

Gridley City Council – Regular Meeting Agenda

Monday, August 15, 2022; 6:00 pm
Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

The Public is encouraged to attend and participate in person. Comments from the public on agenda items will be accepted until 4 pm on August 15th, 2022, via email to csantana@gridley.ca.us or via the payment/document drop box at Gridley City Hall and will be conveyed to the Council for consideration.

You may view using the following link, ID, and passcode:

<https://us06web.zoom.us/j/83423565517?pwd=YzZWbE1uOTREck0zS3BUNklocnhDQT09>

Passcode: 225387

Webinar ID: 834 2356 5517

To make a public comment during the Community Participation Forum or during the public portion of any agenda item, use the ‘raise hand’ feature and you will be called on when it’s your turn to speak.

CALL TO ORDER - Mayor Johnson

ROLL CALL

PLEDGE OF ALLEGIANCE – Councilmember Torres

INVOCATION – None

PROCLAMATION – None

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES

- **Tyler Cooley, Police Animal Control Officer**
- **Armando Lopez, Police Officer**
- **Garrett Mauldin, Police Cadet**
- **Clint Massey, Police Officer**
- **Dawn Murray, Police Dispatcher**
- **Brittney Kimball, Police Dispatcher**
- **Ady Alcantar, Finance Temporary Administrative Services Clerk**

- **Christi Vieira, Finance Temporary Administrative Services Clerk**

COMMUNITY PARTICIPATION FORUM - *Members of the public may address the City Council on matters not listed on the agenda. The City Council may not discuss nor take action on any community participation item brought forward by a member of the community. Comments are requested to be limited to three (3) minutes.*

CONSENT AGENDA

1. City Council Minutes Dated August 1st, 2022
2. Resolution 2022-R-029: A Resolution of the Gridley City Council Accepting the General Plan Annual Report
3. Treasury Report FY 19/20, 20/21

ITEMS FOR CONSIDERATION

4. Review Draft Letter of Support for Orchard Hospital's BHCIP Grant Application for the Construction of a New Behavioral Health Facility for Serving Children and Youth
5. Waste Management, with Partners CA Mattress Recycling Council, Information Report Regarding the Contamination and Overfilled Container Program
6. Ordinance 839-2022 First Reading by Title Only: An Ordinance of The City of Gridley, California, Amending Title 8 of the Gridley Municipal Code adding Chapter 8.25 Regulating the Use of Tobacco, Nicotine, and Other Products in Outdoor Areas
7. Resolution No. 2022-R-030: A Resolution of the City Council of the City of Gridley Accepting a Report of Weed Abatement Costs and Assessing Liens on Affected Parcels for Said Costs
8. Senior Taxi and Transportation Fund Audits on Behalf of BCAG
9. Acceptance of City Expenditure Reports for FY 19/20, FY 2021 and 21/22

CITY STAFF AND COUNCIL COMMITTEE REPORTS - *Brief updates from City staff and brief reports on conferences, seminars, and meetings attended by the Mayor and City Council members, if any.*

CITY ADMINISTRATOR REPORTS - *Brief updates and reports on conferences, seminars, and meetings attended by the City Administrator, if any.*

POTENTIAL FUTURE CITY COUNCIL ITEMS - *(Appearing on the Agenda within 30-90 days):*

Edler Estates	9/6/2022
Treasurer's Report FYE 21-22	10/17/2022

CLOSED SESSION - None

ADJOURNMENT – adjourning to a Regular meeting on September 6th, 2022.

NOTE 1: POSTING OF AGENDA- This agenda was posted on the public bulletin board at City Hall at or before 6:00 p.m., August 12th, 2022. This agenda along with all attachments is available for public viewing online at www.gridley.ca.us and at the Administration Counter in City Hall, 685 Kentucky Street, Gridley, CA.

NOTE 2: REGARDING UNSCHEDULED MATTERS – In accordance with state law, it shall be the policy of this Council that no action shall be taken on any item presented during the public forum or on unscheduled matters unless the Council, by majority vote, determines that an emergency situation exists, or, unless the Council by a two-thirds vote finds that the need to take action arose subsequent to the posting of this agenda.

Gridley City Council – Regular Meeting Minutes

Monday, August 1, 2022; 6:00 pm

Gridley City Hall, 685 Kentucky Street, Gridley, CA 95948

“Our purpose is to continuously enhance our community’s vitality and overall quality of life. We are committed to providing high quality, cost-effective municipal services and forming productive partnerships with our residents and regional organizations. We collectively develop, share, and are guided by a clear vision, values, and meaningful objectives.”

CALL TO ORDER

Mayor Johnson called the meeting to order at 6:01 pm.

ROLL CALL

Councilmembers

Present: Johnson, Farr, Sanchez, Torres, Calderon
Absent: None
Arriving after roll call: None

Staff present:

Cliff Wagner, City Administrator
Tony Galyean, City Attorney
Rodney Harr, Chief of Police
Elisa Arteaga, Finance Director
Ross Pippitt, Public Works Director
Danny Howard, Utility Director
Donna Decker, Planning Director
Sean Norman, Fire Chief

PLEDGE OF ALLEGIANCE

Councilmember Calderon led the Pledge of Allegiance

INVOCATION – None

PROCLAMATION

Mayor Johnson read the 2022 National Night Out Proclamation and Chief Harr invited all to attend.

INTRODUCTION OF NEW OR PROMOTED EMPLOYEES

- Humberto Ramos, Public Works Maintenance Worker II
- Carlos Chavez, Public Works Temporary Maintenance Worker
- Juan Orozco, Public Works Temporary Maintenance Worker

- Sueane Ballard, Fill-in Transit Driver

Public Works Director, Ross Pippitt, introduced the three new public works department employees. Administrator Wagner introduced the City's fill in transit driver who was unable to attend.

COMMUNITY PARTICIPATION FORUM

Larry Standridge, 358 Park St, shared his concerns to Council about multiple traffic violations he has noticed.

Amy Jernigan with the Butte County Board of Directors invited Council and the public to attend the Butte County Fair August 24th through the 28th.

CONSENT AGENDA

1. City Council Minutes Dated July 18th, 2022
2. General Plan Annual Report

Motion to approve the consent agenda was made by Vice Mayor Farr, seconded by Councilmember Calderon.

ROLL CALL VOTE

**Ayes: Johnson, Farr, Torres, Sanchez, Calderon
Motion Passed, 5-0**

ITEMS FOR CONSIDERATION

3. Ordinance 838-2022 Second Reading and Adoption of by Title Only: An Ordinance of The City of Gridley, California, Adopting A Military Equipment Use Policy and Amending Title 2 Administration and Personnel, Chapter 2, of The Gridley Municipal Code by Adding Section 2.25 "Military Equipment Use Policy" in Compliance with Assembly Bill 481.

Motion to approve and adopt Ordinance 838-2022 by reading of title only was made by Councilmember Sanchez, seconded by Vice Mayor Farr.

ROLL CALL VOTE

**Ayes: Johnson, Farr, Torres, Sanchez, Calderon
Motion Passed, 5-0**

4. Gridley Museum Window Upgrades

Ross Pippitt presented the staff report requesting Council authorize staff to accept the bid from Miller Glass to replace the windows of the Gridley Museum. Pippitt explained that it has been a challenge to obtain bids for the project, and Miller Glass was the only bid submitted.

Motion to approve was made by Councilmember Calderon, seconded by Councilmember Torres.

ROLL CALL VOTE

Ayes: Johnson, Farr, Torres, Sanchez, Calderon

Motion Passed, 5-0

5. IRS Audit Final Report Review

Finance Director, Elisa Arteaga, reviewed the findings of the IRS Audit Final Report with Council and recommended that they authorize payment of proposed fees for the one finding.

Motion to approve the payment was made by Councilmember Torres, seconded by Vice Mayor Farr.

ROLL CALL VOTE

Ayes: Johnson, Farr, Torres, Sanchez, Calderon

Motion Passed, 5-0

6. Resolution No. 2022-R-027: A Resolution of the City Council of the City of Gridley approving Agreement No. 2CA05714 with the California Department of Forestry and Fire Protection and authorizing the mayor to sign the agreement for services from July 1, 2022, to June 30, 2023

Fire Chief, Sean Norman, expressed to Council that he believes the Gridley Fire Station is a model for how a stand-alone station should work in conjunction with the Police Department and County Fire Station.

Motion to approve Resolution No. 2022-R-027 was made by Councilmember Torres, seconded by Vice Mayor Farr.

ROLL CALL VOTE

Ayes: Johnson, Farr, Torres, Sanchez, Calderon

Motion Passed, 5-0

7. Resolution No. 2022-R-028: A Resolution of The City Council of The City of Gridley Approving the Attestation to the Veracity of the 2021 Power Source Disclosure Report and Submission of The Report to The California Energy Commission.

Administrator Wagner presented item #7, a resolution to approve the submission of the 2021 Power Source Disclosure Report and explained this is an annual report to provide the public with the City's sources and contracts for power.

Motion to approve was made by Councilmember Calderon, seconded by Councilmember Sanchez.

ROLL CALL VOTE

Ayes: Johnson, Farr, Torres, Sanchez, Calderon

Motion Passed, 5-0

8. Review and Approval of City Council Response to the Butte County Grand Jury Findings and Recommendations 2022

Administrator Wagner, along with Finance Director, Elisa Arteaga, reviewed with Council the draft responses to the Grand Jury Findings and Recommendations 2022. Councilmember Sanchez asked staff if the dates listed were a guarantee. Arteaga explained that although submission dates for past due audits were recently provided by the audit firm, City staff is unable to guarantee these dates themselves.

After Council discussion, motion to approve the responses was made by Councilmember Sanchez, seconded by Councilmember Calderon.

ROLL CALL VOTE

Ayes: Johnson, Farr, Torres, Sanchez, Calderon

Motion Passed, 5-0

CITY STAFF AND COUNCIL COMMITTEE REPORTS

Councilmember Sanchez reported on her attendance at the recent NCPA meeting and informed Council that she was elected to serve on the NPCA Executive Board.

Councilmember Calderon spoke about his meeting with Julie Bunn of Orchard Hospital and he requested that Council send a letter of support to help the hospital obtain a grant that would allow the build of a 16-bed psychiatric youth facility in the community.

CITY ADMINISTRATOR REPORTS - None

POTENTIAL FUTURE CITY COUNCIL ITEMS - (Appearing on the Agenda within 30-90 days):

Gridley Community Clean Up Day (Oct.)	8/15/2022
Tobacco Free Parks Ordinance First Reading	8/15/2022
Informational Update from Waste Management	8/15/2022
Edler Estates	9/6/2022

CLOSED SESSION - None

ADJOURNMENT

With no further items to discuss, Council adjourned to the next regular meeting on August 15, 2022.

Cliff Wagner, City Administrator

City Council Item #2
Staff Report

Date: August 15, 2022

To: Mayor, Councilmembers

From: Donna Decker, Planning Department

Subject: Resolution No. 2022-R-029: General Plan Annual Report

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff recommends the City Council Adopt Resolution No. 2022-R-029.

Discussion

On August 1, 2022 the City Council adopted the General Plan Annual Report. Staff did not provide a resolution at that time and is following up to memorialize the action of the City Council.

The General Plan Annual Report was provided to the Council outlined by an overview of the process and the “Implementation Strategies” based on the goals and policies of the city, to which a response, or, status of the work towards that strategy was described. The city continues to move towards the implementation of its General Plan goals and policies.

Conclusion

The attached resolution memorializes the action taken at the August 1, 2022 City Council meeting at which time, the Council adopted the General Plan Annual Report 2021.

Environmental Review

The proposed project is categorically exempt from environmental review pursuant to the California Environmental Quality Act, Section 15061(b) (3), and Review for Exemption, General Rule.

Public Notice

A notice was posted response at City Hall, made available at the Administration public counter, and placed on the city website for review.

Attachments

Resolution No. 2022-R-029

**A RESOLUTION OF THE GRIDLEY CITY COUNCIL ACCEPTING THE
GENERAL PLAN ANNUAL REPORT**

WHEREAS, Government Code Section 65400 (a)(2) mandates that all cities and counties submit an annual report on the status of its General Plan and progress in the implementation thereof, to their legislative bodies, the State of California Governor's Office of Planning and Research (OPR), and the State of California Department of Housing and Community Development (HCD); and,

WHEREAS, on July 20, 2022, the Planning Commission of the City of Gridley reviewed the General Plan Annual Report and the Housing Element Annual Report and forwarded it to the City Council; and,

WHEREAS, the City Council of the City of Gridley reviewed the progress of the General Plan implementation strategies and the Housing Element Annual Report.

NOW, THEREFORE, BE IT RESOLVED:

1. The City Council of the City of Gridley accepts the General Plan and Housing Element Annual Reports meeting the requirements of Government Code Section 65400 (a)(2).

I HEREBY CERTIFY that the foregoing resolution was introduced, passed, and adopted by the City Council of the City of Gridley at a regular meeting held on the 15th day of August, 2022 by the following vote:

AYES: COUNCIL MEMBERS _____

NOES: COUNCIL MEMBERS _____

ABSTAIN: COUNCIL MEMBERS _____

ABSENT: COUNCIL MEMBERS _____

The undersigned City Clerk and Mayor do hereby attest and certify that the forgoing is a true and full copy of a resolution of the City of Gridley adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

ATTEST:

APPROVE:

Cliff Wagner, City Administrator

Bruce Johnson, Mayor



Treasurer's Report

July 2019 - June 2020

- 1** Summary of Investments
- 2** City Cash & Investment Analysis Graphs
- 3** Pooled Cash Balances by Fund
- 4** Investment Balances

Section 1

Summary of Investments

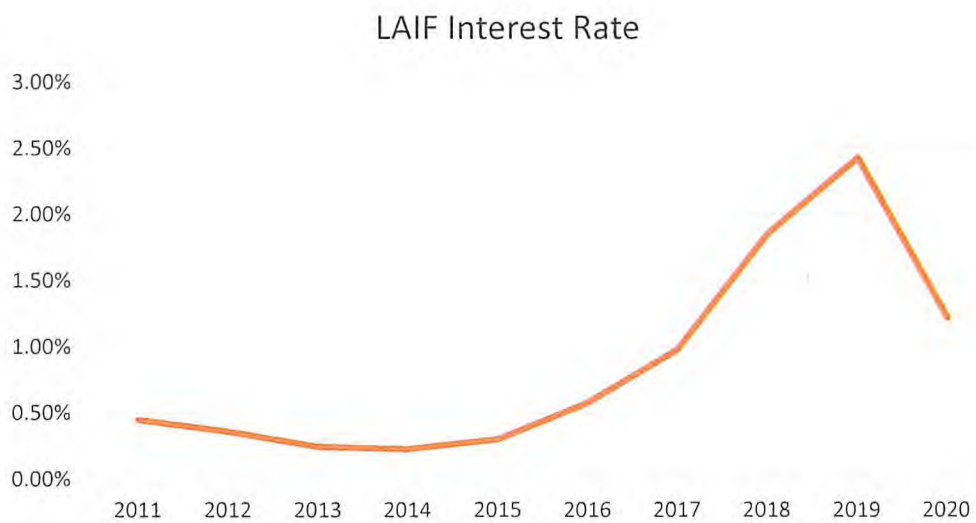
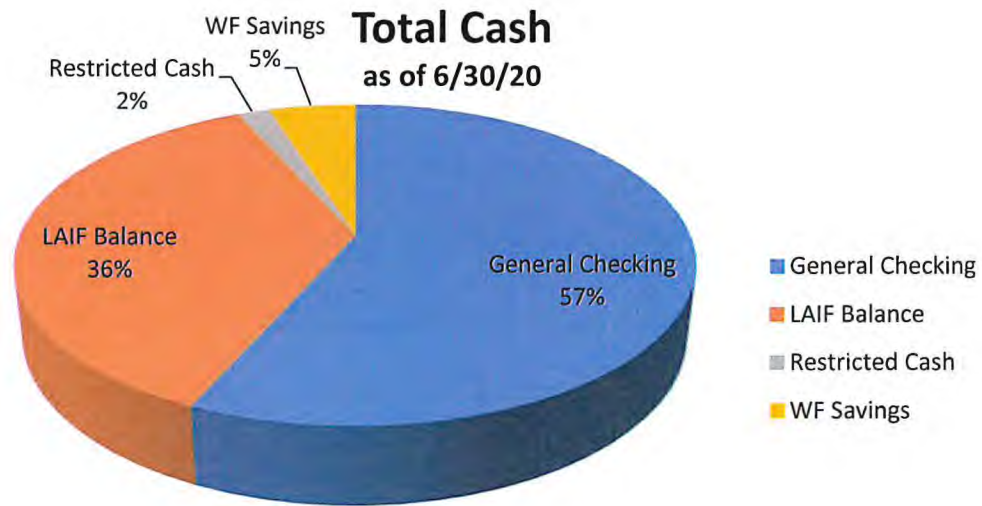
City of Gridley Summary

Investment Distribution	Book Value	Market Value	Interest Rate	Maturity
Cash and investments				
Cash at banking institutions	\$ 11,887,095	\$ 11,887,095	0%	On demand
Certificates of Deposit	1,039,249	1,039,249	0%	On demand
Local Agency Investment Fund (LAIF)	7,666,685	7,666,685	0%	On demand
	<u>\$ 20,593,029</u>	<u>\$ 20,593,029</u>		
Restricted cash				
Cash with fiscal agent	\$ 377,844	\$ 377,844	0%	On demand
	<u>\$ 377,844</u>	<u>\$ 377,844</u>		

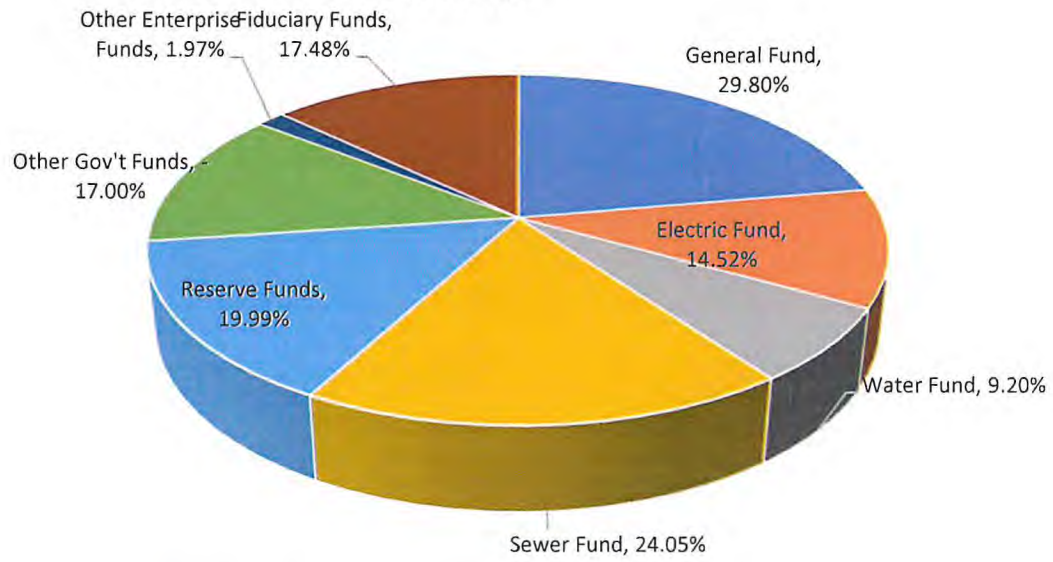
Section 2

Cash and Investment Analysis Graphs

City of Gridley
Treasurer's Report as June 30, 2020



FUND CASH ALLOCATIONS



- General Fund ■ Electric Fund ■ Water Fund
- Sewer Fund ■ Reserve Funds ■ Other Gov't Funds
- Other Enterprise Funds ■ Fiduciary Funds

Section 3

Pooled Cash Balances by Fund

Cash Balances



010-10099	Cash Balance	\$ 4,535,239.10
011-10099	Cash Balance	280,953.90
012-10099	Cash Balance	460,000.00
020-10099	Cash Balance	685,797.23
021-10099	Cash Balance	11,782.97
023-10099	Cash Balance	40,000.00
050-10099	Cash Balance	260,233.80
060-10099	Cash Balance	2,447,661.24
070-10099	Cash Balance	174,238.78
121-10099	Cash Balance	(118,918.11)
122-10099	Cash Balance	1.55
123-10099	Cash Balance	25,000.00
200-10099	Cash Balance	(18,079.19)
204-10099	Cash Balance	(1,917,521.26)
206-10099	Cash Balance	(1,028,660.04)
215-10099	Cash Balance	3,334,724.43
220-10099	Cash Balance	(258.00)
390-10099	Cash Balance	(448,124.53)
395-10099	Cash Balance	(79,580.26)
400-10099	Cash Balance	(74,202.53)
410-10099	Cash Balance	178,607.18
420-10099	Cash Balance	48,151.38
425-10099	Cash Balance	234,455.05
430-10099	Cash Balance	162,892.15
440-10099	Cash Balance	(70,721.01)
450-10099	Cash Balance	69.31
455-10099	Cash Balance	10,907.60
460-10099	Cash Balance	76,949.95
480-10099	Cash Balance	(59,896.85)
490-10099	Cash Balance	(185,742.32)
495-10099	Cash Balance	(1,151,616.54)
500-10099	Cash Balance	(833,912.66)
511-10099	Cash Balance	(8,778.43)
512-10099	Cash Balance	(213,798.87)
513-10099	Cash Balance	279,541.64
514-10099	Cash Balance	113,404.79
570-10099	Cash Balance	2,700.00
580-10099	Cash Balance	60,360.84
581-10099	Cash Balance	82,394.29
582-10099	Cash Balance	10,744.62
583-10099	Cash Balance	25,838.73
590-10099	Cash Balance	5,879.85
591-10099	Cash Balance	(57,646.00)

Cash Balances



600-10099	Cash Balance	(1,463,143.71)
601-10099	Cash Balance	(20,140.19)
610-10099	Cash Balance	234,138.61
620-10099	Cash Balance	(188,183.29)
621-10099	Cash Balance	791,498.92
630-10099	Cash Balance	672,849.62
640-10099	Cash Balance	422,368.24
641-10099	Cash Balance	103,239.43
650-10099	Cash Balance	518,759.24
656-10099	Cash Balance	79,579.49
660-10099	Cash Balance	2,737,800.23
661-10099	Cash Balance	619,431.10
670-10099	Cash Balance	(60,991.49)
672-10099	Cash Balance	269,590.12
673-10099	Cash Balance	645.46
674-10099	Cash Balance	3,728.23
680-10099	Cash Balance	12,489.41
681-10099	Cash Balance	60.00
683-10099	Cash Balance	489.91
700-10099	Cash Balance	90,292.17
800-10099	Cash Balance	508.56
802-10099	Cash Balance	(126,869.85)
804-10099	Cash Balance	(12,156.69)
805-10099	Cash Balance	(90,788.73)
806-10099	Cash Balance	(5,277.27)
807-10099	Cash Balance	(5,308.45)
808-10099	Cash Balance	(107,813.91)
810-10099	Cash Balance	(10.19)
813-10099	Cash Balance	3,743.88
814-10099	Cash Balance	19,092.51
821-10099	Cash Balance	(74,706.62)
831-10099	Cash Balance	214,825.34
890-10099	Cash Balance	116.59
895-10099	Cash Balance	(9.16)
896-10099	Cash Balance	0.60
912-10099	Cash Balance	(31,375.15)
913-10099	Cash Balance	8,044.63
920-10099	Cash Balance	(5,841.24)
922-10099	Cash Balance	(4,655.00)
974-10099	Cash Balance	(1.00)
975-10099	Cash Balance	1.16
980-10099	Cash Balance	(1.46)
982-10099	Cash Balance	0.46
		<u>11,887,094.29</u>

Section 4

Investment Balances

Investments Allocation

Name	Fund Name	Ending Balance
Investments	General	1,173,955.06
INVESTMENT- WELLS FARGO	General	230,189.50
US Bank Safekeeping - CDs	General	178,365.60
Investments	GF-Reserve	2,620.32
Investments - Wells Fargo	GF-Reserve	6.78
US Bank Safekeeping - CDs	GF-Reserve	357.12
Investments	FEMA-RESERVE	5,405.90
INVESTMENT- WELLS FARGO	FEMA-RESERVE	11.10
US Bank Safekeeping - CDs	FEMA-RESERVE	610.06
Investments	General -Impact	12,449.00
INVESTMENT- WELLS FARGO	General -Impact	817.48
US Bank Safekeeping - CDs	General -Impact	1,803.23
Investments	Dev'I Agree Fee	109.90
Investments - Wells Fargo	Dev'I Agree Fee	0.28
US Bank Safekeeping - CDs	Dev'I Agree Fee	14.98
Investments	WellFund	373.05
Investments - Wells Fargo	WellFund	0.97
US Bank Safekeeping - CDs	WellFund	50.84
Investments	City Hall Rsrv	2,427.07
Investments - Wells Fargo	City Hall Rsrv	6.28
US Bank Safekeeping - CDs	City Hall Rsrv	330.79
Investments	Equipment Resrv	60,480.93
INVESTMENT- WELLS FARGO	Equipment Resrv	5,631.71
US Bank Safekeeping - CDs	Equipment Resrv	9,084.86
Investments	SICK LEAVE RESR	1,625.04
Investments - Wells Fargo	SICK LEAVE RESR	4.20
US Bank Safekeeping - CDs	SICK LEAVE RESR	221.48
Investments	Prop 12&40Vierr	0.01
Investments - Wells Fargo	Prop 12&40Vierr	-
US Bank Safekeeping - CDs	Prop 12&40Vierr	-
Investments	M.VIERRA PARK	3,368.59
INVESTMENT- WELLS FARGO	M.VIERRA PARK	61.81
US Bank Safekeeping - CDs	M.VIERRA PARK	452.08
Investments	Successor Agency	118,925.53
INVESTMENT- WELLS FARGO	Successor Agency	16,573.56
US Bank Safekeeping - CDs	Successor Agency	18,602.53
Investments	Gas Tax 2105	52,550.14
INVESTMENT- WELLS FARGO	Gas Tax 2105	7,649.52
US Bank Safekeeping - CDs	Gas Tax 2105	8,265.64
Investments	Sect.2103	31,449.15
INVESTMENT- WELLS FARGO	Sect.2103	4,690.55
US Bank Safekeeping - CDs	Sect.2103	4,976.69
Investments	Gas Tax 2106	19,852.32
INVESTMENT- WELLS FARGO	Gas Tax 2106	2,920.67
US Bank Safekeeping - CDs	Gas Tax 2106	3,133.47
Investments	Gas Tax 2107	25,152.74
INVESTMENT- WELLS FARGO	Gas Tax 2107	3,430.68
US Bank Safekeeping - CDs	Gas Tax 2107	3,928.97

Investments Allocation

Name	Fund Name	Ending Balance
Investments	Gas Tax 2107.5	1,839.48
INVESTMENT- WELLS FARGO	Gas Tax 2107.5	146.35
US Bank Safekeeping - CDs	Gas Tax 2107.5	270.61
Investments	SB1 - RMR	3,258.64
INVESTMENT- WELLS FARGO	SB1 - RMR	23.37
US Bank Safekeeping - CDs	SB1 - RMR	425.77
Investments	SB 325	113,169.42
INVESTMENT- WELLS FARGO	SB 325	16,140.54
US Bank Safekeeping - CDs	SB 325	17,777.96
Investments	Traffic Safety	13,280.28
INVESTMENT- WELLS FARGO	Traffic Safety	1,967.05
US Bank Safekeeping - CDs	Traffic Safety	2,099.60
Investments	Bicycle	0.65
US Bank Safekeeping - CDs	Bicycle	0.09
Investments	Railroad mantce	101.73
Investments - Wells Fargo	Railroad mantce	0.26
US Bank Safekeeping - CDs	Railroad mantce	13.86
Investments	Public Safe Aug	11,830.57
INVESTMENT- WELLS FARGO	Public Safe Aug	1,672.70
US Bank Safekeeping - CDs	Public Safe Aug	1,858.76
Investments	Boat Ramp	264.08
INVESTMENT- WELLS FARGO	Boat Ramp	5.04
US Bank Safekeeping - CDs	Boat Ramp	33.59
US Bank Safekeeping - CDs	Parks & Rec Imp	0.03
Investments	Rec Coordinator	693.43
INVESTMENT- WELLS FARGO	Rec Coordinator	104.13
US Bank Safekeeping - CDs	Rec Coordinator	109.85
Investments	Planning & Dev.	3,006.57
INVESTMENT- WELLS FARGO	Planning & Dev.	435.01
US Bank Safekeeping - CDs	Planning & Dev.	472.82
Investments	CDBG PROGRAM IN	64,659.42
INVESTMENT- WELLS FARGO	CDBG PROGRAM IN	9,240.31
US Bank Safekeeping - CDs	CDBG PROGRAM IN	10,180.96
Investments	HOME P.I.	1,797.91
INVESTMENT- WELLS FARGO	HOME P.I.	13.25
US Bank Safekeeping - CDs	HOME P.I.	220.66
Investments	Drainage Trust	25.18
INVESTMENT- WELLS FARGO	Drainage Trust	0.07
US Bank Safekeeping - CDs	Drainage Trust	3.43
Investments	Flood Maint #1	4,654.71
INVESTMENT- WELLS FARGO	Flood Maint #1	606.68
US Bank Safekeeping - CDs	Flood Maint #1	723.27
Investments	Flood Maint #2	33,382.82
INVESTMENT- WELLS FARGO	Flood Maint #2	4,889.73
US Bank Safekeeping - CDs	Flood Maint #2	5,299.68
Investments	Flood Maint #3	30,562.94
INVESTMENT- WELLS FARGO	Flood Maint #3	4,529.90
US Bank Safekeeping - CDs	Flood Maint #3	4,833.00

Investments Allocation

Name	Fund Name	Ending Balance
Investments	Maint Dist #6	1,902.77
INVESTMENT- WELLS FARGO	Maint Dist #6	238.99
US Bank Safekeeping - CDs	Maint Dist #6	288.30
Investments	Solid Waste	54.64
INVESTMENT- WELLS FARGO	Solid Waste	0.14
US Bank Safekeeping - CDs	Solid Waste	7.47
Investments	Electric Utilit	3,285,445.12
INVESTMENT- WELLS FARGO	Electric Utilit	476,681.63
US Bank Safekeeping - CDs	Electric Utilit	517,316.66
Investments	Public Benefits	79,007.33
INVESTMENT- WELLS FARGO	Public Benefits	11,158.53
US Bank Safekeeping - CDs	Public Benefits	12,394.32
Investments	Electric Capitl	3,736.77
INVESTMENT- WELLS FARGO	Electric Capitl	490.06
US Bank Safekeeping - CDs	Electric Capitl	587.05
Investments	Elect Cont Rsve	7,381.90
INVESTMENT- WELLS FARGO	Elect Cont Rsve	19.10
US Bank Safekeeping - CDs	Elect Cont Rsve	1,006.08
Investments	Water Utility	546,616.48
INVESTMENT- WELLS FARGO	Water Utility	78,526.09
US Bank Safekeeping - CDs	Water Utility	85,973.73
Investments	Water Capital	8,137.78
INVESTMENT- WELLS FARGO	Water Capital	595.05
US Bank Safekeeping - CDs	Water Capital	1,195.50
Investments	Well replacemnt	967.05
INVESTMENT- WELLS FARGO	Well replacemnt	2.83
US Bank Safekeeping - CDs	Well replacemnt	131.74
Investments	Sewer Utility	684,986.12
INVESTMENT- WELLS FARGO	Sewer Utility	98,567.94
US Bank Safekeeping - CDs	Sewer Utility	107,762.11
Investments	Sewer - Dt Svce	742.20
INVESTMENT- WELLS FARGO	Sewer - Dt Svce	1.92
US Bank Safekeeping - CDs	Sewer - Dt Svce	101.15
Investments	Sewer Capital	45,564.13
INVESTMENT- WELLS FARGO	Sewer Capital	2,835.97
US Bank Safekeeping - CDs	Sewer Capital	6,616.31
Investments	SEWER WWT CIP	5,777.10
INVESTMENT- WELLS FARGO	SEWER WWT CIP	14.95
US Bank Safekeeping - CDs	SEWER WWT CIP	787.37
Investments	GPD Seizure	49,745.94
INVESTMENT- WELLS FARGO	GPD Seizure	7,511.64
US Bank Safekeeping - CDs	GPD Seizure	7,887.78
Investments	COPS GRANTS	54,791.76
INVESTMENT- WELLS FARGO	COPS GRANTS	7,575.88
US Bank Safekeeping - CDs	COPS GRANTS	8,564.11
Investments	Explorer-PD	6.55
INVESTMENT- WELLS FARGO	Explorer-PD	0.02
US Bank Safekeeping - CDs	Explorer-PD	0.82

Investments Allocation

Name	Fund Name	Ending Balance
Investments	K9- DONATIONS	197.28
INVESTMENT- WELLS FARGO	K9- DONATIONS	2.42
US Bank Safekeeping - CDs	K9- DONATIONS	21.46
Investments	Trust - Main	257.56
INVESTMENT- WELLS FARGO	Trust - Main	21.46
US Bank Safekeeping - CDs	Trust - Main	38.09
Investments	Gridley BID	0.56
INVESTMENT- WELLS FARGO	Gridley BID	-
US Bank Safekeeping - CDs	Gridley BID	0.08
Investments	HOSP JPA ADMIN	4.57
INVESTMENT- WELLS FARGO	HOSP JPA ADMIN	0.01
US Bank Safekeeping - CDs	HOSP JPA ADMIN	0.62
Investments	SB325-Senr Taxi	26,568.92
INVESTMENT- WELLS FARGO	SB325-Senr Taxi	3,551.79
US Bank Safekeeping - CDs	SB325-Senr Taxi	4,130.63
Investments	96-STBG-1011	4.75
INVESTMENT- WELLS FARGO	96-STBG-1011	0.01
US Bank Safekeeping - CDs	96-STBG-1011	0.65
Investments	12 CalHOME 8701	44.30
INVESTMENT- WELLS FARGO	12 CalHOME 8701	4.74
US Bank Safekeeping - CDs	12 CalHOME 8701	7.02
Investments	13 HOME 8995	35,318.05
INVESTMENT- WELLS FARGO	13 HOME 8995	5,300.17
US Bank Safekeeping - CDs	13 HOME 8995	5,595.82
Investments	89-REHAB	12.00
INVESTMENT- WELLS FARGO	89-REHAB	-
US Bank Safekeeping - CDs	89-REHAB	-
Investments	08-HOME-4987	34.92
INVESTMENT- WELLS FARGO	08-HOME-4987	0.09
US Bank Safekeeping - CDs	08-HOME-4987	4.76
Investments	Gridley Springs	178.07
INVESTMENT- WELLS FARGO	Gridley Springs	0.46
US Bank Safekeeping - CDs	Gridley Springs	24.27
Investments	Strategic Plan	20,865.24
INVESTMENT- WELLS FARGO	Strategic Plan	3,076.12
US Bank Safekeeping - CDs	Strategic Plan	3,300.17
Investments	RANCHO VILLA	2,104.49
INVESTMENT- WELLS FARGO	RANCHO VILLA	15.96
US Bank Safekeeping - CDs	RANCHO VILLA	289.07
Investments	94-CDBG Housing Rehab/Drainage Grant	1.34
INVESTMENT- WELLS FARGO	94-CDBG Housing Rehab/Drainage Grant	-
US Bank Safekeeping - CDs	94-CDBG Housing Rehab/Drainage Grant	0.15
Investments	05-PTAA-1446	-
INVESTMENT- WELLS FARGO	05-PTAA-1446	-
US Bank Safekeeping - CDs	05-PTAA-1446	-
Investments	HRPP GRANT	801.10
INVESTMENT- WELLS FARGO	HRPP GRANT	85.63
US Bank Safekeeping - CDs	HRPP GRANT	127.02

Investments Allocation

Name	Fund Name	Ending Balance
Investments	OTS T.S Grant	3,496.63
INVESTMENT- WELLS FARGO	OTS T.S Grant	516.32
US Bank Safekeeping - CDs	OTS T.S Grant	552.76
Investments	CALRECL-PLAY AR	89.15
INVESTMENT- WELLS FARGO	CALRECL-PLAY AR	9.53
US Bank Safekeeping - CDs	CALRECL-PLAY AR	14.14
Investments	FORECLOSURES	-
INVESTMENT- WELLS FARGO	FORECLOSURES	-
US Bank Safekeeping - CDs	FORECLOSURES	-

8,705,939.57



Treasurer's Report

July 2020 - June 2021

- 1** Summary of Investments
- 2** City Cash & Investment Analysis Graphs
- 3** Pooled Cash Balances by Fund
- 4** Investment Balances

Section 1

Summary of Investments

City of Gridley Summary

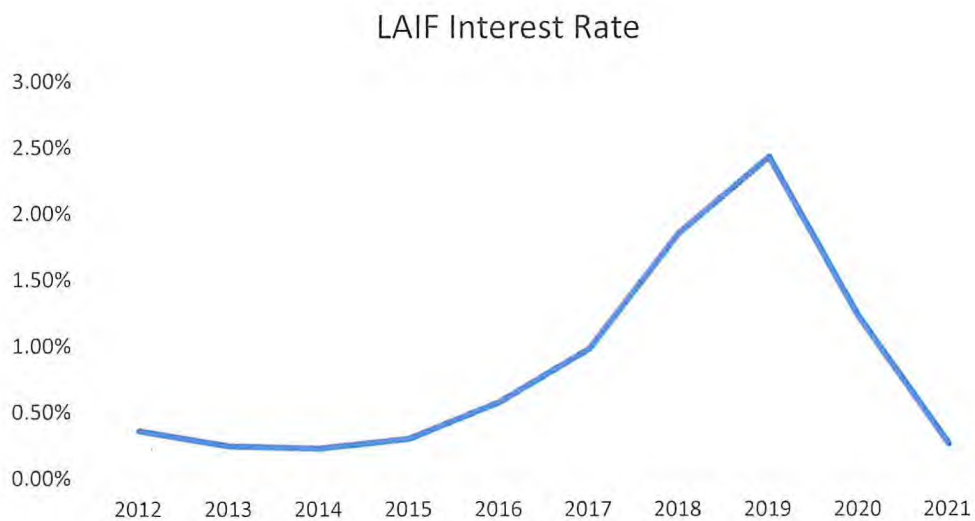
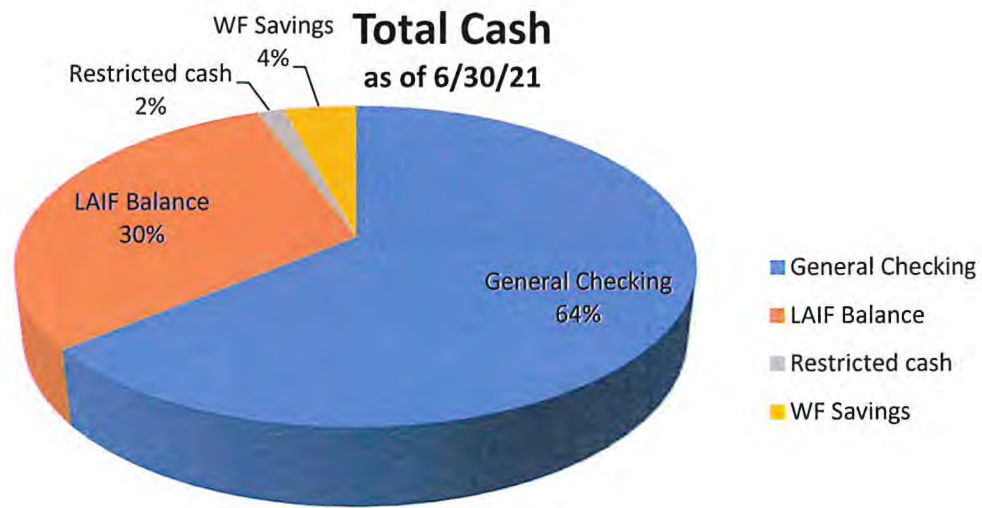
Investment Distribution	Book Value	Market Value	Interest Rate	Maturity
Cash and investments				
Cash at banking institutions	\$ 16,092,367	\$ 16,092,367	0%	On demand
Wells Fargo Savings	1,039,249	1,039,249	0%	On demand
Local Agency Investment Fund (LAIF)	7,635,915	7,635,915	0%	On demand
	<u>\$ 24,767,531</u>	<u>\$ 24,767,531</u>		
Restricted cash				
Cash with fiscal agent	\$ 1,039,249	\$ 1,039,249	0%	On demand
	<u>\$ 1,039,249</u>	<u>\$ 1,039,249</u>		

Section 2

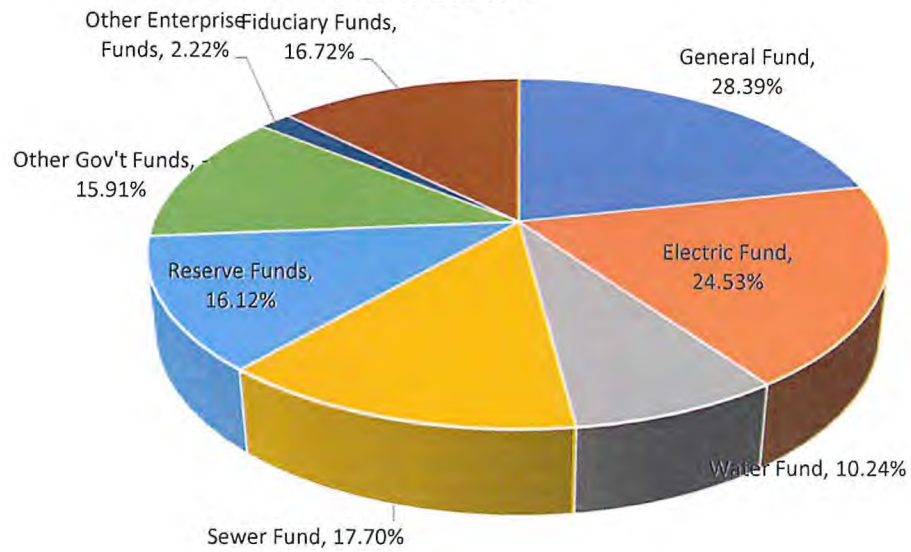
City Cash & Investment Analysis Graphs

City of Gridley

Treasurer's Report as June 30, 2021



FUND CASH ALLOCATIONS



- General Fund ■ Electric Fund ■ Water Fund
- Sewer Fund ■ Reserve Funds ■ Other Gov't Funds
- Other Enterprise Funds ■ Fiduciary Funds

Section 3

Pooled Cash Balances by Fund

Cash Balances



010-10099	Cash Balance	\$ 5,442,503.82
011-10099	Cash Balance	280,953.90
012-10099	Cash Balance	460,000.00
020-10099	Cash Balance	718,237.59
021-10099	Cash Balance	11,782.97
023-10099	Cash Balance	40,000.00
050-10099	Cash Balance	169,631.86
060-10099	Cash Balance	2,417,224.08
070-10099	Cash Balance	174,238.78
121-10099	Cash Balance	(118,918.11)
122-10099	Cash Balance	1.55
123-10099	Cash Balance	25,000.00
200-10099	Cash Balance	(18,079.19)
204-10099	Cash Balance	(2,175,953.38)
206-10099	Cash Balance	(1,121,285.04)
215-10099	Cash Balance	3,881,595.01
220-10099	Cash Balance	(258.00)
390-10099	Cash Balance	(508,733.28)
395-10099	Cash Balance	(70,411.23)
400-10099	Cash Balance	(56,405.03)
410-10099	Cash Balance	222,265.06
420-10099	Cash Balance	50,151.38
425-10099	Cash Balance	353,376.71
430-10099	Cash Balance	32,533.79
440-10099	Cash Balance	(71,245.15)
450-10099	Cash Balance	79.31
455-10099	Cash Balance	10,907.60
460-10099	Cash Balance	76,949.95
480-10099	Cash Balance	(43,445.57)
490-10099	Cash Balance	(185,742.32)
495-10099	Cash Balance	(1,161,983.02)
500-10099	Cash Balance	(970,793.72)
511-10099	Cash Balance	(8,778.43)
512-10099	Cash Balance	(395,538.06)
513-10099	Cash Balance	470,057.10
514-10099	Cash Balance	114,104.79
520-10099	Cash Balance	-
570-10099	Cash Balance	2,700.00
580-10099	Cash Balance	69,552.25
581-10099	Cash Balance	82,915.31
582-10099	Cash Balance	7,152.81
583-10099	Cash Balance	30,625.93
590-10099	Cash Balance	5,879.85

Cash Balances



591-10099	Cash Balance	(57,646.00)
600-10099	Cash Balance	1,560,403.13
601-10099	Cash Balance	(20,140.19)
610-10099	Cash Balance	368,005.19
620-10099	Cash Balance	(190,083.29)
621-10099	Cash Balance	791,498.92
630-10099	Cash Balance	1,298,875.58
640-10099	Cash Balance	432,830.74
641-10099	Cash Balance	103,820.68
650-10099	Cash Balance	544,935.37
656-10099	Cash Balance	79,579.49
660-10099	Cash Balance	2,194,044.48
661-10099	Cash Balance	619,431.10
670-10099	Cash Balance	(60,991.49)
672-10099	Cash Balance	289,737.09
673-10099	Cash Balance	645.46
674-10099	Cash Balance	1,970.48
680-10099	Cash Balance	12,489.41
681-10099	Cash Balance	60.00
682-10099	Cash Balance	-
683-10099	Cash Balance	489.91
700-10099	Cash Balance	98,431.35
800-10099	Cash Balance	508.56
802-10099	Cash Balance	(126,869.85)
804-10099	Cash Balance	(12,156.69)
805-10099	Cash Balance	(90,788.73)
806-10099	Cash Balance	(5,277.27)
807-10099	Cash Balance	(5,308.45)
808-10099	Cash Balance	(107,813.91)
810-10099	Cash Balance	106.40
813-10099	Cash Balance	3,743.88
814-10099	Cash Balance	19,092.51
821-10099	Cash Balance	(74,706.62)
831-10099	Cash Balance	214,825.34
888-10099	Cash Balance	-
890-10099	Cash Balance	116.59
895-10099	Cash Balance	(9.16)
896-10099	Cash Balance	0.60
912-10099	Cash Balance	(31,375.15)
913-10099	Cash Balance	8,044.63
920-10099	Cash Balance	(5,841.24)
922-10099	Cash Balance	(4,655.00)
974-10099	Cash Balance	(1.00)
975-10099	Cash Balance	<u>16,092,874.72</u>

Section 4

Investment Balances

Investments Allocation

Name	Fund Name	Ending Balance
Investments	General	1,170,166.34
INVESTMENT- WELLS FARGO	General	230,189.50
US Bank Safekeeping - CDs	General	178,365.60
Investments	GF-Reserve	2,026.00
Investments - Wells Fargo	GF-Reserve	6.78
US Bank Safekeeping - CDs	GF-Reserve	357.12
Investments	FEMA-RESERVE	4,432.84
INVESTMENT- WELLS FARGO	FEMA-RESERVE	11.10
US Bank Safekeeping - CDs	FEMA-RESERVE	610.06
Investments	General -Impact	10,998.30
INVESTMENT- WELLS FARGO	General -Impact	817.48
US Bank Safekeeping - CDs	General -Impact	1,803.23
Investments	Dev'l Agree Fee	84.97
Investments - Wells Fargo	Dev'l Agree Fee	0.28
US Bank Safekeeping - CDs	Dev'l Agree Fee	14.98
Investments	WellFund	288.44
Investments - Wells Fargo	WellFund	0.97
US Bank Safekeeping - CDs	WellFund	50.84
Investments	City Hall Rsrv	1,876.58
Investments - Wells Fargo	City Hall Rsrv	6.28
US Bank Safekeeping - CDs	City Hall Rsrv	330.79
Investments	Equipment Resrv	55,303.27
INVESTMENT- WELLS FARGO	Equipment Resrv	5,631.71
US Bank Safekeeping - CDs	Equipment Resrv	9,084.86
Investments	SICK LEAVE RESR	1,256.46
Investments - Wells Fargo	SICK LEAVE RESR	4.20
US Bank Safekeeping - CDs	SICK LEAVE RESR	221.48
Investments	Prop 12&40Vierr	0.01
Investments - Wells Fargo	Prop 12&40Vierr	-
US Bank Safekeeping - CDs	Prop 12&40Vierr	-
Investments	M.VIERRA PARK	3,315.71
INVESTMENT- WELLS FARGO	M.VIERRA PARK	61.81
US Bank Safekeeping - CDs	M.VIERRA PARK	452.08
Investments	Successor Agency	118,925.53
INVESTMENT- WELLS FARGO	Successor Agency	16,573.56
US Bank Safekeeping - CDs	Successor Agency	18,602.53
Investments	Gas Tax 2105	52,550.14
INVESTMENT- WELLS FARGO	Gas Tax 2105	7,649.52
US Bank Safekeeping - CDs	Gas Tax 2105	8,265.64
Investments	Sect.2103	31,449.15
INVESTMENT- WELLS FARGO	Sect.2103	4,690.55
US Bank Safekeeping - CDs	Sect.2103	4,976.69
Investments	Gas Tax 2106	19,852.32
INVESTMENT- WELLS FARGO	Gas Tax 2106	2,920.67
US Bank Safekeeping - CDs	Gas Tax 2106	3,133.47
Investments	Gas Tax 2107	24,772.78
INVESTMENT- WELLS FARGO	Gas Tax 2107	3,430.68
US Bank Safekeeping - CDs	Gas Tax 2107	3,928.97

Investments Allocation

Name	Fund Name	Ending Balance
Investments	Gas Tax 2107.5	1,683.04
INVESTMENT- WELLS FARGO	Gas Tax 2107.5	146.35
US Bank Safekeeping - CDs	Gas Tax 2107.5	270.61
Investments	SB1 - RMR	2,805.18
INVESTMENT- WELLS FARGO	SB1 - RMR	23.37
US Bank Safekeeping - CDs	SB1 - RMR	425.77
Investments	SB 325	112,257.82
INVESTMENT- WELLS FARGO	SB 325	16,140.54
US Bank Safekeeping - CDs	SB 325	17,777.96
Investments	Traffic Safety	13,280.28
INVESTMENT- WELLS FARGO	Traffic Safety	1,967.05
US Bank Safekeeping - CDs	Traffic Safety	2,099.60
Investments	Bicycle	0.50
US Bank Safekeeping - CDs	Bicycle	0.09
Investments	Railroad mantce	78.66
Investments - Wells Fargo	Railroad mantce	0.26
US Bank Safekeeping - CDs	Railroad mantce	13.86
Investments	Public Safe Aug	11,718.04
INVESTMENT- WELLS FARGO	Public Safe Aug	1,672.70
US Bank Safekeeping - CDs	Public Safe Aug	1,858.76
Investments	Boat Ramp	264.08
INVESTMENT- WELLS FARGO	Boat Ramp	5.04
US Bank Safekeeping - CDs	Boat Ramp	33.59
US Bank Safekeeping - CDs	Parks & Rec Imp	0.03
Investments	Rec Coordinator	693.43
INVESTMENT- WELLS FARGO	Rec Coordinator	104.13
US Bank Safekeeping - CDs	Rec Coordinator	109.85
Investments	Planning & Dev.	3,006.57
INVESTMENT- WELLS FARGO	Planning & Dev.	435.01
US Bank Safekeeping - CDs	Planning & Dev.	472.82
Investments	CDBG PROGRAM IN	64,068.15
INVESTMENT- WELLS FARGO	CDBG PROGRAM IN	9,240.31
US Bank Safekeeping - CDs	CDBG PROGRAM IN	10,180.96
Investments	HOME P.I.	1,558.02
INVESTMENT- WELLS FARGO	HOME P.I.	13.25
US Bank Safekeeping - CDs	HOME P.I.	220.66
Investments	Drainage Trust	19.47
INVESTMENT- WELLS FARGO	Drainage Trust	0.07
US Bank Safekeeping - CDs	Drainage Trust	3.43
Investments	Flood Maint #1	4,544.77
INVESTMENT- WELLS FARGO	Flood Maint #1	606.68
US Bank Safekeeping - CDs	Flood Maint #1	723.27
Investments	Flood Maint #2	33,319.13
INVESTMENT- WELLS FARGO	Flood Maint #2	4,889.73
US Bank Safekeeping - CDs	Flood Maint #2	5,299.68
Investments	Flood Maint #3	30,562.94
INVESTMENT- WELLS FARGO	Flood Maint #3	4,529.90
US Bank Safekeeping - CDs	Flood Maint #3	4,833.00

Investments Allocation

Name	Fund Name	Ending Balance
Investments	Maint Dist #6	1,855.10
INVESTMENT- WELLS FARGO	Maint Dist #6	238.99
US Bank Safekeeping - CDs	Maint Dist #6	288.30
Investments	Solid Waste	42.20
INVESTMENT- WELLS FARGO	Solid Waste	0.14
US Bank Safekeeping - CDs	Solid Waste	7.47
Investments	Electric Utilit	3,285,031.77
INVESTMENT- WELLS FARGO	Electric Utilit	476,681.63
US Bank Safekeeping - CDs	Electric Utilit	517,316.66
Investments	Public Benefits	78,512.21
INVESTMENT- WELLS FARGO	Public Benefits	11,158.53
US Bank Safekeeping - CDs	Public Benefits	12,394.32
Investments	Electric Capitl	3,736.77
INVESTMENT- WELLS FARGO	Electric Capitl	490.06
US Bank Safekeeping - CDs	Electric Capitl	587.05
Investments	Elect Cont Rsve	5,707.60
INVESTMENT- WELLS FARGO	Elect Cont Rsve	19.10
US Bank Safekeeping - CDs	Elect Cont Rsve	1,006.08
Investments	Water Utility	544,665.10
INVESTMENT- WELLS FARGO	Water Utility	78,526.09
US Bank Safekeeping - CDs	Water Utility	85,973.73
Investments	Water Capital	7,244.32
INVESTMENT- WELLS FARGO	Water Capital	595.05
US Bank Safekeeping - CDs	Water Capital	1,195.50
Investments	Well replacemnt	748.66
INVESTMENT- WELLS FARGO	Well replacemnt	2.83
US Bank Safekeeping - CDs	Well replacemnt	131.74
Investments	Sewer Utility	682,968.55
INVESTMENT- WELLS FARGO	Sewer Utility	98,567.94
US Bank Safekeeping - CDs	Sewer Utility	107,762.11
Investments	Sewer - Dt Svce	573.86
INVESTMENT- WELLS FARGO	Sewer - Dt Svce	1.92
US Bank Safekeeping - CDs	Sewer - Dt Svce	101.15
Investments	Sewer Capital	39,772.73
INVESTMENT- WELLS FARGO	Sewer Capital	2,835.97
US Bank Safekeeping - CDs	Sewer Capital	6,616.31
Investments	SEWER WWT CIP	4,466.79
INVESTMENT- WELLS FARGO	SEWER WWT CIP	14.95
US Bank Safekeeping - CDs	SEWER WWT CIP	787.37
Investments	GPD Seizure	49,745.94
INVESTMENT- WELLS FARGO	GPD Seizure	7,511.64
US Bank Safekeeping - CDs	GPD Seizure	7,887.78
Investments	COPS GRANTS	54,167.42
INVESTMENT- WELLS FARGO	COPS GRANTS	7,575.88
US Bank Safekeeping - CDs	COPS GRANTS	8,564.11
Investments	Explorer-PD	5.18
INVESTMENT- WELLS FARGO	Explorer-PD	0.02
US Bank Safekeeping - CDs	Explorer-PD	0.82

Investments Allocation

Name	Fund Name	Ending Balance
Investments	K9- DONATIONS	189.92
INVESTMENT- WELLS FARGO	K9- DONATIONS	2.42
US Bank Safekeeping - CDs	K9- DONATIONS	21.46
Investments	Trust - Main	231.14
INVESTMENT- WELLS FARGO	Trust - Main	21.46
US Bank Safekeeping - CDs	Trust - Main	38.09
Investments	Gridley BID	0.43
INVESTMENT- WELLS FARGO	Gridley BID	-
US Bank Safekeeping - CDs	Gridley BID	0.08
Investments	HOSP JPA ADMIN	3.53
INVESTMENT- WELLS FARGO	HOSP JPA ADMIN	0.01
US Bank Safekeeping - CDs	HOSP JPA ADMIN	0.62
Investments	SB325-Senr Taxi	26,308.53
INVESTMENT- WELLS FARGO	SB325-Senr Taxi	3,551.79
US Bank Safekeeping - CDs	SB325-Senr Taxi	4,130.63
Investments	96-STBG-1011	7.34
INVESTMENT- WELLS FARGO	96-STBG-1011	0.02
US Bank Safekeeping - CDs	96-STBG-1011	0.65
Investments	12 CalHOME 8701	44.30
INVESTMENT- WELLS FARGO	12 CalHOME 8701	4.74
US Bank Safekeeping - CDs	12 CalHOME 8701	7.02
Investments	13 HOME 8995	35,318.05
INVESTMENT- WELLS FARGO	13 HOME 8995	5,300.17
US Bank Safekeeping - CDs	13 HOME 8995	5,595.82
Investments	89-REHAB	12.00
INVESTMENT- WELLS FARGO	89-REHAB	-
US Bank Safekeeping - CDs	89-REHAB	-
Investments	08-HOME-4987	54.00
INVESTMENT- WELLS FARGO	08-HOME-4987	0.18
US Bank Safekeeping - CDs	08-HOME-4987	4.76
Investments	Gridley Springs	275.36
INVESTMENT- WELLS FARGO	Gridley Springs	0.92
US Bank Safekeeping - CDs	Gridley Springs	24.27
Investments	Strategic Plan	20,865.24
INVESTMENT- WELLS FARGO	Strategic Plan	3,076.12
US Bank Safekeeping - CDs	Strategic Plan	3,300.17
Investments	RANCHO VILLA	3,199.19
INVESTMENT- WELLS FARGO	RANCHO VILLA	21.14
US Bank Safekeeping - CDs	RANCHO VILLA	289.07
Investments	94-CDBG Housing Rehab/Drainage Grant	1.93
INVESTMENT- WELLS FARGO	94-CDBG Housing Rehab/Drainage Grant	-
US Bank Safekeeping - CDs	94-CDBG Housing Rehab/Drainage Grant	0.15
Investments	05-PTAA-1446	-
INVESTMENT- WELLS FARGO	05-PTAA-1446	-
US Bank Safekeeping - CDs	05-PTAA-1446	-
Investments	HRPP GRANT	801.10
INVESTMENT- WELLS FARGO	HRPP GRANT	85.63
US Bank Safekeeping - CDs	HRPP GRANT	127.02

Investments Allocation

Name	Fund Name	Ending Balance
Investments	OTS T.S Grant	3,537.62
INVESTMENT- WELLS FARGO	OTS T.S Grant	516.51
US Bank Safekeeping - CDs	OTS T.S Grant	552.76
Investments	CALRECL-PLAY AR	89.15
INVESTMENT- WELLS FARGO	CALRECL-PLAY AR	9.53
US Bank Safekeeping - CDs	CALRECL-PLAY AR	14.14
Investments	FORECLOSURES	-
INVESTMENT- WELLS FARGO	FORECLOSURES	-
US Bank Safekeeping - CDs	FORECLOSURES	-

8,675,172.30

City Council Agenda Item #4
Staff Report

Date: August 15, 2022

To: Mayor and City Council

From: Cliff Wagner, City Administrator

Subject: Review Draft Letter of Support for Orchard Hospital's Request for Funding from the California Department of Health Care Services (BHCIP) for the construction of a new behavioral health facility for serving children and youth.

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully recommends that the City Council review and approve the attached letter of support as requested by Orchard Hospital.

Background

The City of Gridley experiences the impacts of historically low levels of behavioral health care services. In combination with the effects of the COVID-19 pandemic, the need for improved behavioral health care services, specifically for children and youth has never been greater. Orchard Hospital is seeking BHCIP funding to build a state-of-the-art behavioral health facility with a much-needed inpatient psychiatric facility for children and youth. This letter of support will enhance Orchard Hospital's application for funding.

Fiscal Impact

There is no fiscal impact related to the recommended action.

Compliance with City Council Strategic Plan or Budget Goals

This action is consistent with the city's continuing efforts to promote the expansion of essential services for the benefit of area residents and to partner with community organizations in the advancement of the community's welfare.

Attachment

Letter of support (DRAFT)

August 15, 2022

Steve Stark, Chief Executive Officer
Orchard Hospital
240 Spruce Street
Gridley, CA 95948

Dear Mr. Stark,

On behalf of the City of Gridley, I write to express the City's strong support of Orchard Hospital's Behavioral Health Continuum Infrastructure Program (BHCIP) application to the California Department of Health Care Services (DHCS) and California Department of Social Services (CDSS) in partnership with Advocates for Human Potential, Inc. (AHP).

Since its founding, Orchard Hospital has demonstrated its commitment to its mission of improving the health and well-being of the residents of Gridley. A cornerstone of our community, Orchard Hospital provides essential emergency services, a busy rural health clinic, and many more inpatient and outpatient services to southern Butte County and the surrounding region.

We understand that Orchard Hospital is seeking BHCIP funding to build a state-of-the-art behavioral health facility with a much-needed inpatient psychiatric facility for children and youth.

Thrive, an initiative led by the North Valley Community Foundation brings together a collaboration of people, organizations, and agencies committed to engaging in work surrounding the impact of childhood trauma. One of their most critical priority issue areas is youth mental health and suicide prevention. Thrive has established an innovative, consistent, and reliable response system, the Community, Assessment, Response and Education (CARE) Team to support youth and families who are struggling with suicide. As a member of the CARE Team Advisory Board, we have identified that with no local adolescent psychiatric health facilities, youth are currently transported to hospitals out of the area, causing additional trauma and separating them from their family and circle of support.

The City of Gridley proudly supports Orchard Hospital's application and looks forward to continued collaboration and partnership to improve the behavioral health needs of Butte County and the surrounding region, particularly for our low-income, underserved children and youth.

Sincerely,

Bruce Johnson, Mayor
City of Gridley

Item #5

Waste Management Informational Report

Contamination and Overfilled Container Program



City of Gridley

Recycle Contamination & Overfilled Container Update 8/15/22

Agenda

1. Program Overview

Summary of program

2. Recycle Contamination Update

Progress - Notifications and Charges

3. Overfilled container update

Progress - Notifications and charges

Program Overview /Reminder

- Program started April 1, 2022
- 45-day education and outreach period prior to start date
- Council presentation Q1 2022

Contamination & Overfilled containers

- Residents and Businesses received 2 notifications prior to a charge
- Customers are provided a picture of the incident and a video by request
- Consistent education and reminders of what is recyclable and benefits of not overfilling containers
- Customers provided opportunities to "right-size" their containers to fit their needs
- Dispute resolution process in place, credits issued if mistakes were made

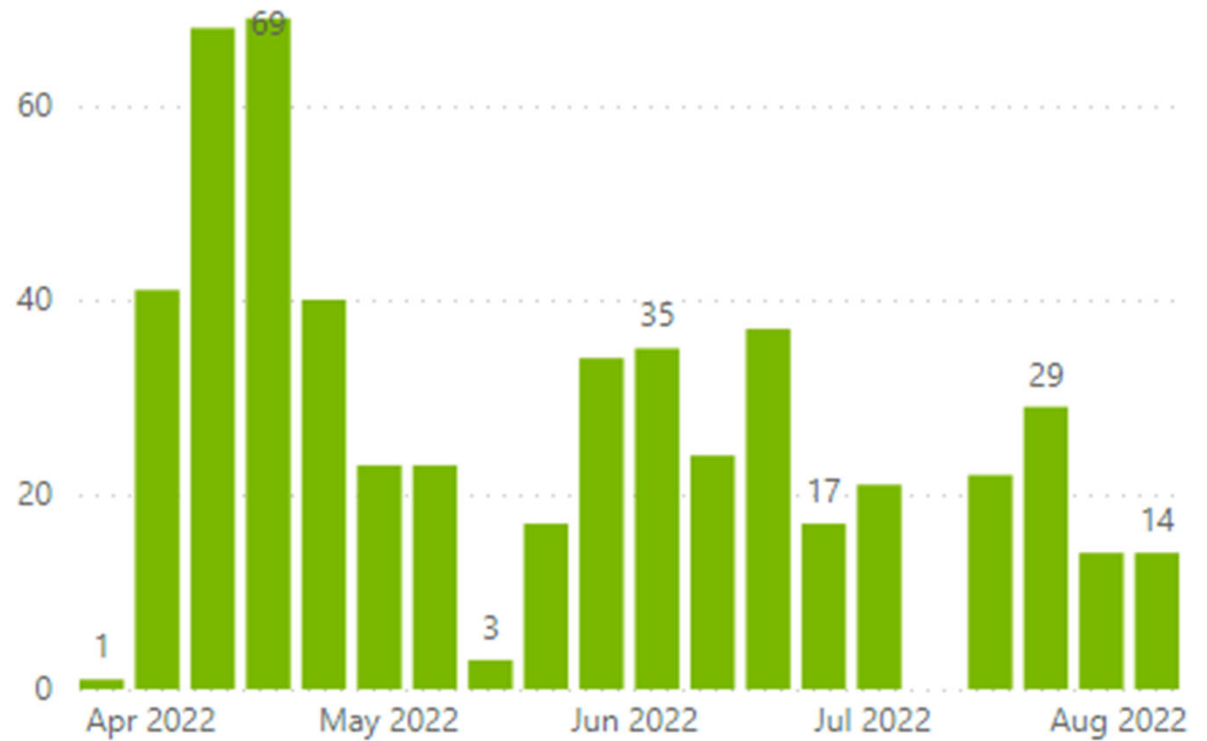
Residential 10 verified Container Notices

April 1-August 8

of notices have been minimal from beginning
of program with continual downward trend

No Charge Tickets by Week Ending

TicketType ● Notice/Warning



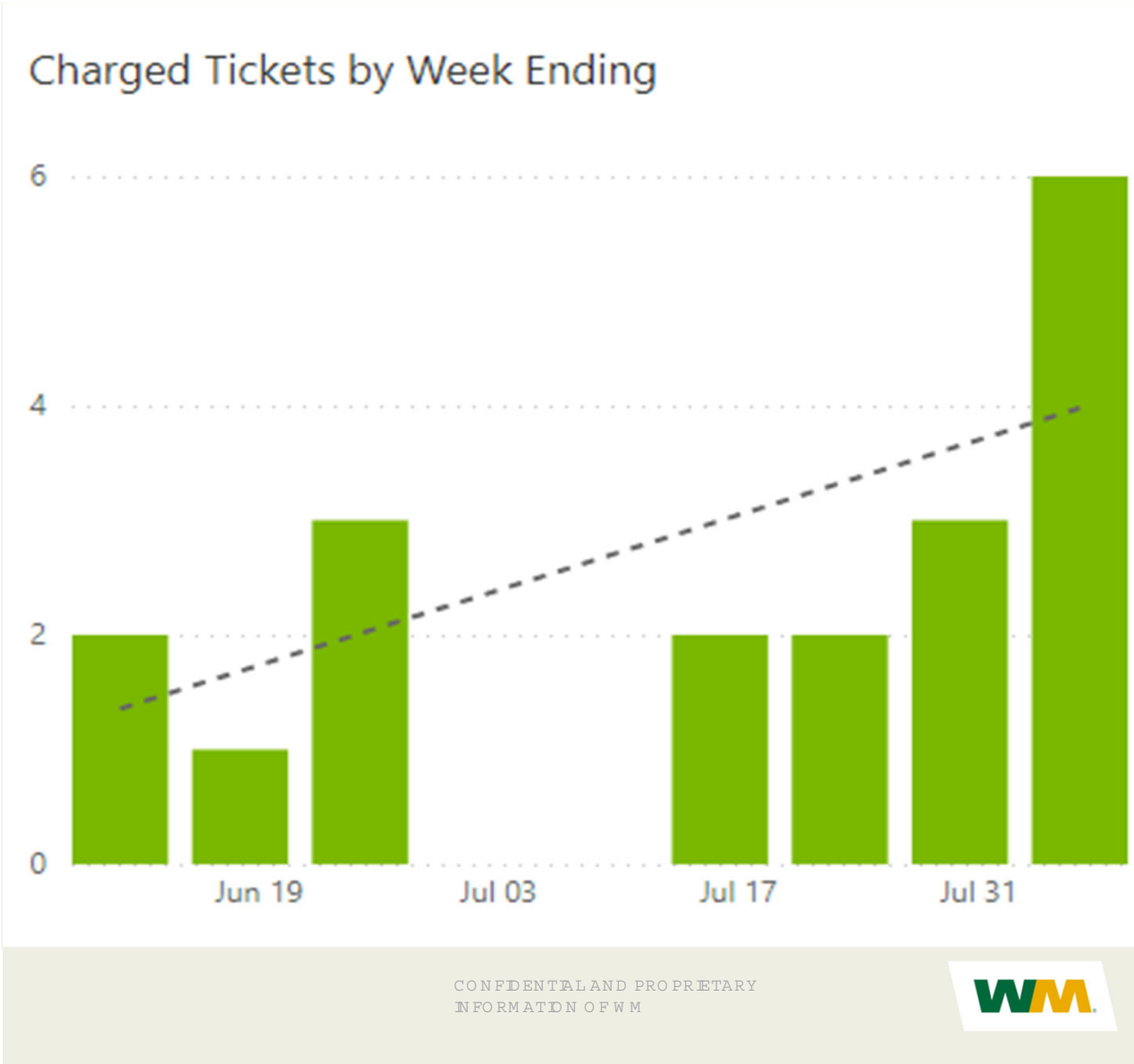
CONFIDENTIAL AND PROPRIETARY
INFORMATION OF WWM



Residential 10 verified Container Charges

April 1-August 8

of incidents resulting in a charge after warning
notifications has been extremely minimal.



Residential Recycling Contamination Notices

April 1-August 8

of recycling notices issued has been minimal from start of the program and trending in positive direction.

No Charge Tickets by Week Ending

TicketType ● Notice/Warning



CONFIDENTIAL AND PROPRIETARY
INFORMATION OF WWM



Residential Recycling Contamination Charges April 1-August 8

3 Total Charges

Thank you.

Joe Cadelago

jcadela@wm.com

209-200-1747

California Mattress Recycling Program

WHO WE ARE



International Sleep Products Association

Trade association for the mattress industry



Mattress Recycling Council

The nonprofit ISPA created in 2013 to develop and implement recycling programs in states that enact mattress recycling laws



Bye Bye Mattress

The consumer-facing brand MRC developed for the recycling program



PROGRAM OBJECTIVES

Increase Recycling

Recover and recycle units generated in the state

Curb Illegal Dumping

Working collaboratively to address this persistent problem

Operate Cost-Effectively

Being good stewards of the recycling fee



OUR IMPACT

**8 MILLION
mattresses**

makes a round trip from
California to Hawaii

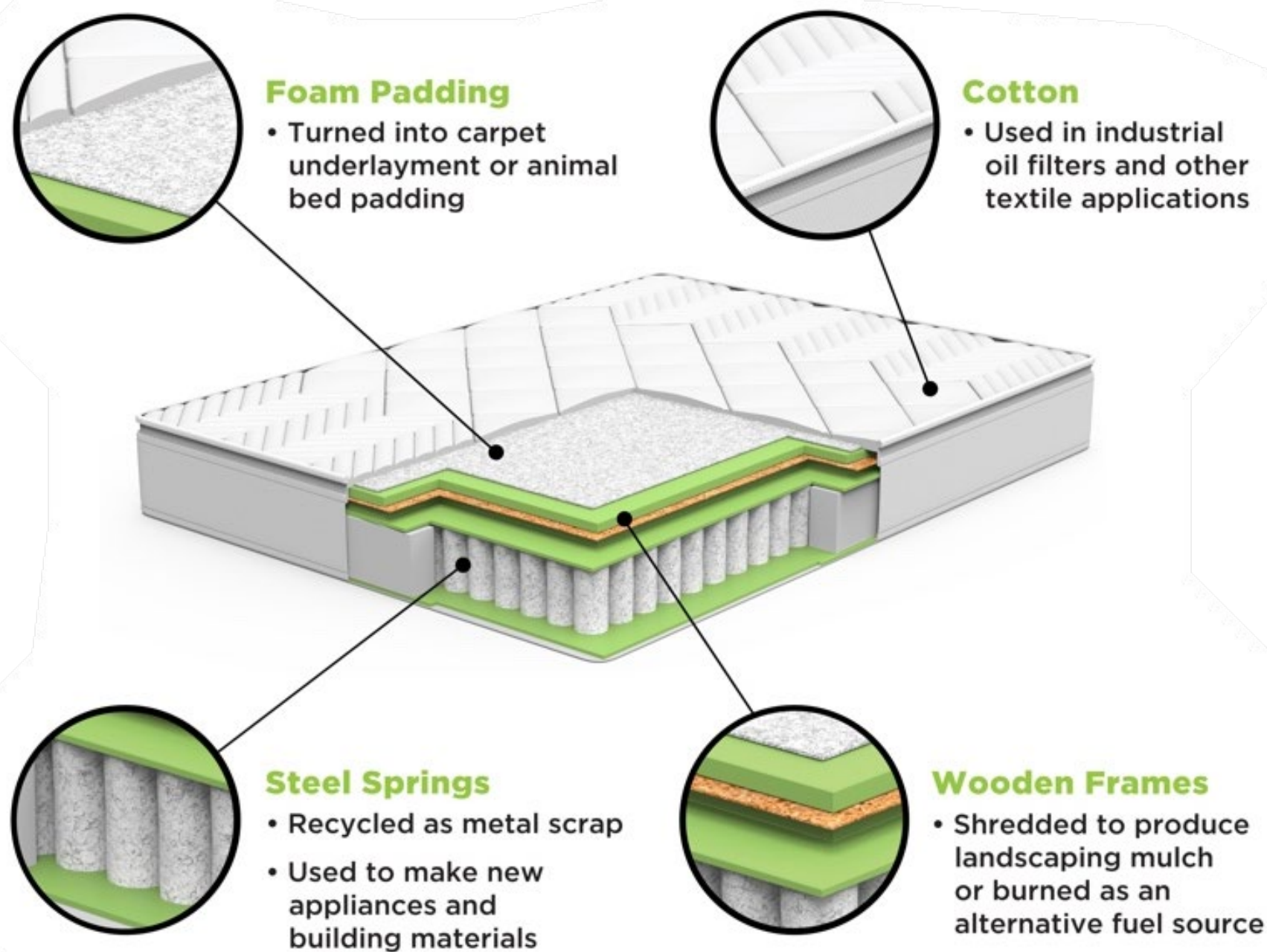
**230
MILLION
pounds**

of material diverted
from landfills

**OVER 83%
of discards**

are diverted from landfills

WHAT HAPPENS TO THE MATERIALS?



RECYCLING ACROSS CALIFORNIA

- **10 recycling facilities**
- More than **220 permanent collection sites**
- **All 58 counties** have access
- **95% of Californians live within 15 miles** of the collection network
- Retailer Take Back

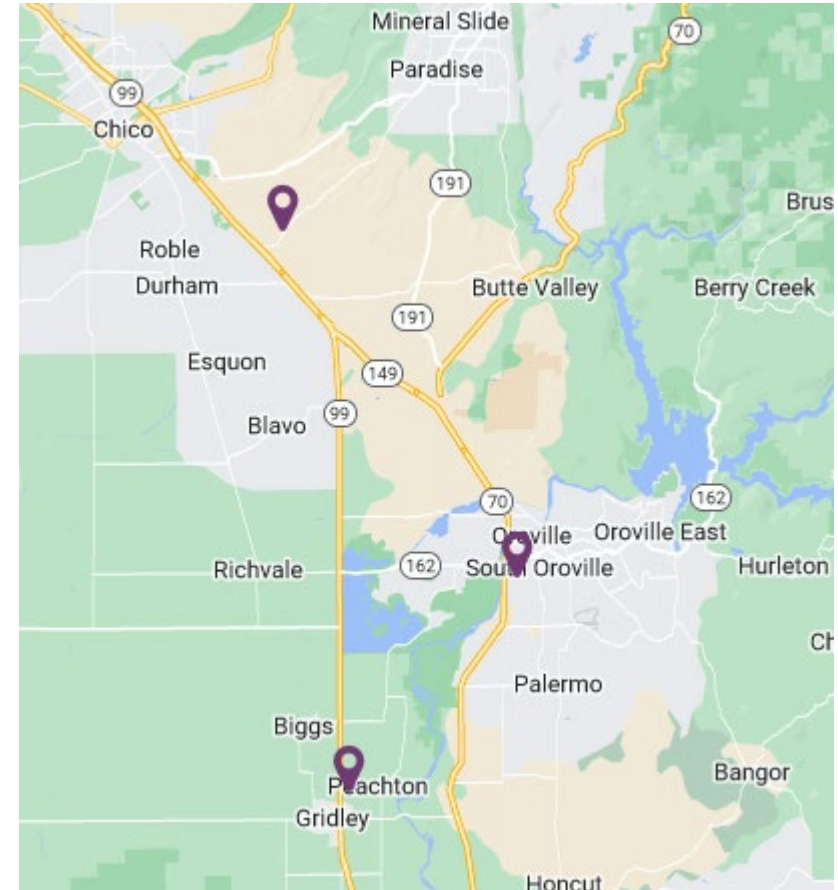


BYE BYE MATTRESS NEAR YOU

3 drop-off locations

- Neal Road Recycling and Waste Facility
- Ord Ranch Road Transfer Station
- Recology Oroville Transfer Station

NEW



BYEBYEMATTRESS.COM

Direct residents to **ByeByeMattress.com** to learn how, where and when to recycle mattresses.

- Recycling Locator
- Bulky Item Directory
- Retailer Take Back information
- Commercial Volume Program
- State program information



bye bye mattress
A Program of the Mattress Recycling Council

About Us Programs by State Why Recycle? FAQs Media Center Contact Us Find a Location

Mattress Disposal in California

In the State of California, you have several options to dispose of an unwanted mattress.

Select the option that works best for you.



Retailer Take Back

When you buy a new mattress and are having it delivered, ask your retailer about taking your old one back.

**Due to COVID-19 some may have suspended take back services.*

[Learn More](#)



Recycle Your Mattress

Mattresses are made of valuable components. Recycling puts these parts to good use and helps protect the environment.

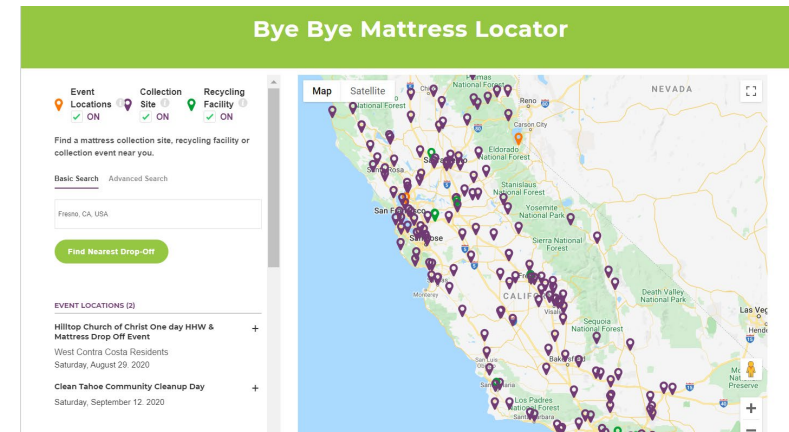
[Recycling for Households](#)
[Recycling for Businesses](#)



Bulky Item Pick Up

Contact your local government to learn how curbside pick up of a bulky item works in your area. You may have a free pick up available. An appointment may be required.

[View Directory](#)



Bye By Mattress Locator

Event Locations: ON
Collection Site: ON
Recycling Facility: ON

Find a mattress collection site, recycling facility or collection event near you.

Basic Search Advanced Search

Find, CA, USA

[Find Nearest Drop-Off](#)

EVENT LOCATIONS (2)

- Hilltop Church of Christ One day HHW & Mattress Drop Off Event
West Contra Costa Residents
Saturday, August 29, 2020
- Clean Tahoe Community Cleanup Day
Saturday, September 12, 2020

THANK YOU

Michael LaRussa
mlarussa@mrc-us.org
916-898-9945

Sign up to receive MRC Highlights and
follow our announcements.



City Council Agenda Item #6
Staff Report

Date: August 15, 2022

To: Mayor and City Council

From: Cliff Wagner, Administrator

Subject: First reading by title only of Ordinance 839-2022: Amendment to Title 8 of the Gridley Municipal Code adding Chapter 8.25 regulating the use of tobacco, nicotine, and other products in outdoor areas

X	Regular
	Special
	Closed
	Emergency

Recommendation

Staff respectfully requests the City Council:

1. Hear First Reading of Ordinance 839-2022 by reading of title only, establishing tobacco free parks and regulating the use of tobacco, nicotine, and other products in outdoor areas

Background

The smoke-free outdoor parks ordinance was proposed at the May 16, 2022, City Council meeting by Council Member Catalina Sanchez in association with the Si Se Puede Organization, and the Pacific Health Law Center.

Chapter 8.24 of the City of Gridley Municipal Code, entitled Regulation of Smoking in Designated Enclosed Public Places and Workplaces, currently governs smoking restrictions in limited public and workplaces. Some of these include prohibitions against smoking: City-owned facilities, health facilities, hospitals, clinics, physical therapy facilities, doctors' offices, and dentists' offices, theaters, auditoriums, retail food marketing establishments, public schools, and other public facilities under the control of another public agency, which are available to and customarily used by the public, to the extent that the same are subject to the jurisdiction of the city.

Currently, Chapter 8.24 of the City of Gridley Municipal Code makes no provision regarding the regulation of smoking in outdoor parks.

Fiscal Impact

Fiscal impacts would be negligible. It would become necessary for the city to fund the production and installation of signage to implement the policy and educate/inform park space users. Enforcement and processing of violations would also require indeterminate staff time.

Attachments

Ordinance 839-2022

ORDINANCE AMENDING TITLE 8, HEALTH AND SAFETY, ADDING CHAPTER 8.25, OUTDOOR PARKS SMOKE-FREE ORDINANCE, OF THE GRIDLEY MUNICIPAL CODE (Citywide)

SECTION I. FINDINGS AND PURPOSE

WHEREAS, tobacco use causes death and disease and continues to be an urgent public health threat, as evidenced by the following:

- The World Health Organization (WHO) estimates that tobacco kills up to half of its users, amounting to more than 8 million deaths each year worldwide, including nearly half a million people who die prematurely from smoking in the United States alone;¹
- Tobacco use causes disease in nearly all organ systems and is responsible for an estimated 87% of lung cancer deaths, 32% of coronary heart disease deaths, and 79% of all chronic obstructive pulmonary disease deaths in the United States;²
- The estimated economic damage attributable to smoking and exposure to secondhand smoke in the United States is nearly \$300 billion annually;²
- Despite significant progress, tobacco use remains the leading cause of preventable death and disease in the United States,² and;

WHEREAS, tobacco use is the number one cause of preventable death in California² and continues to be an urgent public health issue, as evidenced by the following:

- An estimated 40,000 California adults die from smoking annually;³
- Each year, smoking costs California an estimated \$13.3 billion in direct health care expenses, \$3.6 billion in Medicaid costs, and \$10.4 billion in productivity losses;⁴
- Research indicates that more than 25% of all adult cancer deaths in California are attributable to smoking;⁵ and
- Californians who reported experiencing psychological distress in the preceding month smoked at a rate far higher (26.7%) than the average statewide smoking rate (11.0%);⁷ and;

WHEREAS, secondhand smoke has been repeatedly identified as a health hazard, as evidenced by the following:

- In 2006, the U.S. surgeon general concluded that there is no risk-free level of exposure to secondhand smoke;⁸
- In 2006, the California Air Resources Board identified secondhand smoke as a toxic air contaminant, in the same category as the most toxic automotive and industrial air pollutants, and a serious health threat for which there is no safe level of exposure;^{9,10}
- In 2006, the California Environmental Protection Agency added secondhand smoke to the Proposition 65 list of chemicals known to the state of California to cause cancer, birth defects, and other reproductive harm;¹¹ and;

WHEREAS, exposure to secondhand smoke anywhere has negative health impacts, and exposure to secondhand smoke can occur at significant levels outdoors, as evidenced by the following:

- Levels of secondhand smoke exposure outdoors can reach levels recognized as hazardous, depending on direction and amount of wind, number and proximity of smokers, and enclosures like walls or roofs;¹²⁻¹⁸
- Smoking cigarettes near building entryways can increase air pollution levels by more than two times background levels, with maximum levels reaching the “hazardous” range on the United States EPA’s Air Quality Index;^{15,17} and
- To be completely free from exposure to secondhand smoke in outdoor places, a person may have to move 20 to 29 feet away from the source of the smoke, about the width of a two-lane road;^{15,19,20} and;
-

WHEREAS, exposure to secondhand smoke causes death and disease, as evidenced by the following:

- Since 1964, approximately 2.5 million nonsmokers have died from health problems caused by exposure to secondhand smoke;²
- Secondhand smoke was responsible for an estimated 34,000 heart disease-related and 7,300 lung cancer-related deaths among adult nonsmokers each year during 2005–2009 in the United States;²
- Research indicates that exposure to secondhand smoke increases the risk of coronary heart disease by 25% to 30% and increases the risk of stroke by 20% to 30%;^{2,21} and
- Secondhand smoke kills more than 400 infants every year;²² and;

WHEREAS, electronic smoking device aerosol may be considered a health hazard, as evidenced by the following:

- Research has found electronic smoking device aerosol contains at least 12 chemicals known to the State of California to cause cancer, birth defects, or other reproductive harm,^{11,23,24} such as formaldehyde, acetaldehyde, lead, nickel, chromium, arsenic, and toluene;^{24,25}
- Electronic smoking device aerosol is not harmless water vapor as it contains varying concentrations of particles and chemicals with some studies finding particle sizes and nicotine concentrations similar to, or even exceeding, conventional cigarette smoke;^{24, 26-28}
- Evidence continues to build that exposure to electronic smoking device aerosol, including secondhand exposure, has immediate impacts on the human respiratory and cardiovascular systems, and poses a risk to human health;^{24,26,28-34}

- Given the increasing prevalence of electronic smoking device use, especially among youth and young adults, widespread nicotine exposure resulting in addiction and other harmful consequences serious concerns;^{24,26,35,36} and;

WHEREAS, secondhand cannabis smoke has been identified as a health hazard, as evidenced by the following:

- The California Environmental Protection Agency includes cannabis smoke on the Proposition 65 list of chemicals known to the state of California to cause cancer;^{11,37}
- Cannabis smoke contains at least 33 known carcinogens;³⁷
- In one study, exposure to cannabis smoke in an unventilated setting resulted in detectable levels of cannabinoids in non-smoker participants' blood and urine, and participants experienced minor increases in heart rate and impaired cognitive performance;³⁸
- A recent systematic review of the literature concluded that secondhand exposure to cannabis smoke leads to cannabinoid metabolites in bodily fluids and individuals experiencing self-reported psychoactive effects;³⁹ and;

WHEREAS, laws restricting the use of tobacco products have recognizable benefits to public health and can reduce medical costs; these outcomes, consistently demonstrated in peer-reviewed research, include the following:

- Reduced prevalence of tobacco use;^{40,41}
- Reduced secondhand smoke exposure, as measured by self-report and laboratory analysis of biomarkers or indoor air;⁴⁰⁻⁴³
- Increased cessation of tobacco use;^{40,41}
- Reduced initiation of tobacco use among young people;⁴⁰
- Fewer hospitalizations from tobacco-related diseases, such as asthma and cardiovascular disease;^{40,41,44} and
- An estimated annual savings rate in the U.S. of \$148,000 to \$409,000 (2011 U.S. dollars) per 100,000 people in averted secondhand smoke-related healthcare costs;⁴⁰ and;

WHEREAS, smokeless tobacco and electronic smoking devices are not safe alternatives to smoking and carry their own risks for death and disease, as evidenced by the following:

- Smokeless tobacco use can lead to nicotine addiction;^{2,45}
- Smokeless tobacco use causes oral, esophageal, and pancreatic cancers;^{2,45,46}
- Smokeless tobacco use is associated with increased risk for heart disease and stroke,⁴⁶⁻⁴⁸ and stillbirth and preterm delivery;^{49,50} and;

WHEREAS, tobacco waste is a major, consequential, and persistent source of litter, as evidenced by the following:

- The roughly 6.3 trillion cigarettes smoked globally each year result in 300 billion packs that produce almost 2 million tons of waste paper, cellophane, foil, and glue as well as trillions of butts littered across roadways, sidewalks, parks, and other green spaces;^{51,52}
- Both tobacco industry and peer-reviewed research found that most smokers admit littering their cigarette butts,^{53,54} for example, one study found 74.1% of smokers admitted littering cigarette butts at least once in their life and 55.7% admitted to littering them in the past month;⁵⁴
- In an observational study of nearly 10,000 individuals, 65% of smokers disposed of their cigarette butts as litter;⁵⁴
- Cigarette butts are perennially the most common form of litter collected during cleanup programs worldwide,^{53,56} for example, in 2018, cigarette butts made up nearly 16% of all litter collected through cleanup programs in the U.S. (809,538 out of 5,106,515 items);⁵⁶
- Cigarette butts are often cast onto sidewalks and streets, and frequently end up in storm drains that flow into streams, rivers, bays, lagoons, and ultimately the ocean;⁵¹
- Non-cigarette forms of tobacco waste, such as plastic cigar tips and little cigar wrappers, also significantly contribute to litter;⁵⁷⁻⁵⁹
- Waste from electronic smoking devices has become a recognized and growing form of litter.^{58,60,61} For example, a recent study among twelve high schools in the San Francisco Bay Area found that electronic cigarette waste made up nearly 20% (172 of 893 items) of all tobacco or cannabis product waste found on school property with the largest amount (152 items) and highest percentage (39.4%) of electronic cigarette waste observed at upper income schools;⁵⁸ and
- As of August 2019, the U.S. Environmental Protection Agency recognizes nicotine-containing electronic smoking devices as acute hazardous waste when disposed;⁶² and;

WHEREAS, cigarette butts, smokeless tobacco, and electronic smoking devices pose a health threat of poisoning to young children, as evidenced by the following:

- In 2018, American poison control centers logged nearly 13,000 cases involving exposure to cigarettes, cigarette butts, electronic smoking devices, or other tobacco products, and of these, more than 10,000 (79.0%) occurred in children aged 5 years and younger;⁶³
- Among the 10,266 cases of nicotine and tobacco product exposure recorded in 2018 among children 5 years of age and younger by American poison control centers, 50.3% involved cigarettes, 18.4% involved electronic smoking devices, and 8.0% involved other tobacco products;⁶³
- The annual number of electronic cigarette exposure cases among children less than 5 years of age reported to American poison control centers increased from 10 in 2010 to 1,835 in 2018, a 14,015% increase;⁶⁴ and;

- Children who ingest tobacco products can experience vomiting, nausea, lethargy, and gagging,⁶⁵ with e-liquids potentially posing a greater risk of toxicity or fatality through either ingestion or transdermal absorption;⁶⁶ and;

WHEREAS, California cities and counties have the legal authority to adopt local laws that prohibit all tobacco use indoors and outdoors in areas not already covered by state law;⁷¹ and;

WHEREAS, state law prohibits smoking within 25 feet of playgrounds and lots as well as within 20 feet of public (state, county, city, or community college district) buildings, among other locations, and expressly authorizes local communities to enact additional restrictions;⁷²⁻⁷⁴ and;

WHEREAS, there is broad public recognition of the dangers of secondhand smoke and support for smoke-free air laws, as evidenced by the following:

- A 2017 survey of California adults found that an overwhelming majority agree that secondhand smoke causes cancer and 82.1% agree that aerosol and vapor from electronic smoking devices are harmful;⁷⁵
- A 2018 survey of California adults found widespread public agreement that smoking should not be allowed at public beaches (78%);⁷ and
- In a 2015 survey of California voters, 70% supported prohibiting electronic smoking device use where smoking is prohibited;⁷⁶ and;

WHEREAS, as of January 2019, there are more than 235 California cities and counties with outdoor secondhand smoke ordinances;⁷ and;

WHEREAS, as of April 1, 2020, more than 140 local jurisdictions in California prohibit the use of electronic smoking devices in specific locations;⁷⁷ and;

WHEREAS, as of October 2017, there are more than 210 California municipalities with local laws restricting smoking in parks,⁷⁸ 64 with local laws restricting smoking at beaches,⁷⁹ 104 with local laws restricting smoking in all bar patio and outdoor dining places,⁸⁰ and 112 with local laws restricting smoking at outdoor public transit waiting areas;⁸¹ and;

NOW THEREFORE, it is the intent of the City Council of Gridley, in enacting this ordinance, to provide for the public health, safety, and welfare by discouraging the inherently dangerous behavior of smoking, tobacco, and nicotine use around non-tobacco and non-nicotine users, especially children; by protecting the public from exposure to secondhand smoke where they live, work, and play; by reducing the potential for children to wrongly associate of smoking, tobacco, and nicotine use with a healthy lifestyle; and by affirming and promoting a healthy environment in the City.

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SECTION II. Chapter 8.25 is hereby added to Title 8 of the Gridley Municipal Code to read as follows:

Sec. [(*1)]. DEFINITIONS.

For the purposes of this Chapter the following definitions shall govern unless the context clearly requires otherwise:

- (A) “Cannabis” has the meaning set forth in California Business and Professions Code Section 26001, as that section may be amended from time to time.
- (B) “Electronic smoking device” means any device that may be used to deliver any aerosolized or vaporized substance to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen, or e-hookah.
- (C) “Park” means any public place, whether publicly or privately owned, within the City, established as a recreational park and/or playground, or as trails, or otherwise as deemed within the jurisdiction of the Recreation Services department of the City.
- (D) “Person” means any natural person, business, corporation, partnership, cooperative association, personal representative, receiver, trustee, assignee, or any other legal entity.
- (E) “Smoke” or “Smoking” means:
 - (1) inhaling, exhaling, or burning, any tobacco, nicotine, cannabis, or plant product, whether natural or synthetic.

- (2) carrying any lighted, heated, or activated tobacco, nicotine, cannabis, or plant product, whether natural or synthetic, intended for inhalation; or
- (3) using an electronic smoking device or hookah.

(P) "Tobacco product" means:

- a) any product that is made from or derived from tobacco, or that contains nicotine, that is intended for human consumption or is likely to be consumed, whether inhaled, absorbed, or ingested by any other means, including but not limited to, a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus;
- b) any electronic smoking device and any substances that may be aerosolized or vaporized by such device, whether or not the substance contains nicotine; or
- c) any component, part, or accessory of (1) or (2), whether or not any of these contains tobacco or nicotine, including but not limited to filters, rolling papers, blunt or hemp wraps, hookahs, mouthpieces, and pipes.

"Tobacco product" does not include drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in the Federal Food, Drug, and Cosmetic Act.

(Q) "Tobacco product waste" means any component, part, or remnant of any tobacco product. Tobacco product waste includes any waste that is produced from the use of a tobacco product, including all tobacco product packaging and incidental waste such as lighters or matches, whether or not it contains tobacco or nicotine.

Sec. [(*2)]. PROHIBITION OF SMOKING IN PARKS.

Smoking is prohibited in all parks within the City.

- (A) Nothing in this chapter prohibits any person or employer with control over any property from prohibiting smoking on any part of such property, even if smoking is not otherwise prohibited in that area.
- (B) It is not a violation of this chapter to use tobacco as part of a Native American spiritual or cultural ceremony. Approval from city administration must be requested and received prior to the ceremony, and the ceremony must be conducted in compliance with pertinent laws and regulations.

Sec. [(*3)]. SMOKE-FREE BUFFER ZONES.

Smoking shall be prohibited within twenty-five (25) feet from any area in which smoking is prohibited under Sec. [(*2)] of this chapter or by any other law.

Sec. [(*4)]. TOBACCO WASTE.

- (A) No person or employer shall permit smoking ash receptacles within an area under their control and in which smoking is prohibited by law, including within twenty-five (25) feet from any area in which smoking is prohibited. The presence of smoking ash receptacles

in violation of this subsection shall not be a defense to a charge of smoking, tobacco, or nicotine use in violation of any provision of this chapter.

- (B) No person shall dispose of tobacco product waste within the boundaries of an area in which smoking is prohibited.

Sec. [(*5)]. ENFORCEMENT.

No person shall permit or engage in smoking in any area that is under the control of that person and in which smoking is prohibited by this article or any other law.

- (A) A person that has control of an area in which smoking is prohibited by this chapter shall post a clear, conspicuous, and unambiguous “No Smoking” sign at each entrance to the area, and in at least one other conspicuous point within the area. The signs shall have letters of no less than one inch in height and shall include the international “No Smoking” symbol as well as the “No Vaping”/“No E-Cigarette” symbol. Signs posted on the exterior of buildings to comply with this section shall include the 25-foot distance requirement set forth in Sec. [(*3)]. The presence or absence of signs shall not be a defense to a charge of smoking, tobacco, or nicotine use in violation of any other provision of this chapter.
- (B) City staff and volunteers will be notified about the requirements of this chapter through the employee manual.
- (C) City staff will communicate the requirements of this chapter to public event organizers. City staff will also make periodic observations of parks and other City property covered by this chapter to monitor for compliance. Anyone found by City staff to be violating this chapter will be reminded of its requirements and asked to comply before being subject to ejection from the property.
- (D) A person that has control of an area in which smoking is prohibited by this chapter shall direct anyone who is smoking in violation of this chapter to extinguish the product being smoked [or stop using the tobacco product]. If they do not stop smoking, the person that has control of the area shall refuse any service and shall immediately ask them to leave the property. If the ejection is from a public event, it shall be for the duration of the public event.
- (E) No person shall intimidate, threaten any reprisal, or effect any reprisal, for the purpose of retaliating against another person who seeks to attain compliance with this chapter.
- (F) The Director or their designee shall conduct an ongoing educational program to explain and clarify the purposes and requirements of this chapter, as well as to provide guidance to persons or employers about compliance. Lack of receiving or participating in such education program shall not be a defense to a violation of this chapter.

Sec. [(*6)]. VIOLATIONS AND PENALTIES.

- (A) A first refusal to comply with a request from a City employee, or otherwise the person that has control of an area in which smoking is prohibited, to cease a violation of this

chapter may be subject to a written warning. Subsequent refusal shall result in a penalty of [fifty dollar (\$50)] for each refusal. Violations of Sec. [(*6)(e)] may result in such further penalties as considered just and equitable.

- (B) A person that has control of an area in which smoking is prohibited by this chapter and that fails to comply with this chapter shall be guilty of an administrative fine punishable by:
 - (1) A fine not exceeding one hundred dollars (\$100) for a first violation.
 - (2) A fine not exceeding one hundred and fifty dollars (\$150) for a second violation within one year.
 - (3) A fine not exceeding two hundred and fifty dollars (\$250) for each additional violation within one year.
- (C) Any violation of this chapter is hereby declared to be a public nuisance.
- (D) Any violation of this chapter may be remedied by a civil action brought by the City Attorney, including, but not limited to, administrative or judicial nuisance abatement proceedings, civil code enforcement proceedings, and suits for injunctive relief.
- (E) Each instance of smoking in violation of this chapter shall constitute a separate violation.
- (F) The remedies provided by this chapter are cumulative and in addition to any other remedies available at law or in equity.

SECTION III. STATUTORY CONSTRUCTION & SEVERABILITY.

It is the intent of the City Council of the City of Gridley to supplement applicable state and federal law and not to duplicate or contradict such law and this ordinance shall be construed consistently with that intention. If any section, subsection, subdivision, paragraph, sentence, clause, or phrase of this ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases of this ordinance, or its application to any other person or circumstance. The City Council of the City of Gridley declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause, or phrase independently, even if any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses, or phrases were declared invalid or unenforceable.

SECTION IV. ENACTMENT

This ordinance shall be effective thirty (30) days from the date of the second reading of the ordinance.

I HEREBY CERTIFY that the foregoing text amendments to Title 8 were introduced, by reading of title only, at a regular meeting of the City Council of the City of Gridley, California, held on the

15th day of August 2022, and the second reading and adoption by reading of title only at the regular City Council meeting of the City of Gridley held on the 6th day of September 2022, by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ATTEST:

Cliff Wagner, City Clerk

Bruce Johnson, Mayor

APPROVED AS TO FORM:

Anthony Galyean, City Attorney

City Council Agenda Item #7
Staff Report

Date: August 15, 2022

To: Mayor and City Council

From: City Administrator Cliff Wagner

Subject: Resolution No. 2022-R-030: A Resolution of the City Council of the City of Gridley Accepting a Report of Weed Abatement Costs and Assessing Liens on Affected Parcels for Said Costs

X	Regular
	Special
	Closed
	Emergency

Recommendation

City staff respectfully requests the Mayor and City Council approve Resolution No. 2022-R-XXX

Background

In accordance with the Gridley Municipal Code (GMC) Section 8.08, notices to Destroy Weeds and Remove Rubbish, Refuse and Dirt were mailed on June 13, 2022, to property owners of all properties that were found to be in violation of GMC Section 8.06.

All properties were re-inspected beginning July 5, 2022. While most owners complied with the notice to abate, four owners did not, and the City proceeded with the abatement of the properties in non-compliance. The owners were billed for the costs of the abatement with bills being sent out July 25th, 2022. At this time no payments have been received. Although the City will continue to pursue collection on outstanding invoices, a lien will be placed on the remaining properties in Attachment "A" listed on Resolution No. 2022-R-030.

Financial Impact

Ensuring collection of costs related to fire safety weed abatement charges is consistent with the Council's commitment to sound financial management practices.

Compliance with City Council Strategic Plan or Budget Goals

This recommendation is consistent with our ongoing effort to be responsive and transparent regarding all business transactions and financial matters.

Attachments

Resolution No. 2022-R-030(with Attachment "A")

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRIDLEY
ACCEPTING A REPORT OF WEED ABATEMENT COSTS AND ASSESSING LIENS ON AFFECTED PARCELS FOR SAID
COSTS**

WHEREAS, Chapter 8.08 of the Gridley Municipal Code prescribes the process for abatement of weeds which constitute a public nuisance (Government Code 54988 (a) (1) & Gov 25845), *and*

WHEREAS, pursuant to Section 8.08.020 weeds located on various parcels in the City were declared a public nuisance, the respective parcel owners were duly noticed to abate the nuisances and the requisite public hearing was conducted by the City Council, *and*

WHEREAS, most noticed property owners have complied with the order to abate their weeds; however, several did not so comply and the City Public Works Department has subsequently abated the nuisance existing on these parcels, *and*

WHEREAS, Section 8.06.100 of the Gridley Municipal Code requires that an itemized report illustrating the cost of abatement for each parcel shall be levied against the respective parcels as a special assessment and a lien attaches to each such parcel, and

WHEREAS, Section 1.09.210 of the Gridley Municipal Code allows any administrative penalty costs to be levied against the respective parcels as a special assessment and a lien attaches to each such parcel.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the City Council of the City of Gridley that the attached report of costs for abating weeds on various parcels, Attachment "A", is confirmed and that a lien be attached to the parcels listed thereon.

BE IT FURTHERED RESOLVED that the weed abatement costs assessable to various parcels shall be forwarded to the Butte County Tax Assessor for inclusion on the tax bills of the parcels so indebted, and collected as are all regular county taxes.

I HEREBY CERTIFY that the foregoing resolution of the City Council of the City of Gridley was duly introduced, passed and adopted at a regular meeting of the City Council of the City of Gridley held on the 15th day of August 2022 by the following vote:

AYES: COUNCILMEMBERS

NOES: COUNCILMEMBERS

ABSTAIN: COUNCILMEMBERS

ABSENT: COUNCILMEMBERS

ATTEST:

APPROVE:

Cliff Wagner, City Administrator

Bruce Johnson, Mayor

Vacant field Biggs Gridley Rd. / Peach

Abatement completed 7/20/22

Mike Clayton	3.5 hours @ \$36.37 per hr.	\$127.30
Mike Little	3.5 hours @ \$48.27 per hr.	\$168.95
Humberto Ramos	3.5 hours @ \$27.73 per hr.	\$ 97.05
Carlos Chavez	3.5 hours @ \$19.42 per hr.	\$ 67.97
Juan Orozco	3.5 hours @ \$19.42 per hr.	\$ 67.97
Jerry Cox	1.0 hour @ \$74.34 per hr.	\$ 74.34

Total = \$603.58

Equipment used

Backhoe	3.5 hours @ \$60.00 per hr.	\$210.00
Bobtail	3.5 hours @ \$60.00 per hr.	\$210.00
Tractor flail mower	3.5 hours @ \$60.00 per hr.	\$210.00
Water wagon	3.5 hours @ \$60.00 per hr.	\$210.00
Weed eater X 3	3.5 hours @ \$20.00 per hr. ea.	\$210.00
Mower	3.5 hours @ \$20.00	\$ 70.00
Chain saw	3.5 hours @ \$20.00	\$ 70.00

Total = \$1190.00

Grand total = \$1793.58





1398 Hwy 99

Abatement completed 7/19/22

Mike Clayton	2.5 hours @ \$36.37 per hr.	\$ 90.93
Humberto Ramos	2.5 hours @ \$27.73 per hr.	\$ 69.33
Carlos Chavez	2.5 hours @ \$19.42 per hr.	\$ 48.55
Juan Orozco	2.5 hours @ \$19.52 per hr.	\$ 48.55
Jerry Cox	1 hour @ \$74.34 per hr.	\$ 74.34

Total = \$331.70

Equipment used

Backhoe	2.5 hours @ \$60.00 per hr.	\$150.00
Bobtail	2.5 hours @ \$60.00 per hr.	\$150.00
Water wagon	2.5 hours @ \$60.00 per hr.	\$150.00
Weed eater X 3	2.5 hours @ \$20.00 per hr. ea.	\$150.00
Mower	2.5 hours @ \$20.00 per hr.	\$ 50.00
Chain saw	2.5 hours @ \$20.00 per hr.	\$ 50.00

Total = \$700.00

Grand Total = \$1031.70





110 Virginia St.

Abatement completed 7/19/22

Mike Clayton	2.5 hours @ \$36.37 per hr.	\$ 90.93
Humberto Ramos	2.5 hours @ \$27.73 per hr.	\$ 69.33
Carlos Chavez	2.5 hours @ \$19.42 per hr.	\$ 48.55
Juan Orozco	2.5 hours @ \$19.42 per hr.	\$ 48.55
Jerry Cox	1 hour @ \$74.34 per hr.	\$ 74.34

Total = \$331.70

Equipment used

1 ton dump	2.5 hours @ \$35.00 per hr.	\$ 87.50
Weed eater X 3	2.5 hours @ \$20.00 per hr. ea.	\$ 50.00
Mower	2.5 hours @ \$20.00 per hr.	\$ 50.00

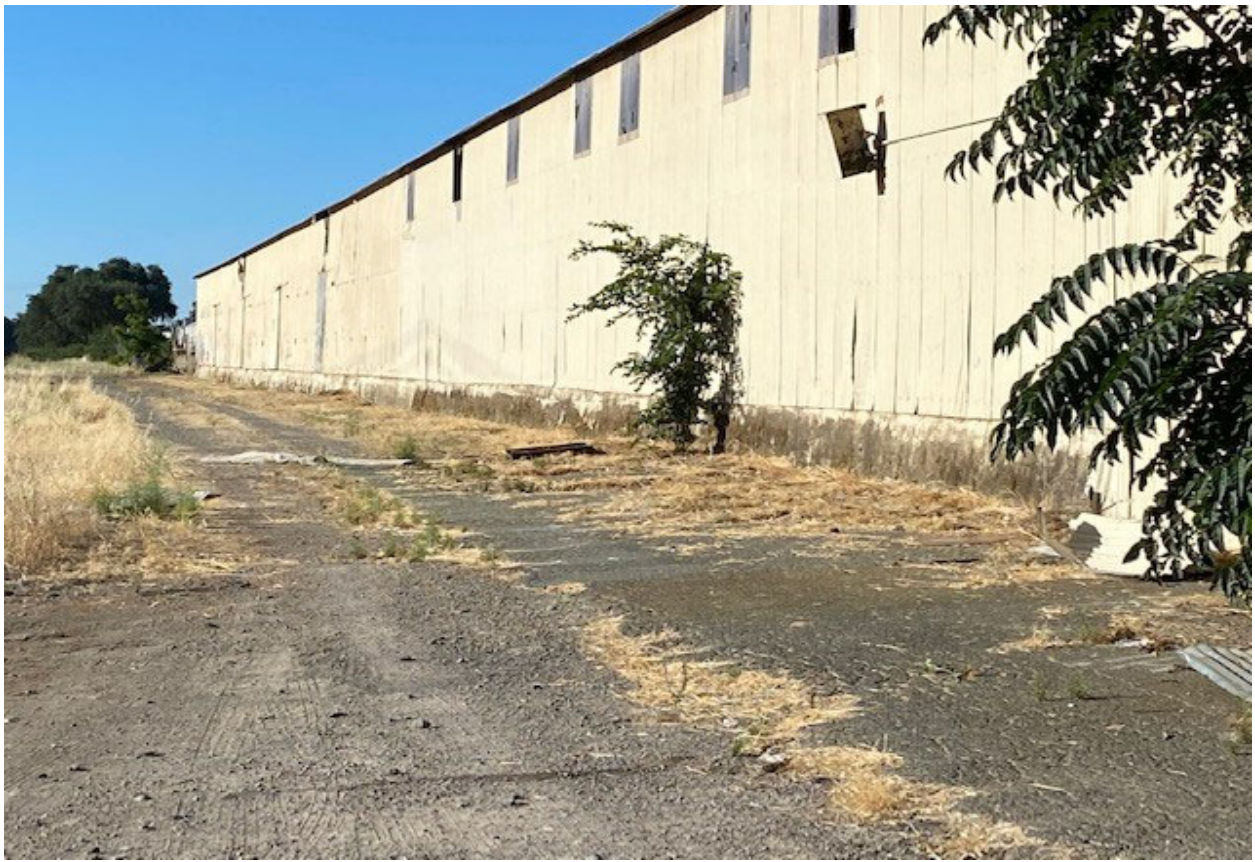
Total = \$187.50

Grand total = \$519.20









Lot North of 150 Haskell

Abatement Completed 7/19/22

Mike Clayton	3 hours @ \$36.37 per hr.	\$109.11
Humberto Ramos	3 hours @ \$27.73 per hr.	\$ 83.19
Carlos Chavez	3 hours @ \$19.42 per hr.	\$ 58.26
Juan Orozco	3 hours @ \$19.42 per hr.	\$ 58.26
Jerry Cox	3 hours @ \$74.34 per hr.	\$ 74.34

Total = \$383.16

Backhoe	3 hours @ \$60.00 per hr.	\$180.00
Bob tail	3 hours @ \$60.00 per hr.	\$180.00
Weed eater X 3	3 hours @ \$20.00 per hr. ea.	\$ 180.00
Mower	3 hours @ \$20.00 per hr.	\$ 60.00
Leaf blower	3 hours @ \$20.00 per hr.	\$ 60.00

Total = \$660.00

Grand total = \$1043.16







City Council Agenda Item #8
Staff Report

Date: August 15, 2022
To: Mayor and City Council
From: Finance Director, Elisa Arteaga

x	Regular
	Special
	Closed
	Emergency

Subject: Senior Taxi and Transportation Fund Audits on behalf of BCAG

Recommendation

Staff respectfully requests that the Mayor and City Council review and accept the financial audits for the City of Gridley Senior Taxi Fund and for the City of Gridley Transportation Development Act Funds as prepared for Butte County Association of Governments (BCAG) for FY 19-20 and 20-21.

Background

Enclosed are the separate financial audits prepared for the Butte County Association of Governments for City of Gridley activity related to TDA funds for FY 19-20 and FY 20-21.

BCAG is responsible for tracking the use of these funds countywide and the Transportation Development Act (TDA) regulations require that an annual financial audit be completed on these funds. BCAG contracted with a third-party audit firm Richardson & Co. LLP, to complete the audits, including two separate audits for City of Gridley operations. Audits have been completed annually for the Senior Taxi – dial-a-ride and separately for the funds used for street maintenance CIP Pavement Program. The notable historical finding was to the need to create an internal process to recorded prior audit adjustments as part of annual year end closing processes. By adding this process of recording the audit adjustments made during the TDA audit and reconciling accordingly will allow the general ledger to be consistent with how the funds are recorded during financial audits. This recommendation has been implemented as closing process. All audits are currently up to date, copies of the audits for FY 2019-2020, 2020-2021 audit reports are included for your review.

The city has recently submitted to BCAG the estimated expenditure plan approximately \$113,762 for transit service and for the street paving capital projects \$257,026. The total projection for all TDA related activities was \$370,788 for FY 2022-2023.

The city did experience a significant decrease in ridership activity during the COVID-19 pandemic, however after review of recent ridership logs there has been a steady increase. TDA regulations require that ticket sales support at least 10% of the cost of service. With the recent increase, we are working towards promoting the door-to-door service to continue increasing use of the transit service.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions.

Attachments

Senior Taxi and Transportation (TDA) Audit Reports for FY 19-20 and 20-21

**CITY OF GRIDLEY
SENIOR TAXI FUND**

Audited Financial Statements
and Compliance Report

June 30, 2020

CITY OF GRIDLEY
Senior Taxi Fund

Audited Financial Statements
and Compliance Report

June 30, 2020

Audited Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Gridley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Senior Taxi Fund (the Fund) of the City of Gridley (the City), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Senior Taxi Fund of the City of Gridley as of June 30, 2020 and 2019, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council
City of Gridley, California

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Senior Taxi Fund of the City of Gridley and do not purport to, and do not, present fairly the financial position of the City of Gridley as of June 30, 2020 and 2019, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2021 on our consideration of the City's internal control over financial reporting related to the Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richardson & Company, LLP

April 6, 2021

CITY OF GRIDLEY
SENIOR TAXI FUND

BALANCE SHEETS

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS AND DEFERED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and investments	\$ 175,142	\$ 56,260
Interest receivable	193	306
TOTAL CURRENT ASSETS	<u>175,335</u>	<u>56,566</u>
Capital assets, depreciable, net	26,542	33,177
TOTAL ASSETS	<u>201,877</u>	<u>89,743</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	<u>51,932</u>	<u>54,535</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 253,809</u>	<u>\$ 144,278</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 6,184	\$ 3,022
Compensated absences - current	4,714	4,400
Due to other City funds	145,061	3,297
TOTAL CURRENT LIABILITIES	<u>155,959</u>	<u>10,719</u>
NONCURRENT LIABILITIES		
Compensated absences - noncurrent	14,030	6,046
Net pension liability	217,424	210,670
TOTAL NON-CURRENT LIABILITIES	<u>231,454</u>	<u>216,716</u>
TOTAL LIABILITIES	<u>387,413</u>	<u>227,435</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plan	<u>20,261</u>	<u>22,016</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>407,674</u>	<u>249,451</u>
NET POSITION		
Investment in capital assets	26,542	33,177
Deficit	(180,407)	(138,350)
TOTAL NET POSITION	<u>(153,865)</u>	<u>(105,173)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 253,809</u>	<u>\$ 144,278</u>

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

CITY OF GRIDLEY
SENIOR TAXI FUND

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

For the Years Ended June 30, 2020 and 2019

	2020	2019
OPERATING REVENUES		
Passenger fares	\$ 7,556	\$ 15,838
TOTAL OPERATING REVENUES	7,556	15,838
OPERATING EXPENSES		
Salaries and benefits	111,262	111,903
Administrative	24,127	8,657
Fuel	3,973	4,753
Maintenance	2,362	2,670
Insurance	1,605	1,512
Special department expense	1,691	3
Communications	1,486	1,385
Professional	140	620
Office		497
Depreciation	6,635	6,635
TOTAL OPERATING EXPENSES	153,281	138,635
NET LOSS FROM OPERATIONS	(145,725)	(122,797)
NONOPERATING REVENUES (EXPENSES)		
State Transit Assistance	87,418	
Taxi subsidy	7,837	5,781
Interest	1,196	1,325
Local Transportation Fund	385	100,200
State of Good Repair	197	
Other		(712)
TOTAL NONOPERATING REVENUES	97,033	106,594
CHANGE IN NET POSITION	(48,692)	(16,203)
Net position, beginning of year	(105,173)	(88,970)
NET POSITION, END OF YEAR	<u>\$ (153,865)</u>	<u>\$ (105,173)</u>

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

CITY OF GRIDLEY
SENIOR TAXI FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 7,556	\$ 15,838
Cash paid to suppliers for goods and services	(32,222)	(21,609)
Cash paid to employees for services	(95,362)	(102,401)
NET CASH USED FOR OPERATING ACTIVITIES	(120,028)	(108,172)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,309	1,244
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,309	1,244
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Taxi subsidy received	7,837	5,781
Cash received from other funds	141,764	(26,703)
Contributions from other governments	88,000	102,087
Other nonoperating (expenses)		(712)
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	237,601	80,453
NET CHANGE IN CASH AND CASH EQUIVALENTS	118,882	(26,475)
Cash and cash equivalents, beginning of year	56,260	82,735
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 175,142</u>	<u>\$ 56,260</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES		
Net loss from operations	\$ (145,725)	\$ (122,797)
Adjustments to reconcile net loss from operations to net cash used for operating activities		
Depreciation	6,635	6,635
Change in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	3,162	(1,512)
Deferred outflows/inflows of resources	848	11,995
Compensated absences	8,298	2,045
Net pension liability	6,754	(4,538)
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (120,028)</u>	<u>\$ (108,172)</u>

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

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A – ORGANIZATION

The City of Gridley (the City) receives funds under the provision of the Transportation Development Act (TDA) from the Butte County Local Transportation Fund (LTF) under Article 4, Section 99260(a) and 99402 and State Transit Assistance (STA) under California Code of Regulations Section 6720(a). The STA funds are to be used for public transportation services only. The LTF funds are to be used to support the transportation systems as defined in the TDA. State of Good Repair Fund are available for the purchase of new vehicles and the maintenance and rehabilitation of transit facilities and vehicles. The City operates the Gridley Golden Feather Flyer which provides fixed route and dial-a-ride transportation service for seniors and the disabled. The Senior Taxi Fund is used to account for these TDA funds received by the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Senior Taxi Fund (the Fund) of the City have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the Fund. The Fund is included in the financial statements of the City.

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The City utilizes the enterprise fund type of the proprietary fund group to account for the activities of the Fund.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Net position is segregated into the net investment in capital assets, amounts restricted and amounts unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is used by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. TDA revenues are recognized when all eligibility requirements have been met.

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 Fund are fees received from passengers for transportation services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Cash Equivalents: For purposes of reporting cash flows, cash and cash equivalents is defined as those amounts included in the balance sheet caption "Cash and cash equivalents" and consist of amounts held in the City's cash and investments pool, which is available upon demand.

Short-term Interfund Receivables/Payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020 and 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

other City funds” and “due from other City funds” on the balance sheet. The amount reported as due to other funds at June 30, 2020 represents streets and roads revenue recorded in the Transit Fund. The amount is due to the City’s Transportation Development Act Fund.

Capital Assets: Capital assets are stated at cost. Provision is made for depreciation of the vehicle by the straight-line method over the estimated useful life of the asset, which is 5 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. It is the policy of the City to capitalize asset acquisitions with an individual cost greater than \$10,000.

Compensated Absences: Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. In addition, those employees who have reached the age of retirement may cash out sick leave upon retirement. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or and inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the City’s pension plan as described in Note F.

Restricted Net Position: Restrictions of net position are amounts that are legally restricted for specific uses under the Transportation Development Act or other outside agencies. The Senior Taxi Fund had no restricted net position as of June 30, 2020 and 2019.

Use of Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE C – CASH AND INVESTMENTS

The Fund’s cash is held in the City Treasury. The City maintains cash and investments in the State of California’s Local Agency Investment Fund (LAIF) and other money market funds and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City Treasury are available on demand to the Fund and are stated at cost, which approximates fair value. The City’s investment policy, interest rate risk and credit risk may be found in the notes to the City’s basic financial statements.

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020 and 2019

NOTE D – CAPITAL ASSETS

Capital asset activity for the years ended June 30 was as follows:

	Balance at July 1, 2019	Additions	Retirements	Balance at June 30, 2020
Capital assets, being depreciated:				
Vehicle	\$ 46,447			\$ 46,447
Accumulated depreciation	(13,270)	\$ (6,635)		(19,905)
Capital assets, net	<u>\$ 33,177</u>	<u>\$ (6,635)</u>	<u>\$ -</u>	<u>\$ 26,542</u>
	Balance at July 1, 2018	Additions	Retirements	Balance at June 30, 2019
Less accumulated depreciation for:				
Vehicle	\$ 46,447			\$ 46,447
Accumulated depreciation	(6,635)	\$ (6,635)		(13,270)
Capital assets, net	<u>\$ 39,812</u>	<u>\$ (6,635)</u>	<u>\$ -</u>	<u>\$ 33,177</u>

NOTE E – LONG TERM LIABILITIES

Changes in long-term liabilities consisted of the following for the years ended June 30:

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 10,446	\$ 8,298		\$ 18,744	\$ 4,714
Net pension liability	210,670	6,754		217,424	
	<u>\$ 221,116</u>	<u>\$ 15,052</u>	<u>\$ -</u>	<u>\$ 236,168</u>	<u>\$ 4,714</u>
	Restated Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Compensated absences	\$ 8,401	\$ 2,045		\$ 10,446	\$ 4,400
Net pension liability	215,208		\$ (4,538)	210,670	
	<u>\$ 223,609</u>	<u>\$ 2,045</u>	<u>\$ (4,538)</u>	<u>\$ 221,116</u>	<u>\$ 4,400</u>

NOTE F – PENSION LIABILITY

The City participates in a cost-sharing defined benefit pension plan with CalPERS consisting of the following risk pools and a number of rate plans: Safety Risk Pool (Police and Fire) and the Miscellaneous Risk Pool for all other City employees. Information is available about the City's pension plan in the City's financial statements. The Senior Taxi Fund employees are included in the Miscellaneous Risk Pool. However, the actuarial valuation for the City's participation in the Miscellaneous Risk Pool received from CalPERS does not separately disclose information that is required to be reported under GASB 68 and 71 for the Senior Taxi Fund. The pension liability reported in the

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2020 and 2019

NOTE F – PENSION LIABILITY (Continued)

Senior Taxi Fund represents a proportional share of the pension liability of the City's participation in the Miscellaneous Risk Pool as a whole based on a proportional share of cash basis employer contributions paid on behalf of the Senior Taxi Fund employees compared to all non-Safety City employees. The deferred outflows of resources, net pension liability, deferred inflows of resources and pension expense related to the Senior Taxi Fund were \$51,932, \$217,424, \$20,261, and \$14,784 respectively, as of and for the year ended June 30, 2020, and \$54,535, \$210,670, \$22,016, and \$22,044 respectively as of and for the year ended June 30, 2019. Pension expense was reported as part of salaries and benefits expenses.

NOTE G – FARE REVENUE RATIO

The City is required to maintain a fare revenue to operating expense ratio of 10.00% in accordance with Section 99268.5 of the Transportation Development Act. The fare revenue to operating expenses ratio for the City is calculated as follows for the years ended June 30:

	2020	2019
Fare revenues	\$ 7,556	\$ 15,838
Local support: taxi subsidy	7,837	5,781
Local funds: interest	1,196	1,325
	<u>16,589</u>	<u>22,944</u>
Operating expenses	153,281	138,635
Less allowable exclusions:		
Depreciation and amortization	<u>(6,635)</u>	<u>(6,635)</u>
Net operating expenses	<u>\$ 146,646</u>	<u>\$ 132,000</u>
Actual fare revenue ratio	<u>11.31%</u>	<u>17.38%</u>
Required fare revenue ratio	<u>10.00%</u>	<u>10.00%</u>

The City met the minimum required fare revenue ratio during the years ending June 30, 2020 and 2019.

NOTE H – CONCENTRATIONS

The Fund receives a substantial amount of its support from a statewide retail sales tax from the LTF and diesel sales tax from the STA created by the Transportation Development Act. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Fund's activities.

NOTE I – CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the citizens of the City, all of which are uncertain and cannot be predicted. At this point, the full extent to which COVID-19 may impact the financial condition or results of operations is uncertain. Possible effects could be a loss or reduction of revenue sources.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
City of Gridley, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Senior Taxi Fund (the Fund) of the City of Gridley (the City), as of and for the years ended June 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Fund's financial statements, and have issued our report thereon dated April 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Fund'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 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 have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the Fund were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. 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 performing our tests disclosed an instance of noncompliance that is required to be reported under *Governmental Auditing Standards* or the TDA that is described in the accompanying schedule of findings and responses as finding 2020-002.

To the City Council
City of Gridley, California

The City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on it.

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* and the TDA in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Richardson & Company, LLP

April 6, 2021

CITY OF GRIDLEY
SENIOR TAXI FUND

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2020 and 2019

CURRENT YEAR FINDINGS:

INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING 2020-001 – Material Weakness

Criteria: Internal controls over financial reporting should be in place to ensure management has the ability to initiate, record, process and report financial data consistently with the assertions of management in the financial statements.

Condition: The City did not record audit adjustments made during the June 30, 2019 and prior audits causing the net position to not rollforward correctly.

Effect: Audit adjustments were required to report the City's financial statements in accordance with Generally Accepted Accounting Principles.

Cause: The City did not record audit adjustments.

Recommendation: We recommend the City record all audit adjustments made during the TDA audit so the general ledger is consistent with how the fund is reported in the audited financial statements.

Management's Response: The City will record all future audit adjustments during the TDA audit so that the general ledger is consistent with how the fund is reported in the audited financial statements.

COMPLIANCE

FINDING 2020-002

Criteria: Public Utility Code (PUC) Section 99314.6 requires transit operators to include a calculation of compliance with operating criteria (change in expenses incurred compared to the change in the Consumer Price Index) in its claim if State Transit Assistance (STA) is claimed for operating purposes.

Condition: The City claimed STA Funds for operating purposes, but did not include a computation of compliance with operating criteria in its claim.

Effect: The City was not in compliance with PUC Section 99314.6.

Cause: The operating criteria calculation was not prepared and submitted with the City's claim.

Recommendation: The City should include a calculation of the City's compliance with PUC Section 99314.6 in its claim if STA is claimed for operations.

Management's Response: Management will strive to submit claims with all required information.

PRIOR YEAR FINDINGS:

INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING 2019-001 – Material Weakness

Current Status: Finding 2020-001 is a continuation of Finding 2019-001.

**CITY OF GRIDLEY
SENIOR TAXI FUND**

Audited Financial Statements
and Compliance Report

June 30, 2021

CITY OF GRIDLEY
Senior Taxi Fund

Audited Financial Statements
and Compliance Report

June 30, 2021

Audited Financial Statements

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Compliance Report

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Gridley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Senior Taxi Fund (the Fund) of the City of Gridley (the City), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Senior Taxi Fund of the City of Gridley as of June 30, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council
City of Gridley, California

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Senior Taxi Fund of the City of Gridley and do not purport to, and do not, present fairly the financial position of the City of Gridley as of June 30, 2021 and 2020, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

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 financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2022 on our consideration of the City's internal control over financial reporting related to the Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richardson & Company, LLP

March 31, 2022

CITY OF GRIDLEY
SENIOR TAXI FUND

BALANCE SHEETS

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
ASSETS		
Cash and investments	\$ 376,546	\$ 175,142
Interest receivable		193
TOTAL CURRENT ASSETS	<u>376,546</u>	<u>175,335</u>
Capital assets, depreciable, net	19,906	26,542
TOTAL ASSETS	<u>396,452</u>	<u>201,877</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	<u>50,977</u>	<u>51,932</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 447,429</u>	<u>\$ 253,809</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,645	\$ 6,184
Compensated absences - current	6,229	4,714
Due to other City funds	329,029	145,061
TOTAL CURRENT LIABILITIES	<u>338,903</u>	<u>155,959</u>
NONCURRENT LIABILITIES		
Compensated absences - noncurrent	24,402	14,030
Net pension liability	221,599	217,424
TOTAL NON-CURRENT LIABILITIES	<u>246,001</u>	<u>231,454</u>
TOTAL LIABILITIES	<u>584,904</u>	<u>387,413</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plan	<u>16,402</u>	<u>20,261</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>601,306</u>	<u>407,674</u>
NET POSITION		
Investment in capital assets	19,906	26,542
Deficit	(173,783)	(180,407)
TOTAL NET POSITION	<u>(153,877)</u>	<u>(153,865)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 447,429</u>	<u>\$ 253,809</u>

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

CITY OF GRIDLEY
SENIOR TAXI FUND

STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION

For the Years Ended June 30, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Passenger fares	\$ 4,322	\$ 7,556
TOTAL OPERATING REVENUES	4,322	7,556
OPERATING EXPENSES		
Salaries and benefits	91,702	111,262
Administrative		24,127
Fuel	2,769	3,973
Maintenance	482	2,362
Insurance		1,605
Special department expense	113	1,691
Communications	906	1,486
Professional	440	140
Depreciation	6,636	6,635
TOTAL OPERATING EXPENSES	103,048	153,281
NET LOSS FROM OPERATIONS	(98,726)	(145,725)
NONOPERATING REVENUES (EXPENSES)		
State Transit Assistance	86,000	87,418
Taxi subsidy	1,986	7,837
Interest	1,228	1,196
Local Transportation Fund	9,500	385
State of Good Repair		197
TOTAL NONOPERATING REVENUES	98,714	97,033
CHANGE IN NET POSITION	(12)	(48,692)
Net position, beginning of year	(153,865)	(105,173)
NET POSITION, END OF YEAR	<u>\$ (153,877)</u>	<u>\$ (153,865)</u>

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

CITY OF GRIDLEY
SENIOR TAXI FUND

STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 4,322	\$ 7,556
Cash paid to suppliers for goods and services	(7,249)	(32,222)
Cash paid to employees for services	(78,544)	(95,362)
NET CASH USED FOR OPERATING ACTIVITIES	(81,471)	(120,028)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	1,421	1,309
NET CASH PROVIDED BY INVESTING ACTIVITIES	1,421	1,309
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Taxi subsidy received	1,986	7,837
Cash received from other funds	183,968	141,764
Contributions from other governments	95,500	88,000
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	281,454	237,601
NET CHANGE IN CASH AND CASH EQUIVALENTS	201,404	118,882
Cash and cash equivalents, beginning of year	175,142	56,260
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 376,546</u>	<u>\$ 175,142</u>
RECONCILIATION OF NET LOSS FROM OPERATIONS TO NET CASH USED FOR OPERATING ACTIVITIES		
Net loss from operations	\$ (98,726)	\$ (145,725)
Adjustments to reconcile net loss from operations to net cash used for operating activities		
Depreciation	6,636	6,635
Change in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Accounts payable and accrued liabilities	(2,539)	3,162
Deferred outflows/inflows of resources	(2,904)	848
Compensated absences	11,887	8,298
Net pension liability	4,175	6,754
NET CASH USED FOR OPERATING ACTIVITIES	<u>\$ (81,471)</u>	<u>\$ (120,028)</u>

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

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE A – ORGANIZATION

The City of Gridley (the City) receives funds under the provision of the Transportation Development Act (TDA) from the Butte County Local Transportation Fund (LTF) under Article 4, Section 99260(a) and 99402 and State Transit Assistance (STA) under California Code of Regulations Section 6720(a). The STA funds are to be used for public transportation services only. The LTF funds are to be used to support the transportation systems as defined in the TDA. State of Good Repair Fund are available for the purchase of new vehicles and the maintenance and rehabilitation of transit facilities and vehicles. The City operates the Gridley Golden Feather Flyer which provides fixed route and dial-a-ride transportation service for seniors and the disabled. The Senior Taxi Fund is used to account for these TDA funds received by the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Senior Taxi Fund (the Fund) of the City have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the Fund. The Fund is included in the financial statements of the City.

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity. The City utilizes the enterprise fund type of the proprietary fund group to account for the activities of the Fund.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities and deferred inflows of resources associated with the operation of these funds are included on the balance sheet. Net position is segregated into the net investment in capital assets, amounts restricted and amounts unrestricted. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is used by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. TDA revenues are recognized when all eligibility requirements have been met.

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 Fund are fees received from passengers for transportation services. Operating expenses for enterprise funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

Cash and Cash Equivalents: For purposes of reporting cash flows, cash and cash equivalents is defined as those amounts included in the balance sheet caption "Cash and cash equivalents" and consist of amounts held in the City's cash and investments pool, which is available upon demand.

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term Interfund Receivables/Payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due to other City funds” and “due from other City funds” on the balance sheet. The amount reported as due to other funds at June 30, 2020 represents streets and roads revenue recorded in the Transit Fund. The amount is due to the City’s Transportation Development Act Fund.

Capital Assets: Capital assets are stated at cost. Provision is made for depreciation of the vehicle by the straight-line method over the estimated useful life of the asset, which is 5 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets. It is the policy of the City to capitalize asset acquisitions with an individual cost greater than \$10,000.

Compensated Absences: Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. In addition, those employees who have reached the age of retirement may cash out sick leave upon retirement. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or and inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the City’s pension plan as described in Note F.

Restricted Net Position: Restrictions of net position are amounts that are legally restricted for specific uses under the Transportation Development Act or other outside agencies. The Senior Taxi Fund had no restricted net position as of June 30, 2021 and 2020.

Use of Estimates: The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE C – CASH AND INVESTMENTS

The Fund’s cash is held in the City Treasury. The City maintains cash and investments in the State of California’s Local Agency Investment Fund (LAIF) and other money market funds and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City Treasury are available on demand to the Fund and are stated at cost, which approximates fair value. The City’s investment policy, interest rate risk and credit risk may be found in the notes to the City’s basic financial statements.

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE D – CAPITAL ASSETS

Capital asset activity for the years ended June 30 was as follows:

	Balance at July 1, 2020	Additions	Retirements	Balance at June 30, 2021
Capital assets, being depreciated:				
Vehicle	\$ 46,447			\$ 46,447
Accumulated depreciation	(19,905)	\$ (6,636)		(26,541)
Capital assets, net	<u>\$ 26,542</u>	<u>\$ (6,636)</u>	<u>\$ -</u>	<u>\$ 19,906</u>
	Balance at July 1, 2019	Additions	Retirements	Balance at June 30, 2020
Less accumulated depreciation for:				
Vehicle	\$ 46,447			\$ 46,447
Accumulated depreciation	(13,270)	\$ (6,635)		(19,905)
Capital assets, net	<u>\$ 33,177</u>	<u>\$ (6,635)</u>	<u>\$ -</u>	<u>\$ 26,542</u>

NOTE E – LONG TERM LIABILITIES

Changes in long-term liabilities consisted of the following for the years ended June 30:

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year
Compensated absences	\$ 18,744	\$ 11,887		\$ 30,631	\$ 6,229
Net pension liability	217,424	4,175		221,599	
	<u>\$ 236,168</u>	<u>\$ 16,062</u>	<u>\$ -</u>	<u>\$ 252,230</u>	<u>\$ 6,229</u>
	Restated Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year
Compensated absences	\$ 10,446	\$ 8,298		\$ 18,744	\$ 4,714
Net pension liability	210,670	6,754		217,424	
	<u>\$ 221,116</u>	<u>\$ 15,052</u>	<u>\$ -</u>	<u>\$ 236,168</u>	<u>\$ 4,714</u>

NOTE F – PENSION LIABILITY

The City participates in a cost-sharing defined benefit pension plan with CalPERS consisting of the following risk pools and a number of rate plans: Safety Risk Pool (Police and Fire) and the Miscellaneous Risk Pool for all other City employees. Information is available about the City's pension plan in the City's financial statements. The Senior Taxi Fund employees are included in the Miscellaneous Risk Pool. However, the actuarial valuation for the City's participation in the Miscellaneous Risk Pool received from CalPERS does not separately disclose information

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE F – PENSION LIABILITY (Continued)

that is required to be reported under GASB 68 and 71 for the Senior Taxi Fund. The pension liability reported in the Senior Taxi Fund represents a proportional share of the pension liability of the City's participation in the Miscellaneous Risk Pool as a whole based on a proportional share of cash basis employer contributions paid on behalf of the Senior Taxi Fund employees compared to all non-Safety City employees. The deferred outflows of resources, net pension liability, deferred inflows of resources and pension expense related to the Senior Taxi Fund were \$50,977, \$221,599, \$16,402, and \$14,496 respectively, as of and for the year ended June 30, 2021, and \$51,932, \$217,424, \$20,261, and \$14,784 respectively as of and for the year ended June 30, 2020. Pension expense was reported as part of salaries and benefits expenses.

NOTE G – FARE REVENUE RATIO

The City is required to maintain a fare revenue to operating expense ratio of 10.00% in accordance with Section 99268.5 of the Transportation Development Act. The fare revenue to operating expenses ratio for the City is calculated as follows for the years ended June 30:

	2021	2020
Fare revenues	\$ 4,322	\$ 7,556
Local support: taxi subsidy	1,986	7,837
Local funds: interest	1,228	1,196
	<u>7,536</u>	<u>16,589</u>
Operating expenses	103,048	153,281
Less allowable exclusions:		
Depreciation and amortization	<u>(6,635)</u>	<u>(6,635)</u>
Net operating expenses	<u>\$ 96,413</u>	<u>\$ 146,646</u>
Actual fare revenue ratio	<u>7.82%</u>	<u>11.31%</u>
Required fare revenue ratio	<u>10.00%</u>	<u>10.00%</u>

The City met the minimum required fare revenue ratio during the years ending June 30, 2020, however for the year ending June 30, 2021, the City was not in compliance with the required minimum fare ratio due to the COVID-19 pandemic. TDA Regulation stipulates that the first year a transit operator does not meet its required minimum fare revenue ratio is a grace year and TDA allocations could be reduced in future years if it does not comply with the required minimum ration during the future years. However, due to the pandemic, the California Assembly passed AB 90 on June of 2020 which provides an exemption to the TDA minimum farebox requirement through fiscal year 2020/21. In July of 2021, AB 149 was passed that extended the farebox requirement exemption through fiscal year 2022/23.

NOTE H – CONCENTRATIONS

The Fund receives a substantial amount of its support from a statewide retail sales tax from the LTF and diesel sales tax from the STA created by the Transportation Development Act. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Fund's activities.

CITY OF GRIDLEY
SENIOR TAXI FUND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2021 and 2020

NOTE 1 – CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the citizens of the City, all of which are uncertain and cannot be predicted. At this point, the full extent to which COVID-19 may impact the financial condition or results of operations is uncertain. Possible effects could be a loss or reduction of revenue sources.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
City of Gridley, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Senior Taxi Fund (the Fund) of the City of Gridley (the City), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Fund's financial statements, and have issued our report thereon dated March 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Fund'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 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 have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as finding 2021-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of 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 statement amounts. Our audit was further made to determine that Transportation Development Act (TDA) Funds allocated and received by the Fund were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6667 of the California Code of Regulations. 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 performing our tests disclosed an instance of noncompliance that is required to be reported under *Governmental Auditing Standards* or the TDA that is described in the accompanying schedule of findings and responses as finding 2021-002.

To the City Council
City of Gridley, California

The City's Response to Findings

The City's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion on it.

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* and the TDA in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose

Richardson & Company, LLP

March 31, 2022

CITY OF GRIDLEY
SENIOR TAXI FUND

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2021 and 2020

CURRENT YEAR FINDINGS:

INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING 2021-001 – Material Weakness

Criteria: Internal controls over financial reporting should be in place to ensure management has the ability to initiate, record, process and report financial data consistently with the assertions of management in the financial statements.

Condition: The City did not record audit adjustments made during the June 30, 2020 and prior audits causing the net position to not rollforward correctly.

Effect: Audit adjustments were required to report the City's financial statements in accordance with Generally Accepted Accounting Principles.

Cause: The City did not record audit adjustments.

Recommendation: We recommend the City record all audit adjustments made during the TDA audit so the general ledger is consistent with how the fund is reported in the audited financial statements.

Management's Response: The City will record all future audit adjustments during the TDA audit so that the general ledger is consistent with how the fund is reported in the audited financial statements.

COMPLIANCE

FINDING 2021-002

Criteria: Public Utility Code (PUC) Section 99314.6 requires transit operators to include a calculation of compliance with operating criteria (change in expenses incurred compared to the change in the Consumer Price Index) in its claim if State Transit Assistance (STA) is claimed for operating purposes.

Condition: The City claimed STA Funds for operating purposes, but did not include a computation of compliance with operating criteria in its claim.

Effect: The City was not in compliance with PUC Section 99314.6.

Cause: The operating criteria calculation was not prepared and submitted with the City's claim.

Recommendation: The City should include a calculation of the City's compliance with PUC Section 99314.6 in its claim if STA is claimed for operations.

Management's Response: Management will strive to submit claims with all required information.

PRIOR YEAR FINDINGS:

INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING 2020-001 and 2019-001 – Material Weakness

Current Status: Finding 2021-001 is a continuation of Findings 2020-001 and 2019-001.

FINDING 2020-002

Current Status: Finding 2021-002 is a continuation of Finding 2020-002.

CITY OF GRIDLEY
TRANSPORATION DEVELOPMENT ACT FUND

Audited Financial Statements
and Compliance Report

June 30, 2020

CITY OF GRIDLEY
TRANSPORATION DEVELOPMENT ACT FUND

Audited Financial Statements
and Compliance Report

June 30, 2020 and 2019

Audited Financial Statements

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Compliance Report

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> and the Transportation Development Act	8
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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Gridley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Transportation Development Act Fund (the Fund) of the City of Gridley (the City), as of and for years ended June 30, 2020 and 2019, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Transportation Development Act Fund of the City of Gridley as of June 30, 2020 and 2019, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council
City of Gridley, California

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Transportation Development Act Fund of the City of Gridley and do not purport to, and do not, present fairly the financial position of the City of Gridley as of June 30, 2020 and 2019, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 6, 2021 on our consideration of the City's internal control over financial reporting related to the Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richardson & Company, LLP

April 6, 2021

CITY OF GRIDLEY
TRANSPORATION DEVELOPMENT ACT FUND

BALANCE SHEETS

June 30, 2020 and 2019

	2020	2019
ASSETS		
Cash and investments	\$ 280,464	\$ 596,428
Interest receivable	677	33
Due from other governments	35,755	
Due from other funds	145,061	3,297
	<u>461,957</u>	<u>599,758</u>
TOTAL ASSETS	<u>\$ 461,957</u>	<u>\$ 599,758</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 68	\$ 178
	<u>68</u>	<u>178</u>
TOTAL LIABILITIES	<u>68</u>	<u>178</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	<u>35,755</u>	
FUND BALANCE		
Restricted for streets and roads projects	426,134	599,580
	<u>426,134</u>	<u>599,580</u>
TOTAL FUND BALANCE	<u>426,134</u>	<u>599,580</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 461,957</u>	<u>\$ 599,758</u>

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

CITY OF GRIDLEY
TRANSPORATION DEVELOPMENT ACT FUND

STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2020 and 2019

	2020	2019
REVENUES		
Local Transportation Funds:		
Transit services		\$ 23,281
Streets and roads	\$ 141,764	127,265
Interest	5,304	1,295
TOTAL REVENUES	147,068	151,841
EXPENDITURES		
Transit administration		23,281
Streets and roads	320,514	106,717
TOTAL EXPENDITURES	320,514	129,998
NET CHANGE IN FUND BALANCE	(173,446)	21,843
Fund balance at beginning of year	599,580	577,737
FUND BALANCE AT END OF YEAR	\$ 426,134	\$ 599,580

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

CITY OF GRIDLEY
TRANSPORTATION DEVELOPMENT ACT FUND

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A – ORGANIZATION

The City of Gridley (the City) receives funds under the provisions of the Transportation Development Act (TDA) from the Butte County Local Transportation Fund (LTF) under Article 8, Sections 99400(a) or 99402. The City received State Transit Assistance Fund (STAF) under Article 4, Section 6731(b) through June 30, 2019; however, Butte Regional Transit began to claim STA directly during the year ending June 30, 2020. The funds represent amounts available after the determination by the Butte County Association of Governments (BCAG), the transportation planning agency administering TDA funds, of amounts needed to meet the unmet transportation needs of the City not otherwise being met. The City's Article 8, LTF funds are to be used for local street and road projects. The STA Funds are to be used for public transit purposes only. The City contracts for bus services through BCAG's transit fund, Butte Regional Transit (BRT).

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Transportation Development Act Fund of the City (the Fund) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the Fund. The Transportation Development Act Fund is included in the financial statements of the City.

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity.

The City utilizes the special revenue fund type of the governmental fund group to account for the activities of the Fund, which is accounted for in the City's SB325 Fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. A special revenue fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by special revenue funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is generally 60 days. LTF and STAF revenues are recognized when all eligibility requirements have been met and the amounts are received within 60 days. Revenues that do not meet this availability period are recorded as deferred inflows of resources. Expenditures are recorded when the related fund liability is incurred.

When both restricted and non-restricted type resources are available for use, it is the City's policy to use restricted resources first, then non-restricted resources as they are needed.

Short-term Interfund Receivables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to other funds" and "due from other funds" on the balance sheet. The "due from other funds" at June 30, 2020 represents streets and roads revenue recorded in the Senior Taxi Fund.

CITY OF GRIDLEY
TRANSPORTATION DEVELOPMENT ACT FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2020 and 2019

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or and inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent TDA revenue received after the City's 60-day availability period.

Fund Balance: Restrictions of fund balance represent amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation. The restrictions of fund balance are according to the provisions of the Transportation Development Act and the purpose of each restriction is indicated by the account title on the face of the balance sheets.

NOTE C – CASH AND INVESTMENTS

The Fund's cash is held in the City Treasury. The City maintains cash and investments in the State of California's Local Agency Investment Fund (LAIF) and other money market funds and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City's cash accounts are available on demand to the Fund and are stated at cost, which approximates fair value. The City's investment policy, interest rate risk and credit risk may be found in the notes to the City's basic financial statements.

NOTE D – DUE FROM OTHER GOVERNMENTS

Due from other government consisted of the following at June 30, 2020:

Transportation Development Act:	
Local Transportation Fund	
Fiscal year 2019/2020	\$ 35,755
	<hr/>
Total due from other governments	\$ 35,755
	<hr/>

NOTE E – FARE REVENUE RATIO

Transit operators are required to maintain a fare revenue to operating expenses ratio in order to be eligible for TDA funding. Since the City contracts with the BRT for its transit services, no fare revenues are recorded in the City's 2020 TDA Fund financial statements. A fare revenue ratio is calculated for BRT in the BCAG audited financial statements.

NOTE F – CONCENTRATIONS

The Fund receives a substantial amount of its support from a statewide retail sales tax from the LTF, which was created by the Transportation Development Act. A significant reduction in the level of this support, if this were to occur, may have a significant affect on the Fund's activities.

CITY OF GRIDLEY
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2020 and 2019

NOTE G – CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the citizens of the City, all of which are uncertain and cannot be predicted. At this point, the full extent to which COVID-19 may impact the financial condition or results of operations is uncertain. Possible effects could be a loss or reduction of revenue sources.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
City of Gridley, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Fund of the City of Gridley as of and for the year ended June 30, 2020, and the related notes to the financial statements and have issued our report thereon dated April 6, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 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 have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Our audit was further made to determine that Transportation Development Act (TDA) funds allocated to and received by the City were expended in conformance with the applicable statutes, rules and regulations of the TDA and Sections 6666 and 6667 of the California Code of Regulations. 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 that is required to be reported under *Government Auditing Standards* or the TDA.

To the City Council
City of Gridley, California

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* and the TDA in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

April 6, 2021

CITY OF GRIDLEY
TRANSPORTATION DEVELOPMENT ACT FUND

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2020

INTERNAL CONTROL OVER FINANCIAL REPORTING

CURRENT YEAR FINDINGS:

FINDING 2020-001 – Material Weakness

Criteria: Internal controls over financial reporting should be in place to ensure management has the ability to initiate, record, process and report financial data consistently with the assertions of management in the financial statements.

Condition: The City did not record audit adjustments made during the June 30, 2019 and prior audits causing the fund balance to not rollforward and recorded streets and roads revenue in the City's Senior Taxi Fund.

Effect: Audit adjustments were required to report the financial statements in accordance with generally accepted accounting principles.

Cause: The City did not update the TDA Fund for all activity that occurred during the year and did not consider the purpose of the TDA allocations during the closing process.

Recommendation: We recommend the City record audit adjustments made during the TDA audit and reconcile the purpose of TDA revenue claimed to the City's TDA claim so the general ledger is consistent with how the fund is reported in the audited financial statements.

Management's Response: The City will record all future audit adjustments during the TDA audit so that the general ledger is consistent with how the fund is reported in the audited financial statements.

PRIOR YEAR FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING 2019-001 – Material Weakness

Current Status: Finding 2020-001 is a continuation of Finding 2019-001.

CITY OF GRIDLEY
TRANSPORATION DEVELOPMENT ACT FUND
Audited Financial Statements
and Compliance Report
June 30, 2021

CITY OF GRIDLEY
TRANSPORATION DEVELOPMENT ACT FUND

Audited Financial Statements
and Compliance Report

June 30, 2021 and 2020

Audited Financial Statements

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Gridley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Transportation Development Act Fund (the Fund) of the City of Gridley (the City), as of and for years ended June 30, 2021 and 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Transportation Development Act Fund of the City of Gridley as of June 30, 2021 and 2020, and the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

To the City Council
City of Gridley, California

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Transportation Development Act Fund of the City of Gridley and do not purport to, and do not, present fairly the financial position of the City of Gridley as of June 30, 2021 and 2020, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 on our consideration of the City's internal control over financial reporting related to the Fund and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richardson & Company, LLP

January 31, 2022

CITY OF GRIDLEY
TRANSPORATION DEVELOPMENT ACT FUND

BALANCE SHEETS

June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and investments		\$ 280,464
Interest receivable		677
Due from other governments		35,755
Due from other funds	\$ 156,353	<u>145,061</u>
TOTAL ASSETS	<u>\$ 156,353</u>	<u>\$ 461,957</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 30,791	\$ 68
TOTAL LIABILITIES	<u>30,791</u>	<u>68</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		<u>35,755</u>
FUND BALANCE		
Restricted for streets and roads projects	125,562	426,134
TOTAL FUND BALANCE	<u>125,562</u>	<u>426,134</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 156,353</u>	<u>\$ 461,957</u>

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

CITY OF GRIDLEY
TRANSPORATION DEVELOPMENT ACT FUND

STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE

For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
REVENUES		
Local Transportation Funds:		
Streets and roads	\$ 183,968	\$ 141,764
Interest	<u>(1,589)</u>	<u>5,304</u>
TOTAL REVENUES	<u>182,379</u>	<u>147,068</u>
EXPENDITURES		
Streets and roads	<u>482,951</u>	<u>320,514</u>
TOTAL EXPENDITURES	<u>482,951</u>	<u>320,514</u>
NET CHANGE IN FUND BALANCE	(300,572)	(173,446)
Fund balance at beginning of year	<u>426,134</u>	<u>599,580</u>
FUND BALANCE AT END OF YEAR	<u>\$ 125,562</u>	<u>\$ 426,134</u>

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

CITY OF GRIDLEY
TRANSPORTATION DEVELOPMENT ACT FUND

NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

NOTE A – ORGANIZATION

The City of Gridley (the City) receives funds under the provisions of the Transportation Development Act (TDA) from the Butte County Local Transportation Fund (LTF) under Article 8, Sections 99400(a). The funds represent amounts available after the determination by the Butte County Association of Governments (BCAG), the transportation planning agency administering TDA funds, of amounts needed to meet the unmet transportation needs of the City not otherwise being met. The City's Article 8, LTF funds are to be used for local street and road projects, and projects provided for use by pedestrian and bicycles. The City contracts for bus services through BCAG's transit fund, Butte Regional Transit (BRT), and BRT claims Article 4 LTF and State Transit Assistance funds directly to support the transportation system.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Transportation Development Act Fund of the City (the Fund) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the Fund. The Transportation Development Act Fund is included in the financial statements of the City.

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity.

The City utilizes the special revenue fund type of the governmental fund group to account for the activities of the Fund, which is accounted for in the City's SB325 Fund. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for a specific purpose.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. A special revenue fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by special revenue funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is generally 60 days. LTF and STAF revenues are recognized when all eligibility requirements have been met and the amounts are received within 60 days. Revenues that do not meet this availability period are recorded as deferred inflows of resources. Expenditures are recorded when the related fund liability is incurred.

When both restricted and non-restricted type resources are available for use, it is the City's policy to use restricted resources first, then non-restricted resources as they are needed.

Short-term Interfund Receivables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due to other funds" and "due from other funds" on the balance sheet. The "due from other funds" at June 30, 2021 represents streets and roads revenue recorded in the Senior Taxi Fund.

CITY OF GRIDLEY
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2021 and 2020

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows of resources and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or and inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent TDA revenue received after the City's 60-day availability period.

Fund Balance: Restrictions of fund balance represent amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation. The restrictions of fund balance are according to the provisions of the Transportation Development Act and the purpose of each restriction is indicated by the account title on the face of the balance sheets.

NOTE C – CASH AND INVESTMENTS

The Fund's cash is held in the City Treasury. The City maintains cash and investments in the State of California's Local Agency Investment Fund (LAIF) and other money market funds and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City's cash accounts are available on demand to the Fund and are stated at cost, which approximates fair value. The City's investment policy, interest rate risk and credit risk may be found in the notes to the City's basic financial statements.

NOTE D – DUE FROM OTHER GOVERNMENTS

Due from other government consisted of the following at June 30:

	<u>2020</u>
Transportation Development Act:	
Local Transportation Fund	
Fiscal year 2019/2020	<u>\$ 35,755</u>
Total due from other governments	<u><u>\$ 35,755</u></u>

No amounts were due from other governments at June 30, 2021.

NOTE E – FARE REVENUE RATIO

Transit operators are required to maintain a fare revenue to operating expenses ratio in order to be eligible for TDA funding. Since the City contracts with the BRT for its transit services, no fare revenues are recorded in the City's 2021 and 2020 TDA Fund financial statements. A fare revenue ratio is calculated for BRT in the BCAG audited financial statements.

NOTE F – CONCENTRATIONS

The Fund receives a substantial amount of its support from a statewide retail sales tax from the LTF, which was created by the Transportation Development Act. A significant reduction in the level of this support, if this were to occur, may have a significant affect on the Fund's activities.

CITY OF GRIDLEY
TRANSPORTATION DEVELOPMENT ACT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2021 and 2020

NOTE G – CONTINGENCIES

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The extent of the impact of COVID-19 on the City's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impact on the citizens of the City, all of which are uncertain and cannot be predicted. At this point, the full extent to which COVID-19 may impact the financial condition or results of operations is uncertain. Possible effects could be a loss or reduction of revenue sources.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
City of Gridley, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Transportation Development Act Fund of the City of Gridley as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements and have issued our report thereon dated January 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Fund's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund'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 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 have not been identified. We identified a deficiency in internal control, described in the accompanying schedule of findings and responses as item 2020-001 that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Fund's financial statements are free of 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. Our audit was further made to determine that Transportation Development Act (TDA) funds allocated to and received by the City were expended in conformance with the applicable statutes, rules and regulations of the TDA and Sections 6666 and 6667 of the California Code of Regulations. 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 that is required to be reported under *Government Auditing Standards* or the TDA.

To the City Council
City of Gridley, California

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* and the TDA in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richardson & Company, LLP

January 31, 2022

CITY OF GRIDLEY
TRANSPORTATION DEVELOPMENT ACT FUND

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2021

INTERNAL CONTROL OVER FINANCIAL REPORTING

CURRENT YEAR FINDINGS:

FINDING 2021-001 – Material Weakness

Criteria: Internal controls over financial reporting should be in place to ensure management has the ability to initiate, record, process and report financial data consistently with the assertions of management in the financial statements.

Condition: The City did not record audit adjustments made during the June 30, 2020 and prior audits causing the fund balance to not rollforward and recorded streets and roads revenue in the City's Senior Taxi Fund.

Effect: Audit adjustments were required to report the financial statements in accordance with generally accepted accounting principles.

Cause: The City did not update the TDA Fund for all activity that occurred during the year and did not consider the purpose of the TDA allocations during the closing process.

Recommendation: We recommend the City record audit adjustments made during the TDA audit and reconcile the purpose of TDA revenue claimed to the City's TDA claim so the general ledger is consistent with how the fund is reported in the audited financial statements.

Management's Response: The City will record all future audit adjustments during the TDA audit so that the general ledger is consistent with how the fund is reported in the audited financial statements.

PRIOR YEAR FINDINGS

INTERNAL CONTROL OVER FINANCIAL REPORTING

FINDING 2020-001 – Material Weakness

Current Status: Finding 2021-001 is a continuation of Finding 2020-001.



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January 31, 2022

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This representation letter is provided in connection with your audit of the financial statements of TDA Fund of the City of Gridley (the Funds), which comprise the financial position of the Fund as of June 30, 2021 and 2020, and the changes in financial position for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of January 31, 2022, the following representations made to you during your audit.

Financial Statements

- 1) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds required by generally accepted accounting principles to be included in the financial reporting entity.
- 2) We acknowledge our responsibility 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.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) Significant assumptions we used in making accounting estimates are reasonable.
- 5) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 6) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 7) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements and we have not consulted a lawyer concerning litigation, claims, or assessments related to the Funds.
- 8) Guarantees, whether written or oral, under which the City is contingently liable, if any, have been properly recorded or disclosed.

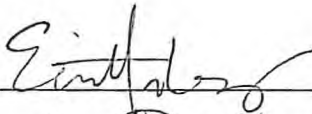
Information Provided


- 9) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d) Resolutions of the City Council affecting the Funds.
- 10) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 11) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a) Management,
 - b) Employees who have significant roles in internal control, or
 - c) Others where the fraud could have a material effect on the financial statements.
- 12) We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- 13) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.
- 14) We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- 15) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

Government—specific

- 16) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
 - 17) We have a process to track the status of audit findings and recommendations.
 - 18) We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
 - 19) The Fund has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
 - 20) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
-
- 21) There are no instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contract and grant agreements that we believe have a material effect on the financial statements.

- 22) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 23) As part of your audit, you assisted with preparation of the financial statements (including adjustments) and related notes. We acknowledge our responsibility as it relates to those non-audit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements (including adjustments) and related notes.
- 24) The City has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 25) The City complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 26) Components of fund balance and net position are properly classified and, if applicable, approved.
- 27) Investments are properly valued.
- 28) We have appropriately disclosed the City's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
- 29) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.

Signature: 
Title: Finance Director

Signature: 
Title: Administrator

City Council Agenda Item #9
Staff Report

Date: August 15, 2022
To: Mayor and City Council
From: Finance Director, Elisa Arteaga

x	Regular
	Special
	Closed
	Emergency

Subject: Acceptance of City Expenditure Reports for FY 19/20, FY 20/21 and 21/22

Recommendation

Staff respectfully requests that the Mayor and City Council review and accept the expenditures for FY 19/20, 20/21, and 21/22 and provide Finance Director direction as to the preference of future expenditure report submittals in consent calendars.

Background

As part of review of internal and processes, enclosed are city expenditures for FY 19/20, 20/21 and 21/22 for Councils information. Historically the expenditures were reported on a quarterly or in some cases annually for review along with the Treasurer's Report as an internal process. Finance staff has been reviewing the schedules and new format for upcoming Treasurer Reporting and will provide those reports for the fiscal years covering the attached reporting periods. However, moving forward in fiscal year 2022/2023 it is recommended Council review and consider whether the expenditure reports can be submitted for review monthly, quarterly, or annually per fiscal year. Allowing for the expenditures reported regularly allows for finance staff to respond to any inquiries City Council and the public may have contained in reports. Upon Council direction, the Finance Director will implement the process to provide the expenditure reports as recommended.

Finance staff has provided for review the expenditures for the fiscal years that during the transition from Corbin Willits Systems (MOMS) to the newly converted software ERP10 (Tyler).

Fiscal Impact

Reporting purposes only, all expenditures are per approved budgeted items.

Compliance with City Council Strategic Plan or Budget Goals

The City Council and City staff are committed to provide the best possible financial practices and the highest possible transparency regarding all financial transactions.

Attachments

Expenditure Summaries for FY 19/20, 20/21 and 21/22

To View a copy of the Expenditure
Summaries for FY 19/20, 20/21, 21/22

Please use the link below:

https://gridleyca-my.sharepoint.com/:b:/g/personal/csantana_gridley_ca_us/ET4xq9raJ8tDpRUdXa_4YHYBkQnABv1NuNVw478SLEIWBw?e=88cwwd