisions are applicable to him, including that Employee agrees that any cash settlement or severance related to a termination that Employee may receive from City shall be fully reimbursed to the local agency if Employee is convicted of a crime involving an abuse of Employee's office or position.

- P. Independent Legal Advice.** City and Cabrera represent and warrant to each other that each has received legal advice from independent and separate legal counsel with respect to the legal effect of this Agreement or had the opportunity to do so and City and Cabrera further represent and warrant that each has carefully reviewed this entire Agreement and that each term thereof is understood and that the terms of this Agreement are contractual and not a mere recital. This Agreement shall not be construed against the Party or its representatives who drafted it or who drafted any portion thereof.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective on the day and year first above written:

Dated: _____

CITY OF MCFARLAND

By: _____

Saul Ayon

Title: Mayor

Dated: _____

EMPLOYEE

By: _____

Adam Cabrera

APPROVED AS TO FORM:

By: _____

Nathan M. Hodges, Esq.
Hodges Law Group
City Attorney

Attachments:

Exhibit A: City of McFarland Position Description – Assistant Public Works Director



City of McFarland Assistant Public Works Director

Salary Range: \$74,784 - \$96,648 Annually (CONTRACT)

POSITION SUMMARY:

The fundamental reason this classification exists is to perform professional and administrative work of great complexity and sensitivity in the planning, organizing, directing, and coordinating of activities of the Public Works Department; supervises technical staff and subordinate personnel in the planning and implementation of division functions including water operations, wastewater operations, storm drainage systems, fleet and equipment maintenance, streets, sidewalks, signs, traffic signals and street lighting; and performs related work as required. This is accomplished in compliance with all applicable regulatory, operational, procedural, and budget guidelines. Makes public presentations and responds to public inquiries; provides policy guidance and maintains cooperative relationships with community groups, intergovernmental agencies and City staff and performs other work as required. Serve as Acting Director of Public Works in the absence of the Director.

This single position class has division head responsibility for the overall administration of streets and sidewalk maintenance and repair, water utility operation, wastewater collection system maintenance and repair, fleet and equipment purchasing, maintenance and repair, and storm drain system maintenance and repair. Requirements include evening and weekend hours and response to emergency situations. This is a Fair Labor Standards Act (FLSA) Exempt position.

ESSENTIAL JOB DUTIES AND RESPONSIBILITIES:

- Manages the activities of the Streets, Wastewater, Transit, Refuse, and Water Divisions and Capital Improvement Projects from those divisions
- Plans, organizes, coordinates, and directs the work of the Streets, Wastewater, Transit, Refuse, and Water Divisions and oversees the work of the Capital Improvement Projects from those divisions
- Develops and directs the implementation of goals, objectives, policies, procedures, and work standards
- Develops and implements management systems, procedures, and standards for program evaluation.
- Directs the preparation of a variety of studies and reports relating to the current and long-range needs of the City Streets, Wastewater, Transit, Refuse and Water Divisions and develops specific proposals to meet them; provides technical assistance to staff

- Plans and directs project management activities for a variety of Streets, Wastewater, Transit, Refuse and water activities, including the preparation of plans, estimates, schedules, and project monitoring.
- Confers with developers and others to resolve issues relating to public improvement requirements for subdivisions
- Directs the preparation and administration of the division's budget
- Directs the selection, supervision and work evaluation for division staff and provides for their training and professional development.
- Prepares or reviews reports for the Public Works Director; works closely with Council and other groups to explain or coordinate plans for proposed projects and to respond to their concerns
- Coordinates the work of the division with that of other divisions
- Monitors developments related to public works Streets, Wastewater, Transit, Refuse, and Water Divisions, evaluates their impact on City operations and implements policy and procedure improvements
- Ensures adherence to codes, applicable laws, regulations, and guidelines relating to Streets, Wastewater, Transit, Refuse and Water activities
- Administers capital improvement and division outlay budgets; prepares draft cooperative agreements with other agencies; reviews plans and proposals for their relationship with the City; administers policy as established by the City Council; and interacts extensively with the public
- Supervises and participates in the preparation of special studies and reports
- Assists in the evaluation, selection, and supervision of professional consultants
- Reviews proposed private developments and assists in establishing conditions of approval
- Assists in the supervision and review of improvement plans, maps, use permits, tentative maps, zone changes, specific plans, general plan amendments, and their associated environmental documentation
- Assists in the supervision of the Public Works permit functions for the Department, including the implementation, collection, and administration of Public Works fees
- Assists in the Coordination of the Public Works development review activities with the Planning Department and other City departments and outside agencies
- Assists in the Supervision of the bidding, construction management, and inspection of capital improvement projects
- Supervises the inspection of Public Works infrastructure installed in conjunction with new development.
- Participates in the preparation of Capital Improvement Program and budgets
- May perform other work as assigned.

ABILITY TO: Plan, organize, administer and direct Street, Wastewater, Transit, Refuse, and Water programs; select, motivate and evaluate staff including professional, technical and clerical personnel; develop and implement goals, recommend policies and internal controls; analyze complex technical and administrative problems; and to make clear and concise technical reports, both written and oral; act as liaison to local, state and federal agencies, boards, etc.; establish and maintain cooperative working relationships with the news media, public, boards, agencies, City staff, etc.; make presentations to City Council.

SKILLED IN: Managing and directing the Streets, Wastewater, Transit, Refuse, and Water Divisions programs; Planning, organizing, directing, and coordinating a variety of functional specialties with overlapping work areas; Selecting, motivating and evaluating staff and providing for their training and professional development; Analyzing complex technical and administrative problems, evaluating alternative solutions and recommending or adopting effective courses of action; Developing and implementing goals, objectives, policies, procedures, work standards and internal controls; Preparing clear and concise reports, correspondence and other written materials; Exercising sound independent judgment within general policy guidelines; Establishing and maintaining effective working relationships with those contacted in the course of work.

MINIMUM QUALIFICATIONS: Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Education: Equivalent to a bachelor's degree from an accredited college or university with major course work in public or business administration, management, civil engineering, construction management or a related field.

Or,

Experience: Four (4) years of increasingly responsible management experience in public works or utilities operations and maintenance or a related field.

KNOWLEDGE OF: Principles and practices of the Streets, Wastewater, Transit, Refuse, and Water functions; principles and practices of Street, Wastewater, Transit, Refuse and Water systems; principles, practices and equipment of modern office management; public administration principles and methods; program and budget development; principles of management and supervision of employees; principles of contract negotiation and administration relating to Streets, Wastewater, Transit, Refuse and Water systems; techniques and methods utilized in the Streets, Wastewater, Transit, Refuse and Water systems; computer applications related to work.

LICENSE OR CERTIFICATE- A California class C driver's license is required. Possession of one of the following is highly desirable: Possession of a Grade IV Certification as a Wastewater Plant Operator from the California State Water Resources Control Board. Possession of a Grade IV Certification as a Water Treatment or Distribution Operator from the California Department of Health Services.

PHYSICAL REQUIREMENTS- The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job in compliance with Americans with Disabilities Act (ADA) requirements. On a case-by-case basis, reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

Requires the maintenance of physical conditioning necessary to operate motorized equipment and vehicles; Ability to work in a standard office environment, sit, stand, walk, kneel, crouch, squat, stoop, reach, crawl, twist, climb and lift 50 pounds; walk over uneven surfaces; exposure to outdoor elements and confined work spaces, electrical hazards, chemicals, dust and mechanical hazards associated with construction, maintenance and repair activities; manual and physical dexterity to operate phone, computer keyboard, and office equipment

OTHER- Must complete an annual Statement of Economic Interest. Bilingual fluency in English and Spanish is desirable.

EDUCATION AND EXPERIENCE:

Any combination of experience and education that would be likely to provide the required knowledge, skills, and abilities could be qualifying, as determined by the City. A typical way to obtain the knowledge, skills, and abilities is:

Experience - Four years of progressively responsible professional experience in Streets, Wastewater, Transit, Refuse and Water systems, including both field and office work.

Education - Graduation from an accredited college or university with a bachelor's degree with major course work in public or business administration, management, civil engineering, construction management or a related field.

COMPENSATION AND BENEFITS:

The City of McFarland offers an excellent benefit package including:

- Comprehensive City paid medical, dental, and vision benefits for the employee and Dependents
- Life insurance equal to 1-year base salary with a minimum of \$50,000
- Retirement: Deferred Compensation 401(k) -
The City of McFarland contributes an additional 10% of an employee's pay each pay period into a 401 K plan, at no cost to the employee. The City is not a PERS (Public Employees Retirement System) Agency
- Supplemental life insurance (Optional)
- Deferred Compensation 457 Plan (Optional)
- Section 125 plan participation
- 12 days' vacation and 12 days sick pay accrued annually
- 12 Days Holiday Pay
- 9/80 Work Schedule- every other Friday off

APPLICATION: To apply, please complete and application online at www.mcfarlandcity.org. Resumes will not be accepted in lieu of a City employment application.

EQUAL OPPORTUNITY EMPLOYER: The City of McFarland is an Equal Opportunity Employer in accordance with the Americans with Disabilities Act of 1990 (ADA), requests for special accommodations during any stage of the examination process should be made in advance to the Human Resources Department.

CITY OF MCFARLAND

STAFF REPORT

TO: Honorable Mayor and Council Members

FROM: Kenny Williams, City Manager

DATE: July 27, 2023

SUBJECT: Report, Discuss, and Possible Approval of resolution No.2023-0089 A Resolution of the City Council of the City of McFarland approving funds from the City's Community Grant Program to the McFarland Lions club #2351 for the McFarland Panthers Football program.

SUMMARY:

In February 2023 the McFarland City Council created the community grants program to allow funding opportunities for the various groups, organizations, volunteers, who through events improve upon the cultural, social and economic well-being of the City.

The council also recognizes that citizens have the right to expect that tax dollars will be expended in a manner that is justifiable, fair and holds groups accessing public funds accountable for their spending. In that regard, municipal grant funding demonstrates Council's commitment to working with groups which provide these beneficial programs, services or projects to the community while at the same time recognizing the financial constraints impacting the City's ability to provide funding to these groups.

The Community Grants requests which can be considered by the city council require that the requests meet the criteria of providing a public service, or otherwise promote the health, safety or welfare of the community; and benefit the community. The Community Grant request must be approved by the majority of Council Members for the funds to be designated for the requesting entity.

On July 12, 2023, staff members received a request from the McFarland Lions Club requesting funding in the amount of \$2500 for the McFarland Panthers Football program. The Lions Club submitted a request for funding to assist with, referees, equipment, fees, and football field rentals for the McFarland Panther football program. The Lions club indicated the Football league teaches the youth group respect for their community and keeps them off the streets in a positive atmosphere. The requested amount of funding is \$2500.

FINANCIAL IMPACT:

If the request is approved the impact to the Community Grant funds would be \$2,500.

RECOMMENDATION:

Report, Discuss, and Possible Approval of resolution No.2023-0089 A Resolution of the City Council of the City of McFarland approving funds from the City's Community grant program to the McFarland lions club #2351 for the McFarland Panthers Football program in the amount of \$2500.

ATTACHMENTS:

1. McFarland Lions club community grant application
2. Resolution nu 2023-0089

RESOLUTION NO. 2023-0089

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MCFARLAND
APPROVING FUNDS FROM THE CITY'S COMMUNITY GRANTS PROGRAM TO
THE MCFARLAND LIONS CLUB #2351**

WHEREAS, The City Council recognizes the many benefits that various groups, organizations, volunteers, and events within the City of McFarland provide by promoting and improving upon the cultural, social and economic well-being of the City; and

WHEREAS, Council also recognizes that citizens have the right to expect that tax dollars will be expended in a manner that is justifiable, fair and holds groups accessing public funds accountable for their spending; and

WHEREAS, in that regard, municipal grant funding demonstrates Council's commitment to working with groups which provide these beneficial programs, services or projects to the community while at the same time recognizing the financial constraints impacting the City's ability to provide funding to these groups; and

WHEREAS, The Community Grants requests which can be considered by the city council require that the requests meet the criteria of providing a public service, or otherwise promote the health, safety or welfare of the community; and benefit the community.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of McFarland that it hereby finds and determines as follows:

1. The foregoing recitals are true and correct and incorporated herein as if set forth in full.
2. The City of McFarland ("City") desires to approve the following requests for funds for McFarland Lions club #2351 for the McFarland Panthers Football program.
3. The City of McFarland acknowledges that in consideration of the funding requests the requesting organization, McFarland Lions club, meets the criteria for the funding approval; and
4. The City of McFarland acknowledges that the funding requests meet the criteria of providing a public service, or otherwise promote the health, safety or welfare of the community; and benefit the community; and
5. The City Manager is hereby authorized and directed to proceed with the funding requests as indicated in the resolution, and.
6. The City Clerk shall certify to the passage and adoption of this resolution.
7. This resolution is effective immediately.

PASSED, AND ADOPTED at a regular meeting of the City Council of the City of McFarland, California on the 27th day of July, 2023 by the following vote:

	Aye	Nae	Abstain	Absent
Saul Ayon				
Ricardo Cano				
Amador Ayon				
Anita Gonzalez				
Maria Pérez				

Saul Ayon, Mayor

I hereby certify that the foregoing Ordinance was duly and regularly adopted by the City Council of the City of McFarland by a regular meeting thereof held on July 27, 2023.

ATTEST:

Francisca Alvarado, City Clerk



401 W. Kern Avenue
McFarland, CA 93250
661-792-3091 – Office
661-792-3093 – Fax

City of McFarland Community Grant Application

INTRODUCTION

Please review and complete this application.

- All applications must be submitted by mail to the City Clerk at 401 W. Kern Street, McFarland CA 93250
- Submission of this application in no way obligates the City of McFarland to award a grant.
- The City of McFarland reserves the right to reject any or all applications, wholly or in part, at any time, without penalty.
- If you have any questions, please contact the City of McFarland; (661) 792-3091.

TO BE COMPLETED BY APPLICANT

Name of Individual/Entity/Non-Profit Organization:

McFarland Lions Club #2351

Address:

P.O. Box 333

Federal Tax ID #:

Contact Person Name and Title:

Tim Gonzales - President

Contact Person E-mail:

Contact Person Phone:

Are you a non-profit organization?

Yes ☒ No ☐

If yes, please attach proof of current non-profit status to this application.



Does your Entity/Organization have a governing board?

Yes ☒ No ☐

If yes, please provide attach list governing board members and indicate if they serve specific terms.
Please also include a letter of support or acknowledgment of application for the City of McFarland Community Grant.

If applicant is a school affiliated group and organization, is a letter of support by the respective principal or designee included?

Yes ☐ No ☐

Please indicate what type of event/activity you are requesting grant funding for:

EVENT/ACTIVITY FOR WHICH GRANT FUNDS ARE BEING SOUGHT

Event/Activity Name:

MC FARLAND PANTHERS FOOTBALL PROGRAM

Event/Activity Date:

AUGUST 2023

Event/Activity Start Time:

8/5/2023 - 11/23

Event/Activity End Time:

NOV - 2023

Event/Activity Description:

YOUTH FOOTBALL PROGRAM

Event/Activity Venue:

VARIOUS LOCATIONS

Event/Activity Address:

VARIOUS LOCATIONS

Organization/Event/Activity Website:

YES

Expected # of Attendees:

100



DESCRIPTION OF EVENT/ACTIVITY FOR WHICH GRANT FUNDS ARE BEING SOUGHT

Describe in detail what the grant funds will be used for and how it will benefit McFarland residents, students, or schools.

The grant funding will be used to help the McFarland Panthers youth Football program. For: Fees, Referee, equipment, Football Field Rental

Describe how your event or activity will contribute positively to the recognition and image of the City of McFarland.

McFarland Panthers Football Program: teaches the kids Respect for their Community, and keeps them off the streets in a positive atmosphere

Is your event or activity open to the public?

Yes ☒ No ☐

Is your event or activity political or religious in nature?

Yes ☐ No ☒

Have you received grant funding from the City of McFarland in the past?

Yes ☐ No ☒

If yes, please describe when, how much was received, and how the funds were used.

List all other sources of funding for the event or activity:

Amount of Anticipated Expenses:

\$13,000

Amount of Grant Request:

\$2500.

Please note that applicants requesting grant funding for any type of event or activity may require a completed Temporary Use Permit Application be submitted and a copy of the event/activity budget with this application.



By my signature below, I have read and understand the Community Grant Policy. I make the following representations and acknowledge agreement to the following terms and conditions:

- I am the duly authorized representative of the entity named above and can bind the entity to the terms of this Agreement.
- If funds are provided by the City, the funds will be used for the purposes set forth above.
- In no event shall the City's financial responsibility exceed the approved amount, set forth below.
- I bear full responsibility for any and all tax consequences of receiving grant funds including, but not limited to, issuance of a 1099 by the City.
- This application and award of grant shall be subject to the requirements of the Community Grant Policy.
- There is no agency, employment, joint venture or other such relationship created by virtue of award of the grant.
- Applicant shall defend and indemnify the City and its employees from and against any claim, injury, liability, loss, cost and/or expense or damage including all costs and reasonable attorney's fees, arising from or alleged to arise from the activity or event.
- If applicable, the applicant shall satisfy the City's insurance requirements.
- The City may reconsider funding requests at any time upon discovery that any of the information set forth above is inaccurate, that these terms have been violated, or any provision of the Community Grant Policy has been violated.

Applicant Signature: _____

Print Name: _____

Title: _____

Date: _____





McFarland Lions Club

We Serve!

McFarland Lions Club Board of Directors 2022-2023

The names below are the current list of Officers who are members of the McFarland Lions Club and make up the Club's Board of Directors;

- President: Andy Jones
- 1st Vice President: Jose E. Hernandez
- 2nd Vice President: Tim Gonzales
- Secretary: Marco A. Martinez
- Treasurer: Mike Elliott
- Membership Chair: Jose Hernandez Jr.
- Director: Ron Woods
- Director: Margie P. Martinez
- Director Albert Melendez
- Director: Irene Melendez
- Director: Alicia Conde

Board of Directors are elected on a one-year term every fiscal year (July 1st – June 30th). Their term ends on June 30, 2023. If you would like next years List, please feel free to contact me at 661. [REDACTED]

Respectfully Submitted,

Marco A. Martinez

Marco A. Martinez
Club Secretary
McFarland Lions Club



McFarland Lions Club
We Serve!

Date: 27 June 2023

City Manager Kenny Williams
401 W. Kern Ave.
McFarland, CA 93250

Dear Mr. Williams:

I am writing on behalf of the McFarland Lions Club to express our support in the request for the City of McFarland Community Grant application. The application if approved, definitely falls in line with the Lions vision of Community Service, Youth Education and Sports.

The McFarland Lions have been very active in supporting youth sports such as teams from the McFarland Unified School District, Parks & Recreation Department and other private sport teams. The application mentioned above will solely support the McFarland Panther Football Team in the areas of insurance, team uniforms, equipment and transportation. The Lions Club will always be in support of youth sport activities for our youth population in our community.

In conclusion, the McFarland Lions have been supporting the Panther Football team for a number of years. The team has very active coaches who are strong in supporting, guiding and mentoring their young athletes. As the point of contact for the McFarland Lions Club, feel free to contact Club Secretary Marco A. Martinez at [REDACTED]

Respectfully Submitted,

Andy Jones

Andy Jones
Club President
McFarland Lions Club

P.O. Box 333 McFarland, CA 93250