



# CITY OF PATTERSON, CALIFORNIA



## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2023





# **CITY OF PATTERSON**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
CITY OF PATTERSON, CALIFORNIA**

Prepared and Issued by  
Finance Department



**City of Patterson**  
**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2023**  
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# City of Patterson

1 Plaza  
P.O. Box 667  
Patterson, California 95363  
Phone (209) 895-8000

March 28, 2024

To the Honorable Mayor,  
Members of the City Council, and the  
Citizens of City of Patterson, California

We are pleased to present the City of Patterson's ("City") Annual Comprehensive Financial Report ("ACFR") for the year ended June 30, 2023. The information in this ACFR is prepared in accordance with Generally Accepted Accounting Principles ("GAAP") and included an unmodified opinion on the report by the City's independent certified accountants. Although we rely on the standards and expertise of these external auditors, the responsibility for the accuracy and fairness of this report rests with the City.

An overview of the City's financial activities for the fiscal year is discussed in the Management's Discussion and Analysis ("MD&A") section of the ACFR.

## **CITY PROFILE**

The City was incorporated in 1919 and is located in Stanislaus County, on Highway 33, along the Interstate 5 corridor, and is approximately 280 miles north of Los Angeles, 92 miles south of Sacramento, 89 miles southeast of San Francisco and 45 miles southeast of Livermore. The City has a permanent staffing level of 156 City employees and serves approximately 24,370 residents in a land area of 6.0 square miles.

The City operates utilizing the Council-Manager form of government. The Mayor and four Council members are elected for staggered two-year and four-year terms respectively to govern the City. The City recently went to District elections for Council members. The Mayor seat is still an at-large election. The City Council is responsible for establishing policies, adopting the annual budget, appointing commissions and committees, and hiring the City Manager and City Attorney. The City Manager is responsible for implementing the Council's policies, overseeing the day-to-day operations of the City, and appointing the directors of the various City's departments.

City Departments and areas of responsibility are comprised of the following:

General Government (Administration) includes staff and activities associated with the City Council, City Manager, City Clerk, City Attorney, Human Resources, Risk Management, Finance, Code Enforcement, and Information Technology.

Public Safety includes Stanislaus Sheriff which includes, Detectives, Communications, Patrol, Investigations and Traffic and Parking Enforcement divisions, as well as Fire with Emergency Services, Prevention Services and Advance Life Support Services (ALS).

Community Development includes Economic Development, Housing, and Planning.

Engineering includes Building, Capital Projects, and Engineering.

Public Works includes Wastewater, Garbage, Water, Streets and Park Maintenance, and other facility maintenance.

Parks and Recreation includes Community Services, Senior Center and Programs, Youth Programs, and Crossing Guards.

## **ECONOMIC CONDITION AND OUTLOOK**

The City continues to see strong economic growth over the last several years. As the economy resumes after the COVID-19 Pandemic, the City of Patterson remains focused on new business opportunities and residential growth, including amenities for our residents. Factors that will impact our economic strength are the online sales which, in some instances, do not provide the City with a “point-of-sale” taxable nexus. The City is still fortunate to have a more diverse revenue structure which can continue to benefit from Measure L; the ½ cents transaction and use tax over 25 years, SB1 revenue, new businesses such as the Loves Travel Center, Valero Gas Station, Grocery Outlet, Popeyes Chicken, and other interested businesses.

The City’s water, sewer, and garbage rates were approved in the last few years and will provide stable enterprise funding to provide a high level of infrastructure maintenance in these areas.

Our budget provides for a continuation of high levels of service, capital improvement projects provided by grants and Capital Facility fees, and continued funds to further improve the City and maintain public safety staffing, and new programs to enhance community quality of life for our City’s residents.

Several new businesses coming to Patterson include one new industrial Warehouse (1,000,000 sf), a 120,000 sf furniture manufacturing company, Dutch Bros Coffee, Old Water Office Restaurant, just to name a few. A new Javi’s restaurant was also recently opened in the Historic downtown core and is currently open for business. A new truck maintenance facility was recently added to the Loves Travel Center located in the business park. The 700,000 sf building in the Keystone Business Park is completed and has welcomed new tenants. Self-Help Enterprise is planning to start build out of the remainder of the Self Help homes. The Villages of Patterson Project have installed streets and underground facilities and have built numerous homes. To date approximately 700 new homes have been sold. Patterson Ranch has built approximately 250 affordable homes that fit into the middle-income affordable category.

The City received ARPA Funding in the amount of \$5.3 million total in FY 2022 to help City fund some of the operation and maintenance costs related to COVID-19 prevention and public safety related costs. It is also being used for various community incentives, such as, the RAD Card Program, which provides for 1:1 matching of funds up to \$100. Other uses included employee premium pay, Homeless Shelter assistance, IT upgrades, cyber security, aid to non-profit organizations, and aid to local small businesses mostly centered in our historic downtown.

The American Rescue Plan Act will be contributing to our General Fund. The city received \$5.3 million over a two-year period that will be used to help stimulate our economy and provide much needed economic stimulus and programming to assist businesses and our volunteer organizations.

Staff will continue providing services at current staffing levels, and will be adding several new positions, including an Assistant City Manager, Public Information Officer, and a Deputy Director of Engineering.

The city is fortunate that sales tax remains strong in FY 2023. The major contributing factor for our strong revenues is due to ongoing on-line sales, agricultural products sales, and a diverse business portfolio.

## **INTERNAL CONTROLS**

The management of the City is responsible for establishing and maintaining internal controls designated to ensure that the assets of the City are protected from loss, theft or misuse, and that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the stated framework. City management believes the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

## **BUDGETARY CONTROL**

As part of the City's internal controls, it maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. Annually, departments work with the City Manager and Finance Department to submit operating budget requests for the year. The City Manager then makes recommendations to the City Council regarding the budget. After public discussion and evaluations of their recommendations, the City Council adopts the budget for the fiscal year with or without modifications.

Expenditures are controlled at the fund level for all budgeted departments within the City. At this level, expenditures may not legally exceed appropriations. The City Manager or his designee is authorized to transfer funds between departments within the same fund, and limit expenditures in response to lower than expected revenues whenever necessary. The budgets are adopted on a basis substantially consistent with GAAP. Any amendment to the total level of appropriations for a fund or transfers between funds must be approved by the City Council.

## **MAJOR INITIATIVES AND PROJECTS**

As part of the budget preparation process, the City Council articulates goals and objectives for the next year and evaluates the progress made on the goals established as part of the previous budget. The following represent some of the most significant goals established for Fiscal Years 2022-2023 budget process:

- Continued progression of our Strategic Plan.
- Increase in project revenues through grants, Measure L, and SB1 for street maintenance, and infrastructure projects.
- Leverage technology to improve efficiency and service delivery.
- Continued application processes for grant opportunities to fund our Public Safety Center, the Sperry/I-5 Interchange expansion project, and the Centennial Park Community Center.
- Continue review and analysis of development and redevelopment activities including production of our Downtown revitalization Committee and Master plan and final design of our Wayfinding strategies.

Some of the specific projects underway in Fiscal Year 2022-2023 included the following:

- I-5 Interchange PS&E design and construction
- Patterson Public Safety Center
- Salado Creek Bike Trail Project
- Sperry Avenue Overlay
- Kinshire Street Rehabilitation - Design & construction Phase II
- WQCF Administration Building
- WWTP Phase-3A Expansion
- Rogers Road Bridge Replacement
- New Potable Well #14

New Commercial Development includes:

- Loves Travel Center
- Chipotle Restaurant
- Grocery Outlet
- Old Water Office Restaurant
- Dutch Bros. Coffee
- Oshi Teri Restaurant
- Popeye's Restaurant

New Residential Development included:

- Villages of Patterson will provide approximately 600 to 800 new homes over the next 5 years
- Baldwin Ranch is well underway and plans to provide 300 homes over the next 5 years.
- The Zacharias Annexation is in its final stages of approvals and will provide another 320 acres of industrial/Business Park Land and approximately another 5000 homes for the future growth of Patterson.

### **Acknowledgements**

This ACFR was prepared by the City's Finance Department staff. This report is representative of the staff's ongoing effort and commitment to provide excellent service to Patterson residents. Our Thank you is also extended to the independent auditor of The PUN Group, LLP for their review of this report and to the City Council for their stewardship and commitment to assist in ensuring the long-term fiscal health of the City.

Respectfully submitted,



Ken Irwin  
City Manager



**CITY OF PATTERSON**  
**Annual Comprehensive Financial Report**  
FISCAL YEAR  
2022 – 2023

**City Council**

**MAYOR**  
Michael Clauzel

**COUNCIL MEMBERS**  
Shivaugn Alves, District A  
Jessica Romero, District B  
Dominic Farinha, District C  
Carlos Roque, District D

**Executive Staff**

**Kenneth Irwin, City Manager**

**Aracely Alegre, City Clerk**

**Joshua Clayton, Chief of Police**

**Jeffery Gregory, Chief of Fire**

**Marie R, Guillory-Jones , Director of Human Resource**

**Michael Willett, Director of Public Works**

**Fernando Ulloa, Director of Engineering, Building & Capital Projects**

**Jennifer Riedeman, Director of Finance**

**Juliene Flanders, Recreation & Community Services Director**

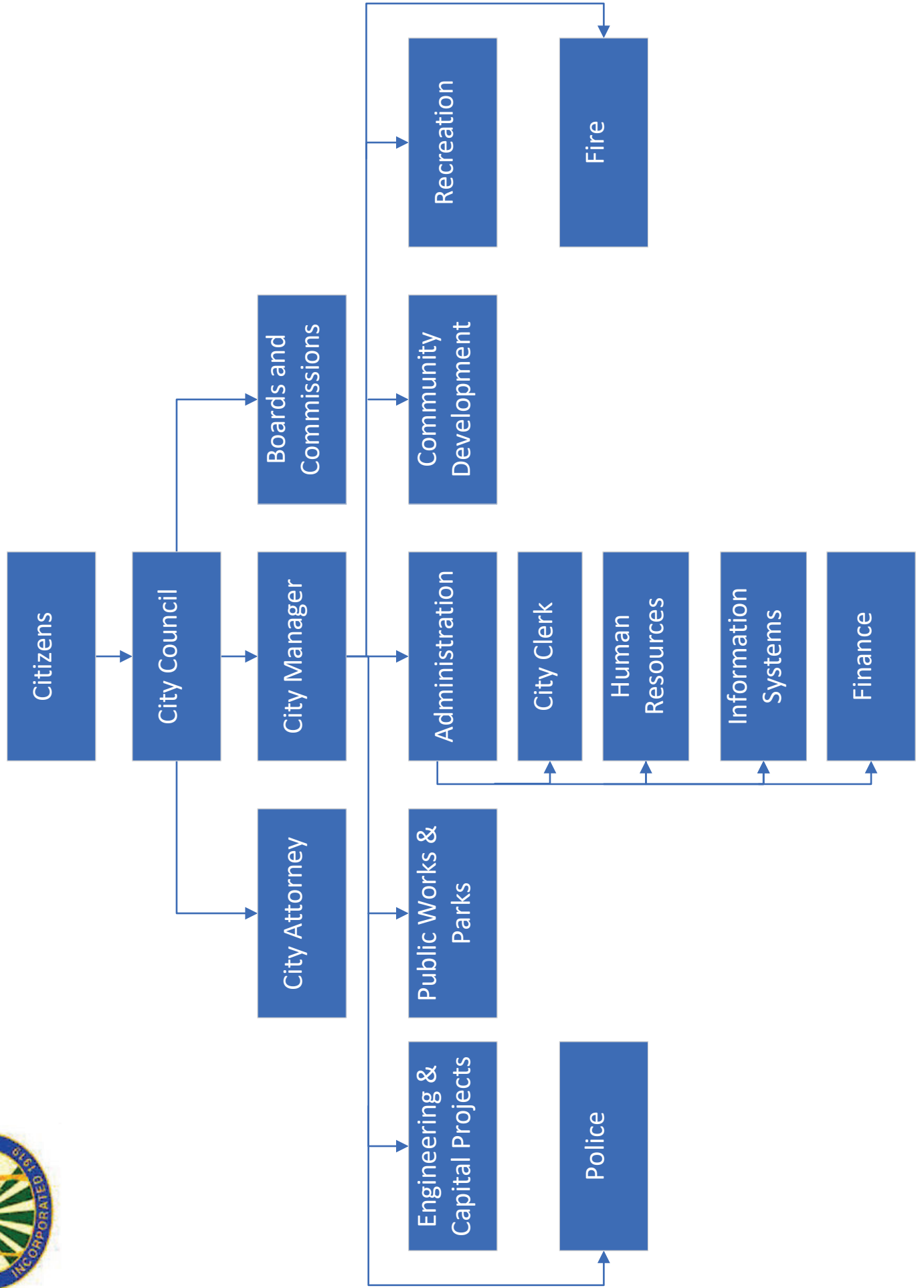
**Bryan Stice, Community Development Director**

**Nubia Goldstein, City Attorney**

**Douglas L. White, Deputy City Attorney**



# Organizational Chart





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Patterson  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO

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## INDEPENDENT AUDITORS' REPORT



To the Honorable Mayor and Members  
of the City Council of the City of Patterson  
Patterson, California

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Patterson, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Emphasis of Matter*

##### *Implementation of New GASB Pronouncements*

As discussed in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

##### *Correction of Error*

As discussed in Note 15, the City has restated its beginning net position/fund balance of the government-wide governmental activities, the governmental funds and the custodial funds, in order to correct an error in accounting for accounts receivable. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management’s Discussion, Analysis, the Budgetary Comparison Schedules – General Fund and Major Special Revenue Funds, the Schedule of Proportionate Share of the Net Pension Liability, the Schedules of Plan Contributions – Pension, and the Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of Plan Contributions – OPEB, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors’ report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

To the Honorable Mayor and Members  
of the City Council of the City of Patterson  
Patterson, California  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2024, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The Per Group, LLP". The signature is written in a cursive, flowing style.

Walnut Creek, California  
March 28, 2024

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2023**

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As management of the City of Patterson, California, (City) we offer readers of the City of Patterson's Annual Comprehensive Financial Report this narrative overview and analysis of the financial performance of the City for the year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's Annual Comprehensive Financial Report, which follows this discussion.

**Financial Highlights**

- **Changes in Net Position:** The government's total net position increased by 7.4% or \$9,441,430 from the prior year. Governmental activities increased by \$5,933,595 and business-type activities increased by \$3,507,835 at the end of the fiscal year. The increase in total net position is primarily due to an increase in capital grants and contributions in the amount of \$12,134,213.
- **Governmental Activities:** As of June 30, 2023, the City's governmental activities reported an ending net position of \$89,151,923, an increase of 7% primarily due to an increase in capital grants and contributions in the amount of \$6,058,947 and \$1,524,816 in taxes.
- **Business-Type Activities:** As of June 30, 2023, the City's total ending net position of \$48,475,247 primarily due to an increase in capital grants and contributions in the amount of \$6,075,266 as well as annual rate increases of 2% for Water and 6% for Sewer that took effect in July of 2022 and January of 2023, respectively. Garbage revenues increased by 6% as well.
- **General Fund:** As of June 30, 2023, committed, assigned and unassigned fund balances of the general fund were \$17,464,253. Of these funds \$16,074,914 is committed or assigned for specific purposes in accordance with City policies and budgetary guidelines. The remaining balance of \$1,389,339 is unassigned.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves. Certain accounts in the previous year's financial statements have been reclassified for comparative purposes to conform with the presentation in the current year's financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Patterson's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all the City of Patterson's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the four reported as *net positions*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Patterson is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

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Both government-wide financial statements distinguish functions of the City of Patterson that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Patterson include general government, public safety, community development, public works and parks and recreation.

The government-wide financial statements include the City of Patterson and a component unit the Patterson Public Financing Authority. Financial information for this component unit is reported within the funds of the City.

The government-wide financial statements can be found on pages 18 – 21 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Patterson, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City of Patterson can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as *balances on spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental fund* and *governmental activities*.

The City of Patterson maintains thirty-eight government funds. Information is presented separately in the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other thirteen governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* in supplementary information.

The City of Patterson adopts an annual appropriated budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget in the required supplementary information. Budgetary comparisons for other funds are located in the supplementary information of this report.

The governmental fund financial statements can be found on pages 26 – 32 of this report.

**Proprietary funds.** The City of Patterson maintains three proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Patterson uses enterprise funds to account for its Water, Sewer, and Garbage operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer and Garbage operations.

The proprietary fund financial statements can be found on pages 34 – 37 of this report.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Patterson's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statement can be found on page 41– 42 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 47 – 99 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Patterson's General Fund budgetary comparison schedule, pension and changes in net pension liabilities and related ratio schedules, pension contribution schedules, and other post-employment funding progress schedule. Required supplementary information can be found on pages 103 – 111 of this report.

The combining statements referred to earlier in connection with other governmental funds and agency funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 116 – 158 of this report.

**Government-wide Financial Analysis**

As noted earlier, net positions may serve over time as a useful indicator of a government's financial position. In the case of the City of Patterson, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$137,627,170 at June 30, 2023.

|                                       | <b>Net Position</b>            |                |                                 |               |                |                |
|---------------------------------------|--------------------------------|----------------|---------------------------------|---------------|----------------|----------------|
|                                       | <b>Governmental Activities</b> |                | <b>Business-Type Activities</b> |               | <b>Total</b>   |                |
|                                       | 2023                           | 2022           | 2023                            | 2022          | 2023           | 2022           |
| Current and other assets              | \$ 110,675,930                 | \$ 107,313,278 | \$ 18,898,741                   | \$ 27,494,167 | \$ 129,574,671 | \$ 134,807,445 |
| Capital assets, not being depreciated | 69,922,501                     | 63,212,428     | 60,319,398                      | 47,016,567    | 130,241,899    | 110,228,995    |
| Total Assets                          | 180,598,431                    | 170,525,706    | 79,218,139                      | 74,510,734    | 259,816,570    | 245,036,440    |
| Deferred Outflow of Resources         | 6,266,891                      | 4,046,216      | 2,879,905                       | 2,285,454     | 9,146,796      | 6,331,670      |
| Long-term liabilities outstanding     | 73,433,842                     | 74,714,140     | 27,575,758                      | 27,544,850    | 101,009,600    | 102,258,990    |
| Other liabilities                     | 18,164,247                     | 12,609,607     | 2,603,301                       | 2,315,097     | 20,767,548     | 14,924,704     |
| Total Liabilities                     | 91,598,089                     | 87,323,747     | 30,179,059                      | 29,859,947    | 121,777,148    | 117,183,694    |
| Deferred Inflow of Resources          | 6,115,310                      | 4,029,847      | 3,443,738                       | 1,968,829     | 9,559,048      | 5,998,676      |
| Net Positions:                        |                                |                |                                 |               |                |                |
| Net Investment in Capital Assets      | 67,681,454                     | 61,241,920     | 48,865,099                      | 36,458,905    | 116,546,553    | 97,700,825     |
| Restricted                            | 14,864,418                     | 13,416,337     | 3,137,525                       | 3,133,590     | 18,001,943     | 16,549,927     |
| Unrestricted                          | 6,606,051                      | 8,560,071      | (3,527,377)                     | 5,374,917     | 3,078,674      | 13,934,988     |
| Net Position                          | \$ 89,151,923                  | \$ 83,218,328  | \$ 48,475,247                   | \$ 44,967,412 | \$ 137,627,170 | \$ 128,185,740 |

By far, the largest portion of the City of Patterson's net position is its net investment in capital assets (i.e., land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress) as it represents \$117,669,764 or 85.50% of the total net position. The City of Patterson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Patterson's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

A portion of the City of Patterson's net position totaling \$18,001,943 or 13.08%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,078,674 is unrestricted and may be used to meet the government's ongoing obligation to citizens and creditors but is subject to designation for specific City programs.

At the end of the current fiscal year, the City of Patterson is able to report positive balances in all categories of net position for governmental activities. The negative \$3.5 Million in Unrestricted Net Position for the business-type activities is primarily the result of the use of cash for capital and related expenses.

|                                    | <b>Changes in Net Position</b> |                     |                                 |                     |                      |                      |
|------------------------------------|--------------------------------|---------------------|---------------------------------|---------------------|----------------------|----------------------|
|                                    | <b>Governmental Activities</b> |                     | <b>Business-type Activities</b> |                     | <b>Total</b>         |                      |
|                                    | 2023                           | 2022                | 2023                            | 2022                | 2023                 | 2022                 |
| <b>REVENUES</b>                    |                                |                     |                                 |                     |                      |                      |
| Program revenues                   |                                |                     |                                 |                     |                      |                      |
| Charges for services               | \$ 7,150,547                   | \$ 6,952,335        | \$ 16,829,284                   | \$ 15,350,376       | \$ 23,979,831        | \$ 22,302,711        |
| Operating grants and contributions | 3,200,329                      | 3,023,697           | -                               | 7,449               | 3,200,329            | 3,031,146            |
| Capital grants and contributions   | 9,699,274                      | 3,640,327           | 6,156,519                       | 81,253              | 15,855,793           | 3,721,580            |
| Total program revenues             | <u>20,050,150</u>              | <u>13,616,359</u>   | <u>22,985,803</u>               | <u>15,439,078</u>   | <u>43,035,953</u>    | <u>29,055,437</u>    |
| General revenues                   |                                |                     |                                 |                     |                      |                      |
| Taxes                              | 20,779,758                     | 19,254,942          | -                               | -                   | 20,779,758           | 19,254,942           |
| Investment earnings                | 4,004,069                      | 3,338,840           | 462,486                         | 37,233              | 4,466,555            | 3,376,073            |
| Capital Contributions              | -                              | -                   | -                               | -                   | -                    | -                    |
| Other and transfers                | 4,292,921                      | 2,155,597           | (1,417,295)                     | (1,049,362)         | 2,875,626            | 1,106,235            |
| Total general revenues             | <u>29,076,748</u>              | <u>24,749,379</u>   | <u>(954,809)</u>                | <u>(1,012,129)</u>  | <u>28,121,939</u>    | <u>23,737,250</u>    |
| TOTAL REVENUES                     | <u>49,126,898</u>              | <u>38,365,738</u>   | <u>22,030,994</u>               | <u>14,426,949</u>   | <u>71,157,892</u>    | <u>52,792,687</u>    |
| <b>EXPENSES</b>                    |                                |                     |                                 |                     |                      |                      |
| General government                 | 10,196,494                     | 4,069,331           | -                               | -                   | 10,196,494           | 4,069,331            |
| Police                             | 6,739,695                      | 5,530,819           | -                               | -                   | 6,739,695            | 5,530,819            |
| Fire                               | 6,294,195                      | 5,548,522           | -                               | -                   | 6,294,195            | 5,548,522            |
| Community development and planning | 2,329,664                      | 1,912,358           | -                               | -                   | 2,329,664            | 1,912,358            |
| Public works                       | 8,127,788                      | 5,942,981           | -                               | -                   | 8,127,788            | 5,942,981            |
| Parks and recreation               | 3,959,583                      | 2,951,483           | -                               | -                   | 3,959,583            | 2,951,483            |
| Interest and fiscal charges        | 3,962,077                      | 4,090,033           | -                               | -                   | 3,962,077            | 4,090,033            |
| Water                              | -                              | -                   | 7,594,552                       | 4,518,276           | 7,594,552            | 4,518,276            |
| Sewer                              | -                              | -                   | 7,506,130                       | 4,859,832           | 7,506,130            | 4,859,832            |
| Garbage                            | -                              | -                   | 3,422,477                       | 3,137,202           | 3,422,477            | 3,137,202            |
| TOTAL EXPENSES                     | <u>41,609,496</u>              | <u>30,045,527</u>   | <u>18,523,159</u>               | <u>12,515,310</u>   | <u>60,132,655</u>    | <u>42,560,837</u>    |
| Changes in net position            | <u>\$ 7,517,402</u>            | <u>\$ 8,320,211</u> | <u>\$ 3,507,835</u>             | <u>\$ 1,911,639</u> | <u>\$ 11,025,237</u> | <u>\$ 10,231,850</u> |

Additional information on the change in net position can be found on page 18 – 19 of this report.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

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**Governmental activities.** Overall, governmental revenues increased by \$10,761,160 or 28% from the prior year. Key elements of the change are as follows:

- Total taxes increased by \$1.5 million or 7.92% due to an increase in property taxes by \$914,045, and sales tax by \$525,809. The number of residential and commercial developments completed in FY2023 have increased and triggered the increase in property tax. Sales tax increased in the business and industry sector.
- Charges for services increased incrementally by \$198,212 due to an increase in participation in activities where fees are charged,
- Operating grants and contributions increased by \$176,632 primarily due to a one-time funding received during the year.
- Capital grants and contributions increased by \$6 million primarily due to capital contributions related to donated infrastructure.
- Other and transfer revenues increased by \$2.1 million primarily due to transfers to capital projects partially funded by enterprise funds.

Overall, expenses in the governmental activities increased by \$11,507,057 or 38% compared to the prior year.

Additional information on activities and changes in net position can be found on pages 20 – 21 of this report.

**Business-type activities.** Overall, business-type revenues increased by \$7,604,045 or 53% from the prior year. Key elements of the change are as follows:

Water operating revenue increased by \$520,915, and expenses increased by \$1,892,772 in fiscal year 2023, resulting in operating income of \$1.4 million. Revenue increased primarily due to the implementation of the new water rates in January 2023.

Sewer operating revenue increased by \$728,940 and expenses increased by \$2,786,925 in fiscal year 2023. The increase in operating revenue is primarily related to the 6% sewer rate increase in July 2022.

Garbage operating revenue increased by \$249,778 in fiscal year 2023. The increase was due to an increase in garbage rates of 4.9% as well as an increase in the number of customers. Garbage expenses increased by \$319,440 primarily due to increase in customers and the public outreach related to Senate Bill 1383, which requires every jurisdiction to provide organic waste collection services to all residents and businesses.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

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**Financial Analysis of the Government's Funds**

As noted earlier, the City of Patterson uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Patterson's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Patterson's financing requirements. Spendable fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year.

As of the end of the current fiscal year, the City of Patterson's governmental funds reported combined ending fund balances of \$96,375,412, a decrease of \$965,761 in comparison with the prior year. The city's governmental funds ending fund balances of \$23,359,972 or 24.25% constitute committed, assigned and unassigned fund balance, which is available for spending at the government's discretion within the guidelines of the funding sources. The remainder of the fund balance of \$73,015,440 is either non-spendable or restricted for purposes imposed by creditors, grantors, contributors, laws, or regulations of other governments or through enabling legislation.

**Proprietary funds.** The City of Patterson's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The Unrestricted net position of the Enterprise Funds at the end of the year ended at a deficit of \$3,527,377, a decrease of \$10,856,314 from the prior year. This change is primarily the result of the acquisition and construction of capital assets. Other factors concerning the finance of these funds have already been addressed in the discussion of the City of Patterson's business-type activities.

**General Fund Financial Highlights**

The General Fund is the chief operating fund of the City of Patterson. At the end of the current fiscal year, the committed, assigned and unassigned fund balance of the general fund was \$17,464,253, while total fund balance was \$18,163,163. The general fund's ending fund balance increased by \$1.3 million compared to the prior year. As a measure of the General Fund's liquidity, it may be useful to compare only the committed, assigned, and unassigned fund balance to total fund expenditures. Committed, assigned and unassigned fund balance represents 65.29% of the total general fund expenditures for the year, most of which is committed or assigned to meet future long-term obligations. The key factors in the increase of General Fund's fund balance as follows:

- Overall, General Fund revenues (including transfers in) increased from last year by \$2.3million or 9% and expenditures (including transfers out) increased by \$6.1 million or 29% over the prior year. Tax related revenue increased by \$914,045 due to increases in property tax as City residential and commercial real estate construction completed in FY 2023. In addition, sales tax revenue increased by \$525,809. Intergovernmental grants experienced an overall decrease of \$53,371 due to one-time funding received in FY 2022. In addition, License permit and fees decreased by \$364,168 in fiscal year 2023.
- The overall increase in expenditures in the amount of \$5.5 million or 26% was attributed to increased capital outlay expenditures.

**City of Patterson**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

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**General Fund Budgetary Highlights**

For the fiscal year ended June 30, 2023, the General Fund’s revenue final amended budget increased over the original budget by \$563,176 and actual revenue decreased by \$5,461,816 from the final amended budget of \$30,462,607. The final amended expenditure budget increased by \$2 million over the original budget and the actual expenditures were \$3.2 million lower than the final amended budget. The related activities are summarized as follows:

- The actual revenue was lower than the final budget due to less actual grant revenues received.
- The expenditure final budget was higher than the original budget by \$2 million due to Council approved budget increases primarily for capital outlay and a public safety analysis.
- General fund actual expenditure is lower than the final budget by \$3.2 million primarily due to unspent ARPA funds at the end of FY 2023 in the amount of \$3.8 million. Also, the Capital Outlay expenditures in the amount of \$1.1 million were not completed during the fiscal year.

**Capital Asset and Long-Term Liabilities Administration**

**Capital assets.** The City of Patterson’s total assets for its governmental and business-type activities as of June 30, 2023, amounts to \$130,241,899 an increase of \$20 million or 18% of total capital assets over the prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and streets.

|                                 | Capital Assets (Net of depreciation) |                   |                          |                   |                    |                    |
|---------------------------------|--------------------------------------|-------------------|--------------------------|-------------------|--------------------|--------------------|
|                                 | Governmental Activities              |                   | Business-type Activities |                   | Total              |                    |
|                                 | 2023                                 | 2022              | 2023                     | 2022              | 2023               | 2022               |
| Land                            | \$ 5,459,235                         | \$ 5,271,125      | \$ 7,455,922             | \$ 6,196,328      | \$ 12,915,157      | \$ 11,467,453      |
| Construction in progress        | 9,739,792                            | 9,097,213         | 12,211,807               | 6,625,335         | 21,951,599         | 15,722,548         |
| Depreciable capital assets, net | 54,723,474                           | 48,776,914        | 40,651,669               | 34,194,903        | 95,375,143         | 82,971,817         |
| Total assets                    | <u>69,922,501</u>                    | <u>63,145,252</u> | <u>60,319,398</u>        | <u>47,016,566</u> | <u>130,241,899</u> | <u>110,161,818</u> |

Additional information on the City of Patterson’s capital assets can be found in Note 6 to the basic financial statements.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

**Long-Term Liabilities.** At the end of the current fiscal year, the City of Patterson's total long-term debt and compensated absences outstanding increased by \$66,270 an increase attributable to the repayment under normal scheduled debt service and changes in compensated absences throughout the course of the year.

|   | 2023                 | 2022                 |
|---|----------------------|----------------------|
| <b>Governmental Activities:</b>         |                      |                      |
| PPFA 2013 Heartland Ranch Revenue Bonds | \$ 1,385,747         | \$ 1,848,375         |
| PPFA 2013 Series A Revenue Bonds        | 53,265,000           | 55,195,000           |
| Less: Bond Discount                     | (568,849)            | (597,295)            |
| PPFA 2013 Series B Revenue Bonds        | 5,235,000            | 5,410,000            |
| 2019 Lease Revenue Bonds                | 1,753,961            | 1,898,414            |
| Lease liability                         | 420,639              | 72,094               |
| Subscription liability                  | 57,903               | 110,020              |
| Keystone Corporation Settlement         | 364,000              | 364,000              |
| Settlement payable                      | 1,333,355            | -                    |
| Compensated Absences                    | 667,297              | 597,244              |
| <b>Total governmental activities</b>    | <b>\$ 63,914,053</b> | <b>\$ 64,897,852</b> |
| <b>Business-type Activities:</b>        |                      |                      |
| <b>Water Fund:</b>                      |                      |                      |
| 2021 State Revolving Fund Loan          | \$ 41,000            | \$ -                 |
| 2019A Water Revenue Bonds               | 8,965,000            | 9,035,000            |
| Add: Bond Premium                       | 517,461              | 536,988              |
| 2019B Water Revenue Refunding Bonds     | 5,930,000            | 6,190,000            |
| Add: Bond Premium                       | 762,768              | 791,283              |
| Compensated Absences                    | 137,690              | 120,270              |
| <b>Total water fund</b>                 | <b>16,353,919</b>    | <b>16,673,541</b>    |
| <b>Sewer Fund:</b>                      |                      |                      |
| 2009 Sewer Revenue Bonds                | 90,000               | 175,000              |
| 2017 Sewer Refunding Revenue Bonds      | 2,511,000            | 2,542,500            |
| 2008 State Revolving Fund loan          | 358,490              | 404,644              |
| 2021 State Revolving Fund loan          | 621,907              | -                    |
| Banc of America loan                    | 1,221,057            | 1,294,515            |
| CEC loan                                | 1,145,765            | 1,347,422            |
| Patterson Ranch Development Settlement  | 1,123,211            | -                    |
| Compensated Absences                    | 177,944              | 132,336              |
| <b>Total sewer fund</b>                 | <b>7,249,374</b>     | <b>5,896,417</b>     |
| <b>Garbage Fund:</b>                    |                      |                      |
| Compensated Absences                    | 46,958               | 30,224               |
| <b>Total garbage fund</b>               | <b>46,958</b>        | <b>30,224</b>        |
| <b>Total business-type activities</b>   | <b>\$ 23,650,251</b> | <b>\$ 22,600,182</b> |

Additional information on the City of Patterson's long-term debt can be found in Note 8 and Note 9 to the basic financial statements.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

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**Economic Condition, Outlook, and Activity**

The City has continued to see strong economic growth over the last several years. As the economy resumes after the COVID-19 Pandemic, the City of Patterson remains focused on several new businesses interested in the City of Patterson have visited our business Parks over the last year. Factors that will impact our economic strength are the online sales which, in some instances, do not provide the city with a “point-of-sale” taxable nexus. Patterson benefits from a more diverse revenue structure including Measure L, the ½ cents transaction and use tax over 25 years, SB1 revenue and new businesses such as the Loves Travel Center, Valero Gas Station, Grocery Outlet, and other interested business.

The City's water, sewer, and garbage rates were approved in the last few years and will provide stable enterprise funding to provide a high level of infrastructure maintenance in these areas.

Our budget provides for a continuation of high levels of service, capital improvement projects provided by grants and Capital Facility fees, and continued funds to further improve the City and maintain public safety staffing, and new programs to enhance community quality of life for our city's residents.

**Next Year's Budget**

The following factors were taken into consideration during the preparation of the City's budget for the fiscal year 2023-2024.

- The third year of the pandemic has shown signs of recovery in the economy, as of March 2023, Stanislaus County and San Joaquin County reported an 7% unemployment rate, which is up from March 2022's rate of 5.7%.
- The annual inflation rate as measured by the consumer price index (CPI), increased 4.9 percent for the 12 months ending April 2023; this was the smallest 12-month increase since the period ending April 2021. The all items less food and energy index rose 5.5 percent over the last 12 months. The energy index decreased 5.1 percent for the 12 months ending April, and the food index increased 7.7 percent over the last year.
- The expected increase in commercial and residential developments will contribute to increases in major revenue sources such as building permits, property tax and sales tax.
- The availability of both Federal/State grants and State Revolving Fund Loan (SRF).
- The remaining American Rescue Plan Act spending will help the city to respond, rebuild and recover from the pandemic. Focusing on economic recovery, stabilizing the government, and uplifting our communities.
- State legislation mandating a steady increase toward a minimum wage increased to \$15.50 per hour by 2023 point to further increases in weekly wages. If signed into law, the minimum wage would increase to \$16 per hour in 2024 and up to \$17 per hour in 2025.
- The accumulation of Measure L revenue provides the funding source for the street capital projects that are being carefully orchestrated to begin upon completion of various underground capital pipeline projects.
- During the Water rate study, the city incorporated the 5-year long range capital improvement plan. The city will begin WM-6B replacement of water mains and service lines on the southside of the old town, WM-19B Water Meter replacement project changing out 6,500 meters and 1,000 meter boxes and WM-6A replacement of water mains and service lines in the downtown commercial area projects to enhance and improve the quality of our community's sewer infrastructure.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2023**

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**Requests for Information**

This financial report is designed to provide a general overview of the city's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Patterson, 1 Plaza, Patterson, CA 95363.

## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Patterson**  
**Statement of Net Position**  
**June 30, 2023**

|  | Primary Government         |                             |                    |
|--|----------------------------|-----------------------------|--------------------|
|  | Governmental<br>Activities | Business-Type<br>Activities | Total              |
| <b>ASSETS</b>                                  |                            |                             |                    |
| <b>Current assets:</b>                         |                            |                             |                    |
| Cash and investments                           | \$ 42,961,028              | \$ 5,076,787                | \$ 48,037,815      |
| Restricted cash and investments                | 2,807,533                  | 405,582                     | 3,213,115          |
| Accounts receivable                            | 161,206                    | 2,133,805                   | 2,295,011          |
| Intergovernmental receivable                   | 3,814,541                  | 9,554                       | 3,824,095          |
| Interest receivable                            | 74,570                     | 21,776                      | 96,346             |
| Lease receivable - current                     | 19,999                     | 24,420                      | 44,419             |
| Internal balances                              | -                          | -                           | -                  |
| Due from Fiduciary Funds                       | 52,587                     | -                           | 52,587             |
| Prepaid items                                  | 144,745                    | 17,427                      | 162,172            |
| <b>Total current assets</b>                    | <b>50,036,209</b>          | <b>7,689,351</b>            | <b>57,725,560</b>  |
| <b>Noncurrent assets:</b>                      |                            |                             |                    |
| Cash and investments with fiscal agents        | 587,522                    | 11,190,397                  | 11,777,919         |
| Investments held in trust                      | 58,223,997                 | -                           | 58,223,997         |
| Lease receivable - noncurrent                  | 173,318                    | 18,993                      | 192,311            |
| Notes and loans receivable                     | 1,654,884                  | -                           | 1,654,884          |
| Capital assets:                                |                            |                             |                    |
| Non-depreciable                                | 15,199,027                 | 19,667,729                  | 34,866,756         |
| Depreciable and amortizable, net               | 54,723,474                 | 40,651,669                  | 95,375,143         |
| Capital assets, net                            | 69,922,501                 | 60,319,398                  | 130,241,899        |
| <b>Total noncurrent assets</b>                 | <b>130,562,222</b>         | <b>71,528,788</b>           | <b>202,091,010</b> |
| <b>Total assets</b>                            | <b>180,598,431</b>         | <b>79,218,139</b>           | <b>259,816,570</b> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>          |                            |                             |                    |
| Deferred loss on refunding                     | -                          | 308,583                     | 308,583            |
| OPEB-related deferred outflows of resources    | 1,479,152                  | 698,266                     | 2,177,418          |
| Pension-related deferred outflows of resources | 4,787,739                  | 1,873,056                   | 6,660,795          |
| <b>Total deferred outflows of resources</b>    | <b>6,266,891</b>           | <b>2,879,905</b>            | <b>9,146,796</b>   |

**City of Patterson**  
**Statement of Net Position (Continued)**  
**June 30, 2023**

|   | Primary Government         |                             | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities |                       |
| <b>LIABILITIES</b>                            |                            |                             |                       |
| <b>Current liabilities:</b>                   |                            |                             |                       |
| Accounts payable                              | 3,403,559                  | 1,161,515                   | 4,565,074             |
| Accrued liabilities                           | 443,979                    | 5,363                       | 449,342               |
| Accrued interest payable                      | 1,113,966                  | 66,547                      | 1,180,513             |
| Unearned revenue                              | 5,289,965                  | 739                         | 5,290,704             |
| Deposits payable                              | 3,090,229                  | 122,871                     | 3,213,100             |
| Compensated absences - due within one year    | 667,297                    | 362,592                     | 1,029,889             |
| Long-term debt - due within one year          | 4,155,252                  | 883,674                     | 5,038,926             |
| <b>Total current liabilities</b>              | <b>18,164,247</b>          | <b>2,603,301</b>            | <b>20,767,548</b>     |
| <b>Noncurrent liabilities:</b>                |                            |                             |                       |
| Long-term debt - due in more than one year    | 59,091,504                 | 22,403,985                  | 81,495,489            |
| Net OPEB liability                            | 5,747,349                  | 1,867,265                   | 7,614,614             |
| Aggregate net pension liability               | 8,594,989                  | 3,304,508                   | 11,899,497            |
| <b>Total noncurrent liabilities</b>           | <b>73,433,842</b>          | <b>27,575,758</b>           | <b>101,009,600</b>    |
| <b>Total liabilities</b>                      | <b>91,598,089</b>          | <b>30,179,059</b>           | <b>121,777,148</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>          |                            |                             |                       |
| Lease-related deferred inflows of resources   | 193,316                    | 43,413                      | 236,729               |
| OPEB-related deferred inflows of resources    | 5,629,680                  | 3,348,246                   | 8,977,926             |
| Pension-related deferred inflows of resources | 292,314                    | 52,079                      | 344,393               |
| <b>Total deferred inflows of resources</b>    | <b>6,115,310</b>           | <b>3,443,738</b>            | <b>9,559,048</b>      |
| <b>NET POSITION</b>                           |                            |                             |                       |
| Net investment in capital assets              | 67,681,454                 | 48,865,099                  | 116,546,553           |
| Restricted for:                               |                            |                             |                       |
| Special programs                              | 14,864,418                 | -                           | 14,864,418            |
| Capital projects                              | -                          | 2,620,013                   | 2,620,013             |
| Debt service                                  | -                          | 517,512                     | 517,512               |
| Total restricted                              | 14,864,418                 | 3,137,525                   | 18,001,943            |
| Unrestricted                                  | 6,606,051                  | (3,527,377)                 | 3,078,674             |
| <b>Total net position</b>                     | <b>\$ 89,151,923</b>       | <b>\$ 48,475,247</b>        | <b>\$ 137,627,170</b> |

**City of Patterson**  
**Statement of Activities**  
**For the Year Ended June 30, 2023**

| <b>Functions/Programs</b>             | Expenses             | Program Revenues        |  |  |
|---------------------------------------|----------------------|-------------------------|--|--|
|                                       |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |
| <b>Governmental activities:</b>       |                      |                         |  |  |
| General government                    | \$ 10,196,494        | \$ 338,534              | \$ 976,866                               | \$ -                                   |
| Police                                | 6,739,695            | 87,704                  | 165,271                                  | -                                      |
| Fire                                  | 6,294,195            | 2,216,509               | 484,334                                  | -                                      |
| Community development and planning    | 2,329,664            | 780,969                 | 42,642                                   | -                                      |
| Public works                          | 8,127,788            | 1,323,138               | 1,531,216                                | 9,676,088                              |
| Parks and recreation                  | 3,959,583            | 2,403,693               | -  | 23,186                                 |
| Interest and fiscal charges           | 3,962,077            | -                       | -  | -                                      |
| <b>Total governmental activities</b>  | <b>41,609,496</b>    | <b>7,150,547</b>        | <b>3,200,329</b>                         | <b>9,699,274</b>                       |
| <b>Business-type Activities:</b>      |                      |                         |  |  |
| Water                                 | 7,594,552            | 7,012,724               | -  | 2,824,339                              |
| Sewer                                 | 7,506,130            | 5,575,813               | -  | 3,305,757                              |
| Garbage                               | 3,422,477            | 4,240,747               | -  | 26,423                                 |
| <b>Total business-type activities</b> | <b>18,523,159</b>    | <b>16,829,284</b>       | <b>-</b>                                 | <b>6,156,519</b>                       |
| <b>Total primary government</b>       | <b>\$ 60,132,655</b> | <b>\$ 23,979,831</b>    | <b>\$ 3,200,329</b>                      | <b>\$ 15,855,793</b>                   |

**City of Patterson**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2023**

| <b>Functions/Programs</b>                       | Net (Expense) Revenue and<br>Changes in Net Position |                             |                |
|---|--|-----------------------------|----------------|
|   | Governmental<br>Activities                           | Business-Type<br>Activities | Total          |
| <b>Governmental Activities:</b>                 |  |                             |                |
| General government                              | \$ (8,881,094)                                       | \$ -                        | \$ (8,881,094) |
| Police  | (6,486,720)  | -                           | (6,486,720)    |
| Fire  | (3,593,352)  | -                           | (3,593,352)    |
| Community development and planning              | (1,506,053)  | -                           | (1,506,053)    |
| Public Works                                    | 4,402,654  | -                           | 4,402,654      |
| Parks and recreation                            | (1,532,704)  | -                           | (1,532,704)    |
| Interest and fiscal charges                     | (3,962,077)  | -                           | (3,962,077)    |
| <b>Total governmental activities</b>            | (21,559,346)   | -                           | (21,559,346)   |
| <b>Business-type Activities:</b>                |  |                             |                |
| Water   | -  | 2,242,511                   | 2,242,511      |
| Sewer   | -  | 1,375,440                   | 1,375,440      |
| Garbage   | -  | 844,693                     | 844,693        |
| <b>Total business-type activities</b>           | -  | 4,462,644                   | 4,462,644      |
| <b>Total primary government</b>                 | (21,559,346)   | 4,462,644                   | (17,096,702)   |
| <b>General revenues and transfers:</b>          |  |                             |                |
| <b>General revenues:</b>                        |  |                             |                |
| Taxes:  |  |                             |                |
| Property taxes                                  | 7,381,341  | -                           | 7,381,341      |
| Sales taxes                                     | 12,842,865   | -                           | 12,842,865     |
| Franchise taxes                                 | 247,538  | -                           | 247,538        |
| Other taxes                                     | 308,014  | -                           | 308,014        |
| Total taxes                                     | 20,779,758   | -                           | 20,779,758     |
| Investment earnings                             | 4,004,069  | 462,486                     | 4,466,555      |
| Revenue from Fiduciary Fund                     | 735,910  | 1,472,643                   | 2,208,553      |
| Miscellaneous                                   | 617,936  | 49,137                      | 667,073        |
| <b>Transfers</b>                                | 2,939,075  | (2,939,075)                 | -              |
| <b>Total general revenues and transfers</b>     | 29,076,748   | (954,809)                   | 28,121,939     |
| <b>Changes in net position</b>                  | 7,517,402  | 3,507,835                   | 11,025,237     |
| <b>Net Position:</b>                            |  |                             |                |
| <b>Beginning of year, as restated (Note 19)</b> | 81,634,521   | 44,967,412                  | 126,601,933    |
| <b>End of year</b>                              | \$ 89,151,923  | \$ 48,475,247               | \$ 137,627,170 |

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**FUND FINANCIAL STATEMENTS**

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Patterson  
Balance Sheet  
Governmental Funds  
June 30, 2023**

|   | <b>Major Funds</b>      |  |   |
|---|-------------------------|--|---|
|   | <b>General<br/>Fund</b> | <b>CFD 2003-1<br/>Public Safety/<br/>Fire Protection<br/>Services Fund</b> | <b>Patterson<br/>Public<br/>Financing<br/>Authority</b> |
| <b>ASSETS</b>   |                         |  |   |
| Cash and investments  | \$ 16,789,573           | \$ -   | \$ -  |
| Restricted cash and investments   | 2,807,533               | -  | -   |
| Cash and investments with fiscal agents                                       | -                       | -  | 587,522   |
| Investments held in trust   | -                       | -  | 58,223,997  |
| Receivables:  |                         |  |   |
| Accounts  | 159,256                 | 1,500  | -   |
| Intergovernmental   | 2,990,189               | 8,870  | -   |
| Interest  | 25,531                  | -  | 864   |
| Notes and loans   | 16,632                  | -  | -   |
| Lease   | 186,466                 | -  | -   |
| Due from other funds  | 4,716,942               | -  | -   |
| Due from Fiduciary Funds  | 52,587                  | -  | -   |
| Prepaid items   | 138,149                 | 6,596  | -   |
| <b>Total assets</b>   | <b>\$ 27,882,858</b>    | <b>\$ 16,966</b>   | <b>\$ 58,812,383</b>                                    |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND FUND BALANCES</b>      |                         |  |   |
| <b>LIABILITIES:</b>   |                         |  |   |
| Accounts payable  | \$ 1,996,616            | \$ 44,645  | \$ -  |
| Accrued liabilities   | 437,478                 | 6,501  | -   |
| Due to other funds  | -                       | 4,082,494  | 441,007   |
| Unearned revenue  | 4,020,298               | -  | -   |
| Deposit and other liabilities   | 3,016,379               | -  | -   |
| <b>Total liabilities</b>  | <b>9,470,771</b>        | <b>4,133,640</b>   | <b>441,007</b>  |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |                         |  |   |
| Lease-related deferred inflows of resources                                   | 186,466                 | -  | -   |
| Unavailable revenue   | 62,458                  | 1,500  | -   |
| <b>Total deferred inflows of resources</b>                                    | <b>248,924</b>          | <b>1,500</b>   | <b>-</b>  |
| <b>FUND BALANCES:</b>   |                         |  |   |
| Nonspendable  | 138,149                 | 6,596  | -   |
| Restricted  | 560,761                 | -  | 58,371,376  |
| Committed   | 9,838,576               | -  | -   |
| Assigned  | 6,236,338               | -  | -   |
| Unassigned (deficit)  | 1,389,339               | (4,124,770)  | -   |
| <b>Total fund balances (deficit)</b>  | <b>18,163,163</b>       | <b>(4,118,174)</b>   | <b>58,371,376</b>                                       |
| <b>Total liabilities, deferred inflows<br/>of resource, and fund balances</b> | <b>\$ 27,882,858</b>    | <b>\$ 16,966</b>   | <b>\$ 58,812,383</b>                                    |

**City of Patterson  
Balance Sheet (Continued)  
Governmental Funds  
June 30, 2023**

|   | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|---|---|
| <b>ASSETS</b>   |   |   |
| Cash and investments  | \$ 26,171,455                           | \$ 42,961,028                           |
| Restricted cash and investments   | -                                       | 2,807,533                               |
| Cash and investments with fiscal agents                                       | -                                       | 587,522                                 |
| Investments held in trust   | -                                       | 58,223,997                              |
| Receivables:  |   |   |
| Accounts  | 450                                     | 161,206                                 |
| Intergovernmental   | 815,482                                 | 3,814,541                               |
| Interest  | 48,175                                  | 74,570                                  |
| Notes and loans   | 1,638,252                               | 1,654,884                               |
| Lease   | 6,851                                   | 193,317                                 |
| Due from other funds  | -                                       | 4,716,942                               |
| Due from Fiduciary Funds  | -                                       | 52,587                                  |
| Prepaid items   | -                                       | 144,745                                 |
| <b>Total assets</b>   | <b>\$ 28,680,665</b>                    | <b>\$ 115,392,872</b>                   |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES, AND FUND BALANCES</b>      |   |   |
| <b>LIABILITIES:</b>   |   |   |
| Accounts payable  | \$ 1,362,298                            | \$ 3,403,559                            |
| Accrued liabilities   | -                                       | 443,979                                 |
| Due to other funds  | 193,441                                 | 4,716,942                               |
| Unearned revenue  | 1,269,667                               | 5,289,965                               |
| Deposit and other liabilities   | 73,850                                  | 3,090,229                               |
| <b>Total liabilities</b>  | <b>2,899,256</b>                        | <b>16,944,674</b>                       |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |   |   |
| Lease-related deferred inflows of resources                                   | 6,850                                   | 193,316                                 |
| Unavailable revenue   | 1,815,512                               | 1,879,470                               |
| <b>Total deferred inflows of resources</b>                                    | <b>1,822,362</b>                        | <b>2,072,786</b>                        |
| <b>FUND BALANCES:</b>   |   |   |
| Nonspendable  | -                                       | 144,745                                 |
| Restricted  | 13,938,558                              | 72,870,695                              |
| Committed   | 10,364,796                              | 20,203,372                              |
| Assigned  | -                                       | 6,236,338                               |
| Unassigned (deficit)  | (344,307)                               | (3,079,738)                             |
| <b>Total fund balances (deficit)</b>  | <b>23,959,047</b>                       | <b>96,375,412</b>                       |
| <b>Total liabilities, deferred inflows<br/>of resource, and fund balances</b> | <b>\$ 28,680,665</b>                    | <b>\$ 115,392,872</b>                   |

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**City of Patterson**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Government-Wide Statement of Net Position**  
**June 30, 2023**

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|  |  |
|--|--|
| <b>Total fund balances of governmental funds</b>   | <b>\$ 96,375,412</b>                   |
| <br><b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>  |  |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds.   | 69,922,501                             |
| Pension-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.                                   |  |
| Pension-related deferred outflows of resources   | 4,787,739                              |
| Pension-related deferred inflows of resources  | (292,314)                              |
| OPEB-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.                                      |  |
| OPEB-related deferred outflows of resources  | 1,479,152                              |
| OPEB-related deferred inflows of resources   | (5,629,680)                            |
| Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in the Governmental Funds Balance Sheet.   | (1,113,966)                            |
| Unavailable revenues reported on the Governmental Fund Financial Statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements. | 1,879,470                              |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.  |  |
| Long-term debt   | (63,246,756)                           |
| Compensated absences   | (667,297)                              |
| Net OPEB liability   | (5,747,349)                            |
| Aggregated net pension liability   | <u>(8,594,989)</u>                     |
| <br><b>Net position of governmental activities</b>   | <br><b><u><u>\$ 89,151,923</u></u></b> |

**City of Patterson**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

|   | <b>Major Funds</b>      |  |   |
|---|-------------------------|--|---|
|   | <b>General<br/>Fund</b> | <b>CFD 2003-1<br/>Public Safety/<br/>Fire Protection<br/>Services Fund</b> | <b>Patterson<br/>Public<br/>Financing<br/>Authority</b> |
| <b>REVENUES:</b>                              |                         |  |   |
| Taxes:  |                         |  |   |
| Property                                      | \$ 7,380,341            | \$ -   | \$ -  |
| Sales   | 12,842,865              | -  | -   |
| Franchise                                     | 247,538                 | -  | -   |
| Other   | 308,014                 | -  | -   |
| Licenses, permits, and fees                   | 1,238,967               | -  | -   |
| Charges for services                          | 532,914                 | 1,448,114  | -   |
| Intergovernmental:                            |                         |  |   |
| Federal grant and subsidies                   | 863,911                 | -  | -   |
| Other governmental                            | 601,881                 | -  | -   |
| Fines, forfeitures and penalties              | 112,090                 | -  | -   |
| Investment income (loss)                      | 174,896                 | -  | 3,667,112   |
| Revenue from Fiduciary Fund                   | -                       | -  | 517,184   |
| Miscellaneous                                 | 697,374                 | 3,000  | -   |
| <b>Total revenues</b>                         | <b>25,000,791</b>       | <b>1,451,114</b>   | <b>4,184,296</b>  |
| <b>EXPENDITURES:</b>                          |                         |  |   |
| Current:                                      |                         |  |   |
| General government                            | 4,356,913               | 18,506   | -   |
| Police  | 6,542,712               | -  | -   |
| Fire  | 3,596,359               | 2,434,324  | -   |
| Community development and planning            | 2,208,715               | -  | -   |
| Public works                                  | 4,088,701               | -  | -   |
| Park and recreation                           | 3,045,751               | -  | -   |
| Capital outlay                                | 2,529,001               | 769,442  | -   |
| Debt service:                                 |                         |  |   |
| Principal                                     | 312,230                 | -  | 2,567,628   |
| Interest and fiscal charges                   | 68,094                  | -  | 3,907,613   |
| <b>Total expenditures</b>                     | <b>26,748,476</b>       | <b>3,222,272</b>   | <b>6,475,241</b>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>(1,747,685)</b>      | <b>(1,771,158)</b>   | <b>(2,290,945)</b>                                      |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |  |   |
| Inception of lease liability                  | 464,205                 | -  | -   |
| Transfers in                                  | 3,340,378               | 1,245,000  | -   |
| Transfers out                                 | (732,309)               | -  | -   |
| <b>Total financing sources (uses)</b>         | <b>3,072,274</b>        | <b>1,245,000</b>   | <b>-</b>  |
| <b>Net change in fund balances</b>            | <b>1,324,589</b>        | <b>(526,158)</b>   | <b>(2,290,945)</b>                                      |
| <b>FUND BALANCES (DEFICIT):</b>               |                         |  |   |
| Beginning of year, as restated (Note 19)      | 16,838,574              | (3,592,016)  | 60,662,321  |
| End of year                                   | <u>\$ 18,163,163</u>    | <u>\$ (4,118,174)</u>  | <u>\$ 58,371,376</u>                                    |

See accompanying Notes to the Basic Financial Statements.

**City of Patterson**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

|   | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|---|---|---|
| <b>REVENUES:</b>                              |   |   |
| Taxes:  |   |   |
| Property                                      | \$ -                                    | \$ 7,380,341                            |
| Sales   | -                                       | 12,842,865                              |
| Franchise                                     | -                                       | 247,538                                 |
| Other   | -                                       | 308,014                                 |
| Licenses, permits, and fees                   | 1,325,502                               | 2,564,469                               |
| Charges for services                          | 3,799,349                               | 5,780,377                               |
| Intergovernmental:                            |   |   |
| Federal grant and subsidies                   | 175,377                                 | 1,039,288                               |
| Other governmental                            | 3,227,674                               | 3,829,555                               |
| Fines, forfeitures and penalties              | -                                       | 112,090                                 |
| Investment income (loss)                      | 159,063                                 | 4,001,071                               |
| Revenue from Fiduciary Fund                   | 218,726                                 | 735,910                                 |
| Miscellaneous                                 | 14,293                                  | 714,667                                 |
| <b>Total revenues</b>                         | <b>8,919,984</b>                        | <b>39,556,185</b>                       |
| <b>EXPENDITURES:</b>                          |   |   |
| Current:                                      |   |   |
| General government                            | 40,626                                  | 4,416,045                               |
| Police  | -                                       | 6,542,712                               |
| Fire  | 6,727                                   | 6,037,410                               |
| Community development and planning            | 4,620                                   | 2,213,335                               |
| Public works                                  | 832,068                                 | 4,920,769                               |
| Park and recreation                           | 487                                     | 3,046,238                               |
| Capital outlay                                | 5,010,900                               | 8,309,343                               |
| Debt service:                                 |   |   |
| Principal                                     | -                                       | 2,879,858                               |
| Interest and fiscal charges                   | -                                       | 3,975,707                               |
| <b>Total expenditures</b>                     | <b>5,895,428</b>                        | <b>42,341,417</b>                       |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>3,024,556</b>                        | <b>(2,785,232)</b>                      |
| <b>OTHER FINANCING SOURCES (USES):</b>        |   |   |
| Inception of lease liability                  | -                                       | 464,205                                 |
| Transfers in                                  | 3,108,437                               | 7,693,815                               |
| Transfers out                                 | (4,022,431)                             | (4,754,740)                             |
| <b>Total financing sources (uses)</b>         | <b>(913,994)</b>                        | <b>3,403,280</b>                        |
| <b>Net change in fund balances</b>            | <b>2,110,562</b>                        | <b>618,048</b>                          |
| <b>FUND BALANCES (DEFICIT):</b>               |   |   |
| Beginning of year, as restated (Note 19)      | 21,848,485                              | 95,757,364                              |
| End of year                                   | <b>\$ 23,959,047</b>                    | <b>\$ 96,375,412</b>                    |

See accompanying Notes to the Basic Financial Statements.

**City of Patterson**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances to the Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2023**

|  |           |                  |
|--|-----------|------------------|
| <b>Net change in fund balances - total governmental funds</b>  | \$        | 618,048          |
| <b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>  |           |                  |
| Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation and amortization expense. This was the amount of capital assets recorded in the current period. (\$718,216 of the governmental fund capital outlay balance were for repairs and maintenance expenditures). |           | 8,055,332        |
| In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution.   |           | 6,572,185        |
| Depreciation and amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but it did not require the use of current financial resources. Therefore, depreciation and amortization expense was not reported as expenditures in the Governmental Funds.   |           | (3,603,983)      |
| The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.   |           | (4,423,483)      |
| Inception of a settlement liability does not provide current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.   |           | (1,797,560)      |
| Inception of a lease liability does not provide current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.  |           | -                |
| Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position   |           |                  |
| Principal payment of long-term debt  |           | 2,879,858        |
| Amortization of bond discount  |           | (28,446)         |
| Interest expenses on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.   |           | 42,076           |
| Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.  |           | (70,053)         |
| Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.   |           | 59,453           |
| Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.  |           |                  |
| Changes in pension related deferred outflows of resources  |           | 2,645,303        |
| Changes in net pension liabilities   |           | (5,391,990)      |
| Changes in pension related deferred inflows of resources   |           | 2,081,156        |
| Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.   |           |                  |
| Changes in OPEB related deferred outflows of resources   |           | (424,628)        |
| Changes in net OPEB liabilities  |           | 4,490,381        |
| Changes in OPEB related deferred inflows of resources  |           | (4,186,247)      |
| <b>Change in net position of governmental activities</b>   | <b>\$</b> | <b>7,517,402</b> |

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Patterson**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

| ASSETS  | Major Funds          |                      |                     | Total                |
|---|----------------------|----------------------|---------------------|----------------------|
|   | Water                | Sewer                | Garbage             |                      |
| <b>Current assets:</b>                            |                      |                      |                     |                      |
| Cash and investments                              | \$ 2,415,708         | \$ 824,263           | \$ 1,836,816        | \$ 5,076,787         |
| Restricted cash and investments                   | -                    | 405,582              | -                   | 405,582              |
| Accounts receivable                               | 837,462              | 821,265              | 475,078             | 2,133,805            |
| Intergovernmental receivable                      | 156                  | -                    | 9,398               | 9,554                |
| Interest receivable                               | 14,169               | 4,598                | 3,009               | 21,776               |
| Lease receivable - current                        | -                    | 24,420               | -                   | 24,420               |
| Prepaid items                                     | 9,418                | 6,399                | 1,610               | 17,427               |
| <b>Total current assets</b>                       | <b>3,276,913</b>     | <b>2,086,527</b>     | <b>2,325,911</b>    | <b>7,689,351</b>     |
| <b>Noncurrent assets:</b>                         |                      |                      |                     |                      |
| Cash and investments with fiscal agents           | 11,119,195           | 71,202               | -                   | 11,190,397           |
| Lease receivable - noncurrent                     | -                    | 18,993               | -                   | 18,993               |
| Advances from other funds                         | 1,600,000            | -                    | -                   | 1,600,000            |
| Capital assets:                                   |                      |                      |                     |                      |
| Non-depreciable                                   | 10,827,700           | 8,840,029            | -                   | 19,667,729           |
| Depreciable/amortizable, net                      | 18,554,855           | 21,933,391           | 163,423             | 40,651,669           |
| Capital assets, net                               | 29,382,555           | 30,773,420           | 163,423             | 60,319,398           |
| <b>Total noncurrent assets</b>                    | <b>42,101,750</b>    | <b>30,863,615</b>    | <b>163,423</b>      | <b>73,128,788</b>    |
| <b>Total assets</b>                               | <b>45,378,663</b>    | <b>32,950,142</b>    | <b>2,489,334</b>    | <b>80,818,139</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                      |                      |                     |                      |
| Deferred loss on refunding                        | 151,109              | 157,474              | -                   | 308,583              |
| OPEB-related deferred outflows of resources       | 290,683              | 323,909              | 83,674              | 698,266              |
| Pension-related deferred outflows of resources    | 782,404              | 803,726              | 286,926             | 1,873,056            |
| <b>Total deferred outflows of resources</b>       | <b>1,224,196</b>     | <b>1,285,109</b>     | <b>370,600</b>      | <b>2,879,905</b>     |
| <b>LIABILITIES</b>                                |                      |                      |                     |                      |
| <b>Current liabilities:</b>                       |                      |                      |                     |                      |
| Accounts payable                                  | 707,792              | 250,476              | 203,247             | 1,161,515            |
| Accrued liabilities                               | 3,197                | 1,048                | 1,118               | 5,363                |
| Deposits payable                                  | 122,871              | -                    | -                   | 122,871              |
| Unearned revenue                                  | -                    | 739                  | -                   | 739                  |
| Accrued interest                                  | 45,821               | 20,726               | -                   | 66,547               |
| Compensated absences - due within one year        | 137,690              | 177,944              | 46,958              | 362,592              |
| Long-term liabilities - due within one year       | 389,850              | 493,824              | -                   | 883,674              |
| <b>Total current liabilities</b>                  | <b>1,407,221</b>     | <b>944,757</b>       | <b>251,323</b>      | <b>2,603,301</b>     |
| <b>Noncurrent liabilities:</b>                    |                      |                      |                     |                      |
| Advances to other funds                           | -                    | 1,600,000            | -                   | 1,600,000            |
| Long-term liabilities - due in more than one year | 15,826,379           | 6,577,606            | -                   | 22,403,985           |
| Net OPEB liability                                | 950,558              | 806,730              | 109,977             | 1,867,265            |
| Aggregate net pension liability                   | 1,380,344            | 1,417,960            | 506,204             | 3,304,508            |
| <b>Total noncurrent liabilities</b>               | <b>18,157,281</b>    | <b>10,402,296</b>    | <b>616,181</b>      | <b>29,175,758</b>    |
| <b>Total liabilities</b>                          | <b>19,564,502</b>    | <b>11,347,053</b>    | <b>867,504</b>      | <b>31,779,059</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |                      |                      |                     |                      |
| Lease-related deferred inflows of resources       | -                    | 43,413               | -                   | 43,413               |
| OPEB-related deferred inflows of resources        | 1,359,115            | 1,589,515            | 399,616             | 3,348,246            |
| Pension-related deferred inflows of resources     | 21,754               | 22,347               | 7,978               | 52,079               |
| <b>Total deferred inflows of resources</b>        | <b>1,380,869</b>     | <b>1,655,275</b>     | <b>407,594</b>      | <b>3,443,738</b>     |
| <b>NET POSITION</b>                               |                      |                      |                     |                      |
| Net investment in capital assets                  | 24,436,630           | 24,265,046           | 163,423             | 48,865,099           |
| Restricted:                                       |                      |                      |                     |                      |
| Capital projects                                  | 2,620,013            | -                    | -                   | 2,620,013            |
| Debt service                                      | 446,310              | 71,202               | -                   | 517,512              |
| Total restricted                                  | 3,066,323            | 71,202               | -                   | 3,137,525            |
| Unrestricted                                      | (1,845,465)          | (3,103,325)          | 1,421,413           | (3,527,377)          |
| <b>Total net position</b>                         | <b>\$ 25,657,488</b> | <b>\$ 21,232,923</b> | <b>\$ 1,584,836</b> | <b>\$ 48,475,247</b> |

See accompanying Notes to the Basic Financial Statements.

**City of Patterson**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

|   | Major Funds          |                      |                     | Total                |
|---|----------------------|----------------------|---------------------|----------------------|
|   | Water                | Sewer                | Garbage             |                      |
| <b>OPERATING REVENUES:</b>                    |                      |                      |                     |                      |
| Charges for services                          | \$ 6,741,904         | \$ 5,427,783         | \$ 4,081,799        | \$ 16,251,486        |
| Fees, fines, and penalties                    | 270,820              | 148,030              | 158,948             | 577,798              |
| Miscellaneous                                 | 12,168               | 36,969               | -                   | 49,137               |
| <b>Total operating revenues</b>               | <b>7,024,892</b>     | <b>5,612,782</b>     | <b>4,240,747</b>    | <b>16,878,421</b>    |
| <b>OPERATING EXPENSES:</b>                    |                      |                      |                     |                      |
| Salaries and benefits                         | 2,730,909            | 3,111,561            | 900,437             | 6,742,907            |
| Contractual and professional services         | 78,998               | 546,864              | 2,201,490           | 2,827,352            |
| Supplies and operating costs                  | 1,265,864            | 942,473              | 299,390             | 2,507,727            |
| Depreciation                                  | 1,692,089            | 2,724,759            | 21,160              | 4,438,008            |
| <b>Total operating expenses</b>               | <b>5,767,860</b>     | <b>7,325,657</b>     | <b>3,422,477</b>    | <b>16,515,994</b>    |
| <b>OPERATING INCOME (LOSS)</b>                | <b>1,257,032</b>     | <b>(1,712,875)</b>   | <b>818,270</b>      | <b>362,427</b>       |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |                      |                      |                     |                      |
| Intergovernmental :                           |                      |                      |                     |                      |
| Federal grants and subsidies                  | -                    | -                    | -                   | -                    |
| Gain (loss) on sale of assets                 | (1,313,431)          | (10,000)             | -                   | (1,323,431)          |
| Investment income                             | 436,953              | 14,367               | 11,166              | 462,486              |
| Interest expense                              | (513,261)            | (170,473)            | -                   | (683,734)            |
| <b>Total nonoperating revenues (expenses)</b> | <b>(1,389,739)</b>   | <b>(166,106)</b>     | <b>11,166</b>       | <b>(1,544,679)</b>   |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | <b>(132,707)</b>     | <b>(1,878,981)</b>   | <b>829,436</b>      | <b>(1,182,252)</b>   |
| <b>TRANSFERS</b>                              |                      |                      |                     |                      |
| Revenue from Fiduciary Fund                   | -                    | 1,472,643            | -                   | 1,472,643            |
| Capital grants and contributions              | 2,824,339            | 3,305,757            | 26,423              | 6,156,519            |
| Transfers in                                  | 126                  | 209,466              | -                   | 209,592              |
| Transfers out                                 | (2,167,605)          | (248,617)            | (732,445)           | (3,148,667)          |
| <b>Total Transfers</b>                        | <b>656,860</b>       | <b>4,739,249</b>     | <b>(706,022)</b>    | <b>4,690,087</b>     |
| <b>CHANGES IN NET POSITION</b>                | <b>524,153</b>       | <b>2,860,268</b>     | <b>123,414</b>      | <b>3,507,835</b>     |
| <b>NET POSITION:</b>                          |                      |                      |                     |                      |
| Beginning of year                             | 25,133,335           | 18,372,655           | 1,461,422           | 44,967,412           |
| End of year                                   | <u>\$ 25,657,488</u> | <u>\$ 21,232,923</u> | <u>\$ 1,584,836</u> | <u>\$ 48,475,247</u> |

**City of Patterson**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

|  | <b>Major Funds</b>          |                            |                            | <b>Total</b>                |
|--|-----------------------------|----------------------------|----------------------------|-----------------------------|
|  | <b>Water</b>                | <b>Sewer</b>               | <b>Garbage</b>             |                             |
| <b>Cash Flows from Operating Activities:</b>   |                             |                            |                            |                             |
| Cash received from customers   | \$ 7,055,643                | \$ 5,410,629               | \$ 4,252,456               | \$ 16,718,728               |
| Cash paid to suppliers   | (1,149,880)                 | (1,606,811)                | (2,472,503)                | (5,229,194)                 |
| Cash paid to employees   | (2,650,728)                 | (2,894,060)                | (1,051,545)                | (6,596,333)                 |
| Other  | 12,168                      | 36,969                     | -                          | 49,137                      |
| <b>Net cash provided by operating activities</b>                                     | <b>3,267,203</b>            | <b>946,727</b>             | <b>728,408</b>             | <b>4,942,338</b>            |
| <b>Cash Flows from Noncapital Financing Activities:</b>                              |                             |                            |                            |                             |
| Advances between funds   | -                           | 1,600,000                  | -                          | 1,600,000                   |
| Transfers in   | 126                         | 209,466                    | -                          | 209,592                     |
| Transfers out  | (2,167,605)                 | (248,617)                  | (732,445)                  | (3,148,667)                 |
| <b>Net cash provided by (used in) noncapital financing activities</b>                | <b>(2,167,479)</b>          | <b>1,560,849</b>           | <b>(732,445)</b>           | <b>(1,339,075)</b>          |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                     |                             |                            |                            |                             |
| Capital grants   | -                           | -                          | 26,423                     | 26,423                      |
| Capital contributions from developers and others                                     | 2,824,339                   | 3,305,757                  | -                          | 6,130,096                   |
| Acquisition and construction of capital assets                                       | (8,198,220)                 | (10,701,547)               | (164,503)                  | (19,064,270)                |
| Revenue from Fiduciary Fund  | -                           | 1,472,643                  | -                          | 1,472,643                   |
| Proceeds from issuance of debt   | 41,000                      | 1,745,118                  | -                          | 1,786,118                   |
| Principal paid on revenue bonds and loan   | (378,042)                   | (437,769)                  | -                          | (815,811)                   |
| Interest paid on capital debt  | (514,302)                   | (162,413)                  | -                          | (676,715)                   |
| <b>Net cash provided by (used in) capital and related financing activities</b>       | <b>(6,225,225)</b>          | <b>(4,778,211)</b>         | <b>(138,080)</b>           | <b>(11,141,516)</b>         |
| <b>Cash Flows from Investing Activities:</b>   |                             |                            |                            |                             |
| Interest   | 427,104                     | 10,890                     | 9,077                      | 447,071                     |
| <b>Net cash provided by investing activities</b>                                     | <b>427,104</b>              | <b>10,890</b>              | <b>9,077</b>               | <b>447,071</b>              |
| <b>Net increase (decrease) in cash and cash equivalents</b>                          | <b>(4,698,397)</b>          | <b>(2,259,745)</b>         | <b>(133,040)</b>           | <b>(7,091,182)</b>          |
| <b>Cash and Cash Equivalents:</b>  |                             |                            |                            |                             |
| Beginning of year  | 19,833,300                  | 3,560,792                  | 1,969,856                  | 25,363,948                  |
| End of year  | <u>\$ 15,134,903</u>        | <u>\$ 1,301,047</u>        | <u>\$ 1,836,816</u>        | <u>\$ 18,272,766</u>        |
| <b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b> |                             |                            |                            |                             |
| Cash and investment  | \$ 2,415,708                | \$ 824,263                 | \$ 1,836,816               | \$ 5,076,787                |
| Restricted cash and investments  | -                           | 405,582                    | -                          | 405,582                     |
| Cash and investments with fiscal agent   | 11,119,195                  | 71,202                     | -                          | 11,190,397                  |
| <b>Total cash and investment</b>   | <b><u>\$ 13,534,903</u></b> | <b><u>\$ 1,301,047</u></b> | <b><u>\$ 1,836,816</u></b> | <b><u>\$ 16,672,766</u></b> |

**City of Patterson**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2023**

|   | <b>Major Funds</b>  |                   |                   | <b>Total</b>        |
|---|---------------------|-------------------|-------------------|---------------------|
|   | <b>Water</b>        | <b>Sewer</b>      | <b>Garbage</b>    |                     |
| <b>Reconciliation of Operating Income (Loss) to<br/>Net Cash Provided by Operating Activities</b>         |                     |                   |                   |                     |
| Operating income (loss)   | \$ 1,257,032        | \$ (1,712,875)    | \$ 818,270        | \$ 362,427          |
| <b>Adjustments to reconcile operating income (loss) to<br/>net cash provided by operating activities:</b> |                     |                   |                   |                     |
| Depreciation expense  | 1,692,089           | 2,724,759         | 21,160            | 4,438,008           |
| <b>Change in assets and liabilities:</b>  |                     |                   |                   |                     |
| Accounts receivable   | 25,646              | (165,184)         | 39,059            | (100,479)           |
| Intergovernmental receivable  | 673                 | -                 | (927)             | (254)               |
| Lease receivable  | -                   | 23,966            | -                 | 23,966              |
| Prepaid items   | (3,827)             | 59                | 194               | (3,574)             |
| OPEB-related deferred outflows of resources   | 106,455             | 125,767           | 32,333            | 264,555             |
| Pension-related deferred outflows of resources  | (385,662)           | (468,049)         | (15,005)          | (868,716)           |
| Accounts payable  | 198,809             | (117,533)         | 28,183            | 109,459             |
| Accrued liabilities   | 416                 | (3,253)           | (1,569)           | (4,406)             |
| Deposits payable  | 16,600              | -                 | -                 | 16,600              |
| Unearned revenue  | -                   | -                 | (26,423)          | (26,423)            |
| Compensated absences  | 17,419              | 45,609            | 16,734            | 79,762              |
| Net OPEB liability  | (1,125,739)         | (1,329,976)       | (341,913)         | (2,797,628)         |
| Aggregate net pension liability   | 854,809             | 973,313           | 146,010           | 1,974,132           |
| Lease-related deferred inflows of resources   | -                   | (23,966)          | -                 | (23,966)            |
| OPEB-related deferred inflows of resources  | 1,049,494           | 1,239,896         | (72,884)          | 2,216,506           |
| Pension-related deferred inflows of resources   | (437,011)           | (365,806)         | 85,186            | (717,631)           |
| <b>Total adjustments</b>  | <b>2,010,171</b>    | <b>2,659,602</b>  | <b>(89,862)</b>   | <b>4,579,911</b>    |
| <b>Net cash provided by (used in) operating activities</b>  | <b>\$ 3,267,203</b> | <b>\$ 946,727</b> | <b>\$ 728,408</b> | <b>\$ 4,942,338</b> |

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**FIDUCIARY FUNDS FINANCIAL STATEMENTS**

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**City of Patterson**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

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|   | Custodial<br>Funds   |
|---|----------------------|
| <b>ASSETS</b>                                     |                      |
| Cash and investments                              | \$ 10,492,345        |
| Restricted cash and investments                   | 186,322              |
| Cash and investments with fiscal agents           | 14,272,229           |
| Accounts receivable                               | 280                  |
| Intergovernmental receivable                      | 63,333               |
| Interest receivable                               | 21,998               |
| Notes receivable                                  | 975,361              |
| <b>Total assets</b>                               | <b>26,011,868</b>    |
| <b>LIABILITIES</b>                                |                      |
| Accounts payable                                  | 37,198               |
| Due to City                                       | 52,587               |
| <b>Total liabilities</b>                          | <b>89,785</b>        |
| <b>NET POSITION</b>                               |                      |
| Restricted for:                                   |                      |
| Individuals, organizations, and other governments | 25,922,083           |
| <b>Total net position</b>                         | <b>\$ 25,922,083</b> |

**City of Patterson**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2023**

---

|   | Custodial<br>Funds |
|---|--------------------|
| <b>ADDITIONS:</b>                         |                    |
| Special assessments for other governments | \$ 7,819,916       |
| Investment income                         | 609,671            |
| <b>Total additions</b>                    | 8,429,587          |
| <b>DEDUCTIONS:</b>                        |                    |
| Administration                            | 74,787             |
| Payments on conduit bonds - principal     | 2,135,629          |
| Payments on conduit bonds - interest      | 4,613,428          |
| Projects payments                         | 1,738,754          |
| Contributions to City                     | 2,208,553          |
| <b>Total deductions</b>                   | 10,771,151         |
| <b>Change in net position</b>             | (2,341,564)        |
| <b>NET POSITION:</b>                      |                    |
| Beginning of year, as restated (Note 19)  | 28,263,647         |
| End of period                             | \$ 25,922,083      |

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Patterson**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**City of Patterson**  
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**City of Patterson**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies**

The accompanying basic financial statements of the City of Patterson, California (the “City”), have been prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

**A. Financial Reporting Entity**

The City operates under a Council-Manager form of government and provides the following services as authorized: public safety (police, fire and civil defense), highway and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services. The City also provides water, garbage, and sewer service.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The primary criteria for including a potential component unit within the reporting entity are the governing body’s financial accountability and a financial benefit or burden relationship and whether it is misleading to exclude. A primary government is financially accountable and shares a financial benefit or burden relationship, if it appoints a voting majority of an organization’s governing body and it is able to impose its will on the organization, or if there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. A primary government may also be financially accountable if an organization is fiscally dependent on the primary government regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government.

**Blended Component Units**

Although the following are legally separate from the City, they have been “blended” as though they are part of the City because the component unit’s governing body is substantially the same as the City’s and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component unit; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

**Patterson Public Financing Authority:** The Patterson Public Financing Authority (“PPFA”) was formed in 2001 pursuant to a joint exercise of powers agreement between the City and the former Redevelopment Agency of the City. PPFA is authorized to borrow money for the purpose of financing the acquisition of bonds, notes, and other obligations of, or for the purpose of making loans to, public entities, including the City and to provide financing for public capital improvements for lease to public entities, including the City. The members of the City Council also sit as the Board of Directors of PPFA. The financial activities of the PPFA are reported in the debt service fund.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**A. Financial Reporting Entity (Continued)**

The City also participates in the following organization that does not meet the definition of a component unit:

**West Patterson Financing Authority:** The West Patterson Financing Authority (the “Authority”) was formed in 2001 pursuant to a joint exercise of powers agreement between the City and the former Redevelopment Agency of the. The primary activity of the Authority is issuing special tax bonds on behalf of the West Patterson Financing Authority Community Facilities District No. 2001-1 (Public Improvements). The proceeds of the special tax bonds are used to finance the costs of certain engineering, design, construction and other expenses related to public infrastructure improvements.

On October 18, 2005, pursuant to Resolution No. 2005-04 of the Board of Directors of the Authority, the Authority founded its Community Facilities District No. 2005-1 (West Patterson Business Park) and authorized special tax levies therein.

On June 2, 2015, pursuant to Resolution No.2015-03 of the Board of Directors of the Authority, the Authority founded its Community Facilities District No. 2015-1 (Arambel-KND) and authorized special tax levies therein.

On October 16, 2018, pursuant to Resolution No. 2018-04 of the Board of Directors of the Authority, the Authority founded its Community Facilities District No. 2018-1 (Villages of Patterson) and authorized special tax levies therein. The participating landowners have been invoiced for the costs to form CFD 2018-1.

The financial activities of the Authority are included in the City's agency funds. Separate financial statements for the Authority may be obtained from the City at 1 Plaza, Patterson, CA 95363.

**B. Basis of Accounting and Measurement Focus**

**Fund Accounting**

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

**Deferred Outflows/Inflows of Resources**

The Statement of Net Position and the Balance Sheet of Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represent outflows of resources (consumption of net assets) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net assets) that apply to future periods and that, therefore, are not recognized as revenue until that time.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Government–Wide Financial Statements**

The City’s government-wide financial statements include a statement of net position and a statement of activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

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

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. However, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

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

**Governmental Fund Financial Statements**

Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. The City defines available to be within 60 days.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Governmental Fund Financial Statements (Continued)**

The primary revenue sources, which have been treated as susceptible to accrual by the City, are taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

The reconciliation of the fund financial statements to the government-wide financial statements is provided to explain the differences.

Major governmental funds of the City are outlined below:

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

**CFD 2003-1 Public Safety/Fire Protection Services Fund** - This fund accounts funds for public safety with the first priority being fire and emergency medical service in new developments. This fund account for all special tax revenue levied and all direct and incidental costs related to public safety incurred within the district.

**Patterson Public Financing Authority (PPFA)** - PPFA is authorized to borrow money for the purpose of financing the acquisition of bonds, notes, and other obligations of, or for the purpose of making loans to, public entities, including the City and to provide financing for public capital improvements for lease to public entities, including the City.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows for each major proprietary fund.

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

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

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Proprietary Fund Financial Statements (Continued)**

Major proprietary funds of the City are outlined below:

**Water Fund** - This fund accounts for all financial transactions relating to the City's water service. Services are on a user charge basis to residents and business owners in Patterson.

**Sewer Fund** - This fund accounts for all financial transactions relating to the City's wastewater treatment collection and treatment. Services are on a user charge basis to residents and business owners located in Patterson.

**Garbage Fund** - This fund accounts for all financial transactions relating to the City's solid waste service. Services are on a user charge basis to residents and business owners located in Patterson.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has one type of fiduciary fund, custodial funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Fiduciary funds are accounted for using the accrual basis of accounting. The City reports the following fiduciary funds:

**Custodial Funds** –The City accounts for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include Community Facilities Districts.

**C. Cash and Investments**

The City pools its available cash for investment purposes. The City's cash and investments considered to be cash equivalents, consist of cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and reported as Cash and Investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

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

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**C. Cash and Investments (Continued)**

The City participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

**D. Restricted Cash and Investments**

Certain restricted cash and investments are held by a fiscal agent for the redemption of bonded debt and for acquisition and construction of capital projects.

**E. Accounts and Interest Receivable**

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**F. Leases**

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$15,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the Statement of net position.

Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial Statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**F. Leases (Continued)**

Lessor (Continued)

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**G. Subscription-Based Information Technology Arrangements (SBITAs)**

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in the financial statements with an initial, individual value of \$25,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**G. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)**

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported as long-term debt on the statement of net position.

**H. Capital Assets**

Capital assets, which include property, plant, equipment, infrastructure assets, and the right to use leased equipment and buildings, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost (except for intangible right-to-use lease assets) or estimated historical cost if purchased or constructed. Donated capital assets are valued at their estimated acquisition value on the date donated. City policy has set the capitalization threshold at \$5,000. Depreciation is recorded on a straight-line basis over estimated useful lives of the assets as follows:

|                                |             |
|--------------------------------|-------------|
| Buildings and improvements     | 20-40 years |
| Machinery and equipment        | 3-6 years   |
| Streets and roads              | 20 years    |
| Curbs, gutters, sidewalks, and | 20 years    |
| Storm drains                   | 75 years    |

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

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

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

**I. Long-Term Debt**

In the government-wide financial statements and the proprietary fund financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Initial issue bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs except for insurance, are expenses in the period incurred. Amortization of bond premiums or discounts, issuance costs, and deferred amounts on refunding is included in interest expense.

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

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**J. Compensated Absences**

**Government-Wide Financial Statements**

City employees have vested interest in varying levels of vacation and sick leave based on their length of employment and bargaining unit they belong to. Vacation leave is payable to employees at the time a vacation is taken or upon termination of employment. Sick leave is payable only when an employee is unable to work due to personal or family illness. There is no cap on the amount of sick leave that can be accrued. Employees with less than five years of employment do not have vested privilege on sick leave and their sick leave is forfeited upon termination. Eligible employees are accruing their vacation time on a monthly basis based on their years of continuous service. Effective July 1, 2016, the City changed its vesting procedures for department heads, going forward department heads will vest their annual vacation at the beginning of the year, whereas all other eligible employees vest in their vacation on a monthly basis. The amount of compensated absences is accrued when incurred in the government-wide financial statements.

**Fund Financial Statements**

In governmental funds, compensated absences are recorded as expenditures in the years paid, as it is the City's policy to liquidate any unpaid compensated absences at June 30 from future resources, rather than currently available financial resources. When an employee is terminated at fiscal year end, the amount of his or her reimbursable unused vacation is recorded as a liability in the governmental funds. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund. The amount of accrued sick pay is not due upon termination and therefore is not recorded as a liability for the City.

**K. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 13). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2021                 |
| Measurement Date   | June 30, 2022                 |
| Measurement Period | July 1, 2021 to June 30, 2022 |

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**L. Other Postemployment Benefits (“OPEB”)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s Retiree Benefits Plan (“OPEB Plan”) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 14). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2021                 |
| Measurement Date   | June 30, 2022                 |
| Measurement Period | July 1, 2021 to June 30, 2022 |

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

**M. Property Taxes**

The County of Stanislaus levies, bills, and collects property taxes and special assessments for the City. Property taxes levied are recorded as revenue when received, in the fiscal year or levy, due to the adoption of the "alternate method of property tax distribution", known as the Teeter Plan, by the City and the County of Stanislaus. The Teeter Plan authorizes the Auditor/Controller of the County of Stanislaus to allocate 100% of the secured property taxes billed, but not yet paid. The County of Stanislaus remits tax monies to the City in three installments as follows:

- 55% remitted in January
- 40% remitted in May
- 5% remitted in June

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Property valuations are established by the Assessor of the County of Stanislaus for the secured and unsecured property tax rolls. Under the provisions of Article XIII A of the State Constitution, properties are assessed at 100% of purchase price or value in 1978 whichever is later. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2 percent. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**N. Net Position**

For government-wide and proprietary fund financial statements, net position is categorized as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

**O. Fund Balances**

For governmental fund financial statements, fund balances are categorized as follows:

Nonspendable – Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories and long term receivables, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations imposed by the formal action of the government's highest level of decision making authority normally through resolutions, etc., and that remain binding unless rescinded or modified in the same manner. The City Council is considered the highest authority for the City.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City's policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager and the Finance Director for the purpose of reporting these amounts in the annual financial statements.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned for those purposes, it may be necessary to report negative unassigned fund balance in that particular fund.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**P. Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosure. Accordingly, actual results could differ from those estimates.

**Q. Implementation of New GASB Pronouncements for the Year Ended June 30, 2023**

*GASB Statement No. 91*

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

*GASB Statement No. 94*

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Implementation of this statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

*GASB Statement No. 96*

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement had a moderate effect on the City's financial statements for the fiscal year ended June 30, 2023.

*GASB Statement No. 99*

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**R. Upcoming Government Accounting Standards Implementations**

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

*GASB Statement No. 100*

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the City’s fiscal year ending June 30, 2024.

*GASB Statement No. 101*

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the City’s fiscal year ending June 30, 2025.

*GASB Statement No. 102*

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. That objective is achieved by requiring governments to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The statement also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City’s fiscal year ending June 30, 2025. Earlier application is encouraged.

**Note 2 – Cash and Investments**

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2023:

|   | <u>Primary Government</u>          |                                     | <u>Fiduciary<br/>Funds</u> | <u>Total</u>          |
|---|------------------------------------|-------------------------------------|----------------------------|-----------------------|
|   | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> |                            |                       |
| Cash and investments                    | \$ 42,961,028                      | \$ 5,076,787                        | \$ 10,492,345              | \$ 58,530,160         |
| Restricted cash and investments         | 2,807,533                          | 405,582                             | 186,322                    | 3,399,437             |
| Cash and investments with fiscal agents | 587,522                            | 11,190,397                          | 14,272,229                 | 26,050,148            |
| Investments held in trust               | 58,223,997                         | -                                   | -                          | 58,223,997            |
| <b>Total cash and investments</b>       | <u>\$ 104,580,080</u>              | <u>\$ 16,672,766</u>                | <u>\$ 24,950,896</u>       | <u>\$ 146,203,742</u> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 2 – Cash and Investments (Continued)**

Cash, cash equivalents, and investments, consisted of the following at June 30, 2023:

|   |                       |
|---|-----------------------|
| <b>Cash and cash equivalents:</b>                   |                       |
| Cash on hand  | \$ 1,245              |
| Deposits with financial institutions                | 41,168,612            |
| <b>Total cash and cash equivalents</b>              | <b>41,169,857</b>     |
| <b>Investments:</b>                                 |                       |
| Local obligation bonds                              | 58,223,997            |
| Money market mutual funds                           | 28,755,827            |
| Central San Joaquin Valley Risk Authority (CSJVRMA) | 3,819,394             |
| Local Agency Investment Fund (LAIF)                 | 14,234,667            |
| <b>Total investments</b>                            | <b>105,033,885</b>    |
| <b>Total cash and investments</b>                   | <b>\$ 146,203,742</b> |

**A. Cash Deposits**

The carrying amounts of the City's demand deposits were \$41,168,612 at June 30, 2023. Bank balances were \$41,484,254 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

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

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements.

**B. Investments**

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

The table below identifies the investment types that are authorized by the City's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

| Authorized Investment Type                  | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in one Issuer |
|---|------------------|---------------------------------|----------------------------------|
| U.S. Treasury Obligations                   | 5 years          | None                            | None                             |
| U.S. Agency Securities                      | 5 years          | None                            | None                             |
| Certificates of Deposit                     | 2 years          | None                            | None                             |
| Local Agency Investment Fund (LAIF)         | N/A              | None                            | None                             |
| Money Market Funds                          | N/A              | None                            | None                             |
| Annuities                                   | N/A              | None                            | None                             |
| Mutual Funds                                | N/A              | 5%                              | None                             |
| Corporate Notes (Minimum rating of "AAA")   | 5 years          | 5%                              | None                             |
| Local Agency Bonds (Local obligation bonds) | 5 years          | None                            | None                             |

\* The table is based on state law requirements or investment policy requirements, whichever is more restrictive.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 2 – Cash and Investments (Continued)**

**B. Investments (Continued)**

**Investments Authorized by Debt Agreements**

Investment of debt issuances held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

| Authorized Investment Type                  | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in one Issuer |
|---|------------------|---------------------------------|----------------------------------|
| U.S. Treasury Obligations                   | 5 years          | None                            | None                             |
| U.S. Agency Securities                      | 5 years          | None                            | None                             |
| Certificates of Deposit                     | 2 years          | None                            | None                             |
| Local Agency Investment Fund (LAIF)         | None             | None                            | None                             |
| Money Market Funds                          | None             | None                            | None                             |
| Annuities                                   | None             | None                            | None                             |
| Mutual Funds                                | None             | None                            | None                             |
| Corporate Notes (Minimum rating of "AAA")   | None             | None                            | None                             |
| Local Agency Bonds (Local obligation bonds) | 5 years          | None                            | None                             |

**C. Investment in Local Agency Investment Fund**

The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2023 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

*Structured Notes* are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities*, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2023, the City had \$14,234,667 invested in LAIF, which had invested 1.46% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where fair value is not readily available. The City valued its investments in LAIF as of June 30, 2023, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The fair value of the City's position in the pool is the same as the value of the pool shares. The credit quality rating of LAIF is unrated as of June 30, 2023.

**D. Investment in Central San Joaquin Valley Risk Management Authority Investment Pool**

The City invested in an investment pool account with the Central San Joaquin Valley Risk Management Authority ("CSJVRMA"). At June 30, 2023, this account was valued at \$3,819,394. The City received an average yield of 0.01% for the fiscal year ended June 30, 2023 on this investment. The City's investment in CSJVRMA is reported at amortized cost.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures**

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2023:

|   | Fair Value            | Maturity             |                   |             |                      |
|---|-----------------------|----------------------|-------------------|-------------|----------------------|
|   |                       | 12 Months<br>or Less | 1-5 Years         | 6-10 Years  | Thereafter           |
| <b>Investments:</b>                                 |                       |                      |                   |             |                      |
| Local obligation bonds                              | \$ 58,223,997         | \$ 442,508           | \$ 879,339        | \$ -        | \$ 56,902,150        |
| Money market mutual funds                           | 28,755,827            | 28,755,827           | -                 | -           | -                    |
| Central San Joaquin Valley Risk Authority (CSJVRMA) | 3,819,394             | 3,819,394            | -                 | -           | -                    |
| Local Agency Investment Fund (LAIF)                 | 14,234,667            | 14,234,667           | -                 | -           | -                    |
| <b>Total investments</b>                            | <b>\$ 105,033,885</b> | <b>\$ 47,252,396</b> | <b>\$ 879,339</b> | <b>\$ -</b> | <b>\$ 56,902,150</b> |

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or debt agreements, and the actual rating as of the fiscal year for each investment type.

|   | Fair Value            | Minimum         | Credit Rating |           |
|---|-----------------------|-----------------|---------------|-----------|
|   |                       | Legal<br>Rating | S&P           | Moody's   |
| <b>Investments:</b>                                 |                       |                 |               |           |
| Local obligation bonds                              | \$ 58,223,997         | N/A             | Not rated     | Not rated |
| Money market mutual funds                           | 28,755,827            | N/A             | AAAm          | Aaa-mf    |
| Central San Joaquin Valley Risk Authority (CSJVRMA) | 3,819,394             | N/A             | Not rated     | Not rated |
| Local Agency Investment Fund (LAIF)                 | 14,234,667            | N/A             | Not rated     | Not rated |
| <b>Total investments</b>                            | <b>\$ 105,033,885</b> |                 |               |           |

**Disclosures Relating to Concentration of Credit Risk**

The City held the following investments in a single issuer (other than U.S. Treasury securities, external investment pools and mutual funds) that represented 5% or more of total City investment as of June 30, 2023:

| Issuer                             | Investment Type        | Amount        |
|------------------------------------|------------------------|---------------|
| West Patterson Financing Authority | Local obligation bonds | \$ 58,223,997 |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures (Continued)**

**Disclosures Relating to Custodial Credit Risk**

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. None of the City’s investments was subject to custodial credit risk.

**F. Fair Value Measurement**

The City’s investments at June 30, 2023, categorized within the fair value hierarchy as described in Note 1C are as follows:

| <b>Investments measured by fair value level:</b>                 | <b>June 30, 2023</b>  | <b>Level 1</b> | <b>Level 2</b>      | <b>Level 3</b> |
|--|-----------------------|----------------|---------------------|----------------|
| Central San Joaquin Valley Risk Authority (CSJVRMA)              | 3,819,394             | -              | 3,819,394           | -              |
| <b>Total investments by fair value level</b>                     | <b>3,819,394</b>      | <b>\$ -</b>    | <b>\$ 3,819,394</b> | <b>\$ -</b>    |
| <br>   |                       |                |                     |                |
| <b>Investments not subject to the fair value hierarchy:</b>      |                       |                |                     |                |
| Local obligation bonds   | \$ 58,223,997         |                |                     |                |
| Local Agency Investment Funds (LAIF)                             | 14,234,667            |                |                     |                |
| Money market mutual funds  | 28,755,827            |                |                     |                |
| <b>Total investments not subject to the fair value hierarchy</b> | <b>101,214,491</b>    |                |                     |                |
| <b>Total investments</b>   | <b>\$ 105,033,885</b> |                |                     |                |

Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Medium term notes: quoted prices for similar securities in active markets; and
- Asset-backed securities: recent appraisals of the asset value.

**Note 3 – Lease Receivable**

**A. Governmental Activities**

A portion of the City’s property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 4 to 12 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2023, the City recognized \$19,628 in lease revenue and \$3,825 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2023 is as follows:

|                   | <b>Balance</b>      |                  |                    | <b>Classification</b>            |                                |                                      |
|-------------------|---------------------|------------------|--------------------|----------------------------------|--------------------------------|--------------------------------------|
|                   | <b>July 1, 2022</b> | <b>Additions</b> | <b>Deletions</b>   | <b>Balance<br/>June 30, 2023</b> | <b>Due within<br/>One Year</b> | <b>Due in More<br/>Than One Year</b> |
| Leases receivable | \$ 212,945          | \$ -             | \$ (19,628)        | \$ 193,317                       | \$ 19,999                      | \$ 173,318                           |
| <b>Total</b>      | <b>\$ 212,945</b>   | <b>\$ -</b>      | <b>\$ (19,628)</b> | <b>\$ 193,317</b>                | <b>\$ 19,999</b>               | <b>\$ 173,318</b>                    |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 3 – Lease Receivable (Continued)**

**A. Governmental Activities (Continued)**

As of June 30, 2023, the required payments for these leases, including interest, are:

| Year Ending<br>June 30, | Principal         | Interest         | Total             |
|-------------------------|-------------------|------------------|-------------------|
| 2024                    | \$ 19,999         | \$ 3,453         | \$ 23,452         |
| 2025                    | 18,756            | 3,079            | 21,835            |
| 2026                    | 16,407            | 2,757            | 19,164            |
| 2027                    | 17,037            | 2,447            | 19,484            |
| 2028                    | 18,976            | 2,108            | 21,084            |
| 2029-2032               | 102,142           | 4,698            | 106,840           |
| <b>Total</b>            | <b>\$ 193,317</b> | <b>\$ 18,542</b> | <b>\$ 211,859</b> |

As of June 30, 2023, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

| Year Ending<br>June 30, | Amortization<br>Schedule |
|-------------------------|--------------------------|
| 2024                    | \$ 19,999                |
| 2025                    | 18,756                   |
| 2026                    | 16,407                   |
| 2027                    | 17,037                   |
| 2028                    | 18,976                   |
| 2029-2032               | 102,142                  |
| <b>Total</b>            | <b>\$ 193,317</b>        |

**B. Business-Type Activities**

The portion of the City's property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 4 to 6 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2023, the City recognized \$23,966 in lease revenue and \$1,058 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2023 is as follows:

|                   | Balance          |             |                    | Classification           |                        |                              |
|-------------------|------------------|-------------|--------------------|--------------------------|------------------------|------------------------------|
|                   | July 1, 2022     | Additions   | Deletions          | Balance<br>June 30, 2023 | Due within<br>One Year | Due in More<br>Than One Year |
| Leases receivable | \$ 67,379        | \$ -        | \$ (23,966)        | \$ 43,413                | \$ 24,420              | \$ 18,993                    |
| <b>Total</b>      | <b>\$ 67,379</b> | <b>\$ -</b> | <b>\$ (23,966)</b> | <b>\$ 43,413</b>         | <b>\$ 24,420</b>       | <b>\$ 18,993</b>             |

As of June 30, 2023, the required payments for these leases, including interest, are:

| Year Ending<br>June 30, | Principal        | Interest      | Total            |
|-------------------------|------------------|---------------|------------------|
| 2024                    | \$ 24,420        | \$ 605        | \$ 25,025        |
| 2025                    | 16,091           | 162           | 16,253           |
| 2026                    | 1,735            | 40            | 1,775            |
| 2027                    | 1,167            | 7             | 1,174            |
| <b>Total</b>            | <b>\$ 43,413</b> | <b>\$ 814</b> | <b>\$ 44,227</b> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 3 – Lease Receivable (Continued)**

**B. Business-Type Activities (Continued)**

As of June 30, 2023, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

| Year Ending<br>June 30, | Amortization<br>Schedule |
|-------------------------|--------------------------|
| 2024                    | \$ 24,420                |
| 2025                    | 16,091                   |
| 2026                    | 1,735                    |
| 2027                    | 1,167                    |
| <b>Total</b>            | <b>\$ 43,413</b>         |

**Note 4 – Loan and Notes Receivable**

**A. Governmental Activities**

The City engages in programs designed to encourage business enterprises, construction or improvements in low-to-moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms. Although these notes are expected to be repaid in full, their balance has been offset in the fund financial statements by deferred inflows of resources, as they are not expected to be repaid within the first 60 days of fiscal year 2023.

Summary of changes in loans and notes receivable for the year ended June 30, 2023 is as follows:

|  | Loans and Notes<br>Receivable |             |                    | Loans and Notes<br>Receivable |                     | Unavailable<br>Revenue |
|--|-------------------------------|-------------|--------------------|-------------------------------|---------------------|------------------------|
|  | Balance                       |             |                    | Balance                       |                     | Balance                |
|  | July 1, 2022                  | Additions   | Deletions          | June 30, 2023                 | June 30, 2023       |                        |
| Housing Authority of the County of Stanislaus  | \$ 290,000                    | \$ -        | \$ -               | \$ 290,000                    | \$ 290,000          |                        |
| Greater Valley Housing Development Corporation | 900,000                       | -           | -                  | 900,000                       | 900,000             |                        |
| Housing Rehabilitation and Affordable Housing  | 487,319                       | -           | (22,435)           | 464,884                       | 464,884             |                        |
| <b>Total loans and notes receivable</b>        | <b>\$ 1,677,319</b>           | <b>\$ -</b> | <b>\$ (22,435)</b> | <b>\$ 1,654,884</b>           | <b>\$ 1,654,884</b> |                        |

**Housing Authority of the County of Stanislaus**

On December 1, 1997, the City entered into a 30-year loan agreement with the Housing Authority of the County of Stanislaus in the amount of \$170,000. The note does not bear interest and principal payments are deferred for 30 years with a final maturity date of December 1, 2027. The balance of this note has been offset by deferred inflows of resources in the amount of \$170,000 in the fund financial statements.

On November 19, 1998, the City entered into a 30-year loan agreement with the Housing Authority of the County of Stanislaus in the amount of \$120,000. The note does not bear interest and principal payments are deferred for 30 years with a final maturity date of November 19, 2028. The balance of this note has been offset by deferred inflows of resources in the amount of \$120,000 in the fund financial statements.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 4 – Loan and Notes Receivable (Continued)**

**A. Governmental Activities (Continued)**

**Greater Valley Housing Development Corporation**

On February 1, 2007, the City entered into a loan agreement with the Greater Valley Housing Development Corporation in the amount of \$900,000. These funds were used to build an elderly housing project for low-income senior citizens known as the "Las Palmas Place Senior Apartments". Funding for this loan is derived from developer fees collected over the past few years. As of June 30, 2018, the City had advanced the full amount of \$900,000 to the Greater Valley Housing Development Corporation. The balance of this loan has been offset by related deferred inflows of resources. There are no payments of principal and interest during the first three years of the initial term of this loan. Commencing on the fourth anniversary (February 2011) all accrued interest and principal shall be repaid as long as the Project is generating positive cash flow as determined by a formula in the promissory note. As positive cash flow was not generated during the year, the interest and principal amount is still outstanding.

**Housing Rehabilitation and Affordable Housing**

The City has provided loans to various homeowners and businesses for rehabilitation. The loans have various interest rates and payment dates. The balance of these loans receivable at June 30, 2023 was \$464,884. The balance of these loans have been offset by deferred inflows of resources in the amount of \$464,884 in the financial statements.

**B. Fiduciary Fund**

Notes receivable as of June 30, 2023, was as follows:

|                               | Balance<br>July 1, 2022 | Additions   | Deletions          | Balance<br>June 30, 2023 |
|-------------------------------|-------------------------|-------------|--------------------|--------------------------|
| Darron Silva Promissory Note  | \$ 993,418              | \$ -        | \$ (18,057)        | \$ 975,361               |
| <b>Total notes receivable</b> | <b>\$ 993,418</b>       | <b>\$ -</b> | <b>\$ (18,057)</b> | <b>\$ 975,361</b>        |

**Darron Silva Promissory Note**

On November 21, 2018, the City entered into a promissory note secured by deed of trust dated February 19, 2020 with Darron Silva, a developer within the City, in the amount of \$1,045,000 for the sale of land to be developed. On March 22, 2020 an amended promissory note secured by deed of trust was executed for the benefit of the City and encumbering the parcel. The promissory note bears 5% fixed interest rate per annum, payable at \$5,610 per month for a term of 5 years amortized over 30 years. The outstanding principal amount plus any accrued and unpaid interest shall be due and payable on August 1, 2024. The balance of the note receivable at June 30, 2023 was \$975,361.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 5 – Interfund Transactions**

**A. Due From and To Other Funds**

Due from and to other funds as of June 30, 2023, was as follows:

| Receivable Fund | Payable Fund  | Amount              | Purpose        |
|-----------------|---|---------------------|----------------|
| General Fund    | CFD 2003-1 Public Safety/Fire<br>Protection Services Special Revenue Fund | \$ 4,082,494        | Overdrawn Cash |
| General Fund    | Patterson Public Financing Authority Debt Service Fund                    | 441,007             | Overdrawn Cash |
| General Fund    | Federal CDBG Grant Special Revenue Fund                                   | 193,441             | Overdrawn Cash |
|                 | <b>Total</b>  | <b>\$ 4,716,942</b> |                |

**B. Advances To and From Other Funds**

Water Fund Advance to the Sewer Fund

On March 14, 2023, the Sewer Fund entered into loan agreement with the Water Fund in the amount of \$1,600,000. The loan is to be repaid over 10 years at 2.425% interest rate per year. This loan is for funding the settlement with Patterson Ranch Development for oversized storm drain infrastructure. At June 30, 2023, the outstanding balance of the agreement was \$1,600,000.

The annual requirements to amortize the loan are as follows:

| Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2024                    | \$ 143,128          | \$ 37,216         | \$ 180,344          |
| 2025                    | 146,638             | 33,706            | 180,344             |
| 2026                    | 150,233             | 30,111            | 180,344             |
| 2027                    | 153,917             | 26,427            | 180,344             |
| 2028                    | 157,692             | 22,653            | 180,345             |
| 2029-2033               | 848,392             | 53,329            | 901,721             |
| <b>Total</b>            | <b>\$ 1,600,000</b> | <b>\$ 203,442</b> | <b>\$ 1,803,442</b> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 5 – Interfund Transactions (Continued)**

**C. Transfers In and Out**

Transfers in and out for the year ended June 30, 2023, was as follows:

| <u>Transfers In</u>                                    | <u>Transfers Out</u>  | <u>Amount</u>       | <u>Purpose</u>    |
|--|---|---------------------|-------------------|
| General Fund   | Gas Tax Special Revenue Fund                                      | \$ 300,000          | Capital projects  |
| General Fund   | Landscape Maintenance District Special Revenue Fund               | 1,437,082           | Indirect overhead |
| General Fund   | Benefit Assessment District Special Revenue Fund                  | 29,503              | Indirect overhead |
| General Fund   | Water Enterprise Fund   | 690,053             | Indirect overhead |
| General Fund   | Sewer Enterprise Fund   | 251,295             | Indirect overhead |
| General Fund   | Garbage Enterprise Fund   | 632,445             | Indirect overhead |
|  | <b>Subtotal</b>   | <u>3,340,378</u>    |                   |
| CFD 2003-1 Public Safety/Fire Protection Services Fund | General Fund  | 660,000             | Assessments       |
| CFD 2003-1 Public Safety/Fire Protection Services Fund | CFD 2015-2 Special Revenue Fund                                   | 85,000              | Assessments       |
| CFD 2003-1 Public Safety/Fire Protection Services Fund | Patterson Garden Fire Suppression Assessment Special Revenue Fund | 500,000             | Assessments       |
|  | <b>Subtotal</b>   | <u>1,245,000</u>    |                   |
| Street Project Capital Projects Fund                   | General Fund  | 5,508               | Capital projects  |
| Street Project Capital Projects Fund                   | Garbage Enterprise Fund   | 100,000             | Capital projects  |
| Street Project Capital Projects Fund                   | Measure L Special Revenue Fund                                    | 802,176             | Capital projects  |
|  | Local Transportation Fund Non Motorized Special Revenue Fund      | 35,379              | Capital projects  |
| Street Project Capital Projects Fund                   | Gas Tax Special Revenue Fund                                      | 471,558             | Capital projects  |
| Street Project Capital Projects Fund                   | Street Improvement Impact Fee                                     | 218,726             | Capital projects  |
|  | <b>Subtotal</b>   | <u>1,633,347</u>    |                   |
| Sewer Enterprise Fund                                  | General Fund  | 66,801              | Debt service      |
| Sewer Enterprise Fund                                  | Benefit Assessment District Special Revenue Fund                  | 140,203             | Debt service      |
| Sewer Enterprise Fund                                  | Water Enterprise Fund   | 2,462               | Indirect overhead |
|  | <b>Subtotal</b>   | <u>209,466</u>      |                   |
| Measure L Special Revenue Fund                         | Water Enterprise Fund   | 1,475,090           | Capital projects  |
| Water Fund   | Measure L Special Revenue Fund                                    | 126                 | Indirect overhead |
|  | <b>Total</b>  | <u>\$ 7,903,407</u> |                   |

**Note 6 – Due from Fiduciary Funds**

Due from fiduciary funds as of June 30, 2023, was as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u>                   | <u>Amount</u>    | <u>Purpose</u> |
|------------------------|---------------------------------------|------------------|----------------|
| General Fund           | CFD 2015-1 Arambel-KDN Custodial Fund | \$ 52,587        | Overdrawn Cash |
|                        | <b>Total</b>                          | <u>\$ 52,587</u> |                |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 7 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2023 is as follows:

|  | Balance<br>July 1, 2022,<br>as restated | Additions            | Deletions             | Adjustments/<br>Transfers | Balance<br>June 30, 2023 |
|--|---|----------------------|-----------------------|---------------------------|--------------------------|
| <b>Capital assets, not being depreciated</b>           |   |                      |                       |                           |                          |
| Land   | \$ 5,271,125                            | \$ 188,110           | \$ -                  | \$ -                      | \$ 5,459,235             |
| Construction in progress                               | 9,097,213                               | 7,619,397            | (2,693,075)           | (4,283,743)               | 9,739,792                |
| <b>Total capital assets, not being depreciated</b>     | <b>14,368,338</b>                       | <b>7,807,507</b>     | <b>(2,693,075)</b>    | <b>(4,283,743)</b>        | <b>15,199,027</b>        |
| <b>Capital assets, being depreciated</b>               |   |                      |                       |                           |                          |
| Building   | 23,972,872                              | 565,312              | -                     | -                         | 24,538,184               |
| Improvements   | 16,460,797                              | 530,220              | -                     | -                         | 16,991,017               |
| Infrastructure   | 34,841,130                              | 4,829,081            | (1,774,777)           | 4,283,743                 | 42,179,177               |
| Equipment  | 6,952,904                               | 428,188              | -                     | -                         | 7,381,092                |
| Subtotal   | 82,227,703                              | 6,352,801            | (1,774,777)           | 4,283,743                 | 91,089,470               |
| Less: accumulated depreciation                         |   |                      |                       |                           |                          |
| Building   | (7,903,826)                             | (604,418)            | -                     | -                         | (8,508,244)              |
| Improvements   | (9,796,668)                             | (801,925)            | -                     | -                         | (10,598,593)             |
| Infrastructure   | (9,649,866)                             | (1,854,460)          | 44,369                | -                         | (11,459,957)             |
| Equipment  | (6,100,429)                             | (267,318)            | -                     | -                         | (6,367,747)              |
| Subtotal   | (33,450,789)                            | (3,528,121)          | 44,369                | -                         | (36,934,541)             |
| <b>Total capital assets, being depreciated, net</b>    | <b>48,776,914</b>                       | <b>2,824,680</b>     | <b>(1,730,408)</b>    | <b>4,283,743</b>          | <b>54,154,929</b>        |
| <b>Lease assets, being amortized</b>                   |   |                      |                       |                           |                          |
| Building   | 83,544                                  | 467,209              | -                     | -                         | 550,753                  |
| Subtotal   | 83,544                                  | 467,209              | -                     | -                         | 550,753                  |
| Less: accumulated amortization                         |   |                      |                       |                           |                          |
| Building   | (16,368)                                | (23,052)             | -                     | -                         | (39,420)                 |
| Subtotal   | (16,368)                                | (23,052)             | -                     | -                         | (39,420)                 |
| <b>Total lease assets, being amortized, net</b>        | <b>67,176</b>                           | <b>444,157</b>       | <b>-</b>              | <b>-</b>                  | <b>511,333</b>           |
| <b>Subscription assets, being amortized</b>            |   |                      |                       |                           |                          |
|  | 110,022                                 | -                    | -                     | -                         | 110,022                  |
| Less: accumulated amortization                         | -                                       | (52,810)             | -                     | -                         | (52,810)                 |
| <b>Total subscription assets, being amortized, net</b> | <b>110,022</b>                          | <b>(52,810)</b>      | <b>-</b>              | <b>-</b>                  | <b>57,212</b>            |
| <b>Total capital assets, net</b>                       | <b>\$ 63,322,450</b>                    | <b>\$ 11,023,534</b> | <b>\$ (4,423,483)</b> | <b>\$ -</b>               | <b>\$ 69,922,501</b>     |

Governmental activities depreciation and amortization expenses for capital assets for the year ended June 30, 2023 are as follows:

|  |                     |
|--|---------------------|
| General government                     | \$ 1,188,462        |
| Fire                                   | 210,000             |
| Public works                           | 1,496,732           |
| Park and recreation                    | 708,789             |
| <b>Total depreciation/amortization</b> | <b>\$ 3,603,983</b> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 7 – Capital Assets (Continued)**

**B. Business-Type Activities**

Summary of changes in capital assets for business-type activities for the year ended June 30, 2023 is as follows:

|   | Balance<br>July 1, 2022 | Additions            | Deletions             | Adjustments/<br>Transfers | Balance<br>June 30, 2023 |
|---|-------------------------|----------------------|-----------------------|---------------------------|--------------------------|
| <b>Capital assets, not being depreciated</b>        |                         |                      |                       |                           |                          |
| Land  | \$ 6,196,329            | \$ 1,259,593         | \$ -                  | \$ -                      | \$ 7,455,922             |
| Construction in progress                            | 6,625,335               | 8,579,998            | (1,313,431)           | (1,680,095)               | 12,211,807               |
| <b>Total capital assets, not being depreciated</b>  | <b>12,821,664</b>       | <b>9,839,591</b>     | <b>(1,313,431)</b>    | <b>(1,680,095)</b>        | <b>19,667,729</b>        |
| <b>Capital assets, being depreciated</b>            |                         |                      |                       |                           |                          |
| Infrastructure                                      | 67,302,561              | 7,688,138            | -                     | 1,606,077                 | 76,596,776               |
| Equipment   | 6,128,645               | 1,536,541            | (10,000)              | 74,018                    | 7,729,204                |
| Subtotal  | 73,431,206              | 9,224,679            | (10,000)              | 1,680,095                 | 84,325,980               |
| Less: accumulated depreciation                      |                         |                      |                       |                           |                          |
| Infrastructure                                      | (34,501,823)            | (3,868,921)          | -                     | -                         | (38,370,744)             |
| Equipment   | (4,734,480)             | (569,087)            | -                     | -                         | (5,303,567)              |
| Subtotal  | (39,236,303)            | (4,438,008)          | -                     | -                         | (43,674,311)             |
| <b>Total capital assets, being depreciated, net</b> | <b>34,194,903</b>       | <b>4,786,671</b>     | <b>(10,000)</b>       | <b>1,680,095</b>          | <b>40,651,669</b>        |
| <b>Total capital assets, net</b>                    | <b>\$ 47,016,567</b>    | <b>\$ 14,626,262</b> | <b>\$ (1,323,431)</b> | <b>\$ -</b>               | <b>\$ 60,319,398</b>     |

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2023 are as follows:

|                           |                     |
|---------------------------|---------------------|
| Water                     | \$ 1,692,089        |
| Sewer                     | 2,724,759           |
| Garbage                   | 21,160              |
| <b>Total depreciation</b> | <b>\$ 4,438,008</b> |

**Note 8 – Long-Term Debt**

**A. Governmental Activities**

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2023 is as follows:

|   | Original<br>Issuance | Balance<br>July 1, 2022,<br>as restated | Additions           | Deletions             | Balance<br>June 30, 2023 | Due Within<br>One Year | Due In More<br>Than One Year |
|---|----------------------|---|---------------------|-----------------------|--------------------------|------------------------|------------------------------|
| Private Placement:                      |                      |   |                     |                       |                          |                        |                              |
| PPFA 2013 Heartland Ranch Revenue Bonds | \$ 4,963,568         | \$ 1,848,375                            | \$ -                | \$ (462,628)          | \$ 1,385,747             | \$ 470,959             | \$ 914,788                   |
| PPFA 2013 Series A Revenue Bonds        | 67,190,000           | 55,195,000                              | -                   | (1,930,000)           | 53,265,000               | 1,855,000              | 51,410,000                   |
| Less: Bond Discount                     | (853,389)            | (597,295)                               | -                   | 28,446                | (568,849)                | -                      | (568,849)                    |
| PPFA 2013 Series B Revenue Bonds        | 6,465,000            | 5,410,000                               | -                   | (175,000)             | 5,235,000                | 175,000                | 5,060,000                    |
| 2018 Lease Revenue Bonds                | 2,429,000            | 1,898,414                               | -                   | (144,453)             | 1,753,961                | 149,510                | 1,604,451                    |
| Direct Borrowing:                       |                      |   |                     |                       |                          |                        |                              |
| Lease liability                         | 536,299              | 72,094                                  | 464,205             | (115,660)             | 420,639                  | 118,044                | 302,595                      |
| Subscription liability                  | 110,020              | 110,020                                 | -                   | (52,117)              | 57,903                   | 53,384                 | 4,519                        |
| Keystone Corporation Settlement         | 1,300,000            | 364,000                                 | -                   | -                     | 364,000                  | -                      | 364,000                      |
| Patterson Ranch Development Settlement  | 1,333,355            | -                                       | 1,333,355           | -                     | 1,333,355                | 1,333,355              | -                            |
| <b>Total long-term debt</b>             | <b>\$ 83,473,853</b> | <b>\$ 64,300,608</b>                    | <b>\$ 1,797,560</b> | <b>\$ (2,851,412)</b> | <b>\$ 63,246,756</b>     | <b>\$ 4,155,252</b>    | <b>\$ 59,091,504</b>         |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 8 – Long-Term Debt (Continued)**

**A. Governmental Activities (Continued)**

**2013 Heartland Ranch Revenue Bonds**

On July 30, 2013, the Patterson Public Financing Authority issued \$4,963,568 of revenue refunding bonds (Series 2013 Heartland Ranch Revenue Bonds) to repay, in part, the principal of the Authority's 2002 Heartland Ranch Revenue bond. Interest on the bonds is payable semi-annually on March 2 and September 2 of each year through September 2, 2027, beginning on March 2, 2014. The interest rate on the bonds is 3.73 percent. Principal payments are due annually beginning on September 2, 2014. At June 30, 2023, the outstanding balance of the 2013 Heartland Ranch Revenue bonds was \$1,385,747.

The annual debt service requirements are as follows:

| Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2024                    | \$ 470,959          | \$ 42,905         | \$ 513,864          |
| 2025                    | 273,775             | 29,016            | 302,791             |
| 2026                    | 284,557             | 18,603            | 303,160             |
| 2027                    | 174,771             | 10,036            | 184,807             |
| 2028                    | 181,685             | 3,388             | 185,073             |
| Total                   | <u>\$ 1,385,747</u> | <u>\$ 103,948</u> | <u>\$ 1,489,695</u> |

**2013 PPFA Series A Bonds**

On August 14, 2013, the Patterson Public Financing Authority issued \$67,190,000 of special tax refunding bonds (Senior Series 2013A) to purchase, in part, the 2013-A1, 2013-A2, and 2013-B special tax bonds issued by the West Patterson Financing Authority. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2039, beginning on March 1, 2014. The interest rate on the bond is 3.00 percent. Principal payments are due annually beginning on September 1, 2014. The bonds are secured by a first pledge of the investment revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. At June 30, 2023, the outstanding balance of the 2013 PPFA Series A bonds was \$53,265,000.

The annual debt service requirements are as follows:

| Year Ending<br>June 30, | Principal            | Interest             | Total                |
|-------------------------|----------------------|----------------------|----------------------|
| 2024                    | \$ 1,855,000         | \$ 2,927,800         | \$ 4,782,800         |
| 2025                    | 2,020,000            | 2,825,819            | 4,845,819            |
| 2026                    | 2,190,000            | 2,715,044            | 4,905,044            |
| 2027                    | 2,340,000            | 2,595,869            | 4,935,869            |
| 2028                    | 2,465,000            | 2,463,300            | 4,928,300            |
| 2029-2033               | 14,495,000           | 10,144,681           | 24,639,681           |
| 2034-2038               | 18,280,000           | 5,564,275            | 23,844,275           |
| 2039-2040               | 9,620,000            | 565,225              | 10,185,225           |
| Total                   | <u>\$ 53,265,000</u> | <u>\$ 29,802,013</u> | <u>\$ 83,067,013</u> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 8 – Long-Term Debt (Continued)**

**A. Governmental Activities (Continued)**

**2013 PPFA Series B Bonds**

On August 14, 2013, the Patterson Public Financing Authority issued \$6,465,000 of special tax refunding bonds (Subordinate Series 2013B) to purchase, in part, the 2013-A1, 2013-A2, and 2013-B special tax bonds Issued by the West Patterson Financing Authority. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2039, beginning on March 1, 2014. The interest rate on the bonds is 5.875 percent. Principal payments are due annually beginning on September 1, 2014. The bonds are secured by a first pledge of the investment revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. At June 30, 2023, the outstanding balance of the 2013 PPFA Series B bonds was \$5,235,000.

The annual debt service requirements are as follows:

| Year Ending<br>June 30, | Principal           | Interest            | Total               |
|-------------------------|---------------------|---------------------|---------------------|
| 2024                    | \$ 175,000          | \$ 303,003          | \$ 478,003          |
| 2025                    | 190,000             | 292,281             | 482,281             |
| 2026                    | 210,000             | 280,531             | 490,531             |
| 2027                    | 225,000             | 267,753             | 492,753             |
| 2028                    | 240,000             | 253,800             | 493,800             |
| 2029-2033               | 1,420,000           | 1,036,056           | 2,456,056           |
| 2034-2038               | 1,825,000           | 566,203             | 2,391,203           |
| 2039-2040               | 950,000             | 57,134              | 1,007,134           |
| Total                   | <u>\$ 5,235,000</u> | <u>\$ 3,056,761</u> | <u>\$ 8,291,761</u> |

**2018 Lease Revenue Bonds**

In June 2018, the Patterson Public Financing Authority issued \$2,429,000 of Lease Revenue Bonds, Series 2018 through ZMFU II, INC., a corporation organized under the laws of the State of Utah. The proceeds were utilized to provide funding for acquisition of land for a multipurpose center and adjacent park site. The bonds mature annually in amounts ranging from \$62,400 to \$102,760. Interest is due and payable semiannually at a rate of 3.47 percent. At June 30, 2023, the outstanding balance of the 2018 Lease Revenue Bonds was \$1,753,961.

The annual debt service requirements are as follows:

| Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2024                    | \$ 149,510          | \$ 59,577         | \$ 209,087          |
| 2025                    | 154,743             | 54,344            | 209,087             |
| 2026                    | 160,158             | 48,927            | 209,085             |
| 2027                    | 165,764             | 43,322            | 209,086             |
| 2028                    | 171,566             | 37,520            | 209,086             |
| 2029-2033               | 952,220             | 93,209            | 1,045,429           |
| Total                   | <u>\$ 1,753,961</u> | <u>\$ 336,899</u> | <u>\$ 2,090,860</u> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 8 – Long-Term Debt (Continued)**

**A. Governmental Activities (Continued)**

**Lease Payable**

The City has entered into leases for building space. The terms of the agreements range from 2 to 6 years. The interest rate on the lease payable was 1.875%. At June 30, 2023, the outstanding balance of the lease liability was \$420,639.

The annual debt service requirements are as follows:

| Year Ending<br>June 30, | Principal         | Interest         | Total             |
|-------------------------|-------------------|------------------|-------------------|
| 2024                    | \$ 118,044        | \$ 5,409         | \$ 123,453        |
| 2025                    | 117,630           | 3,712            | 121,342           |
| 2026                    | 118,226           | 1,518            | 119,744           |
| 2027                    | 62,686            | 240              | 62,926            |
| 2028                    | 4,053             | 47               | 4,100             |
| Total                   | <u>\$ 420,639</u> | <u>\$ 10,926</u> | <u>\$ 431,565</u> |

**Subscription Liability**

The City’s Governmental Activities has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the Town does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription period is 25 months and the calculated interest rate used was 2.92%.

As of June 30, 2023, the capitalized right-to-use assets related to SBITAs were \$110,020 and the total subscription liability was \$57,903, of which \$53,384 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements on the subscription liability are as follows:

| Year Ending<br>June 30, | Principal        | Interest      | Total            |
|-------------------------|------------------|---------------|------------------|
| 2024                    | \$ 53,384        | \$ 980        | \$ 54,364        |
| 2025                    | 4,519            | 11            | 4,530            |
| Total                   | <u>\$ 57,903</u> | <u>\$ 991</u> | <u>\$ 58,894</u> |

**Keystone Corporation Settlement**

On June 20, 2012, the City filed a complaint against Keystone Corporation and the Keystone Pacific Business Park for breach of contract (“Keystone”) based on Keystone’s failure to pay its share of General Plan updates costs incurred by the City. After this filing, the City and Keystone immediately began settlement discussions and requested the case be stayed. Subsequently, a Request for Dismissal was filed on June 24, 2013. Following the dismissal, the City and Keystone had settlement discussions regarding possible money owed to Keystone for the environmental and engineering work performed in relation to the Keystone project, which was not the subject of the City’s breach of contract claim.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 8 – Long-Term Debt (Continued)**

**A. Governmental Activities (Continued)**

Under the terms of the settlement agreement, the total amount the City will pay Keystone is \$1,300,000. Of that sum, \$936,000 will be paid in three annual installments, beginning July 15, 2014 with the final payment due in July 2016. The remaining amount of the settlement in the amount of \$364,000 will be paid to Keystone upon collection from the entitlement or development of undeveloped land in the West Patterson Business Park. The settlement agreement does not require payment of the \$364,000 in any particular time frame other than as early in the entitlement or development process as possible, but no later than entering into development agreements or approving tentative maps or final maps on currently underdeveloped land in the West Patterson Business Park. At June 30, 2023, the remaining balance of the settlement payable was \$364,000.

**Patterson Ranch Development Settlement**

On November 3, 2022, Patterson Ranch Development LLC (PRD LLC) sent a letter to the City alleging that the City failed to comply with its Reimbursement Administration obligations under Section 5.9 of the Development Agreement in that it failed to condition the subdivision map approvals or reach a reimbursement agreement with the Stakeholders and PRD LLC to allow for the timely payment of the Reimbursement Obligation owed to PRD LLC for the Public Facilities Improvements. The City and PRD LLC had settlement discussions and PRD LLC has agreed to waive their claim as to the timing of the reimbursement obligation in exchange for a portion of the reimbursement obligation being paid immediately and the rest of the reimbursement obligation being covered after the issuance of bond proceeds from Community Facilities District 2018-1. Under the terms of the settlement agreement, the total amount the City will pay PRD LLC is \$1,333,355. At June 30, 2023, the outstanding balance of the settlement liability was \$1,333,355.

**B. Business-Type Activities**

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2023 is as follows:

|  | Original<br>Issuance | Balance<br>July 1, 2022 | Additions           | Deletions             | Balance<br>June 30, 2023 | Due Within<br>One Year | Due In More<br>Than One Year |
|--|----------------------|-------------------------|---------------------|-----------------------|--------------------------|------------------------|------------------------------|
| <b>Water Fund:</b>                     |                      |                         |                     |                       |                          |                        |                              |
| Public Offering:                       |                      |                         |                     |                       |                          |                        |                              |
| 2019A Water Revenue Bonds              | \$ 9,215,000         | \$ 9,035,000            | \$ -                | \$ (70,000)           | \$ 8,965,000             | \$ 70,000              | \$ 8,895,000                 |
| Add: Bond Premium                      | -                    | 536,988                 | -                   | (19,527)              | 517,461                  | 19,527                 | 497,934                      |
| 2019B Water Revenue Refunding Bonds    | 7,015,000            | 6,190,000               | -                   | (260,000)             | 5,930,000                | 270,000                | 5,660,000                    |
| Add: Bond Premium                      | -                    | 791,283                 | -                   | (28,515)              | 762,768                  | 28,515                 | 734,253                      |
| Direct Borrowing:                      |                      |                         |                     |                       |                          |                        |                              |
| 2021 State Revolving Fund Loan         | 4,000,000            | -                       | 41,000              | -                     | 41,000                   | 1,808                  | 39,192                       |
| <b>Total water fund</b>                | <b>20,230,000</b>    | <b>16,553,271</b>       | <b>41,000</b>       | <b>(378,042)</b>      | <b>16,216,229</b>        | <b>389,850</b>         | <b>15,826,379</b>            |
| <b>Sewer Fund:</b>                     |                      |                         |                     |                       |                          |                        |                              |
| Public Offering:                       |                      |                         |                     |                       |                          |                        |                              |
| 2009 Sewer Revenue Bonds               | 3,195,000            | 175,000                 | -                   | (85,000)              | 90,000                   | 90,000                 | -                            |
| Private Placement:                     |                      |                         |                     |                       |                          |                        |                              |
| 2017 Sewer Refunding Revenue Bonds     | 2,712,200            | 2,542,500               | -                   | (31,500)              | 2,511,000                | 32,600                 | 2,478,400                    |
| Direct Borrowing:                      |                      |                         |                     |                       |                          |                        |                              |
| 2008 State Revolving Fund loan         | 774,790              | 404,644                 | -                   | (46,154)              | 358,490                  | 47,355                 | 311,135                      |
| 2021 State Revolving Fund Loan         | 2,084,000            | -                       | 621,907             | -                     | 621,907                  | 27,428                 | 594,479                      |
| Banc of America loan                   | 951,540              | 1,294,515               | -                   | (73,458)              | 1,221,057                | 92,790                 | 1,128,267                    |
| CEC loan                               | 2,876,172            | 1,347,422               | -                   | (201,657)             | 1,145,765                | 203,651                | 942,114                      |
| Patterson Ranch Development Settlement | 2,723,211            | -                       | 2,723,211           | (1,600,000)           | 1,123,211                | -                      | 1,123,211                    |
| <b>Total sewer fund</b>                | <b>15,316,913</b>    | <b>5,764,081</b>        | <b>3,345,118</b>    | <b>(2,037,769)</b>    | <b>7,071,430</b>         | <b>493,824</b>         | <b>6,577,606</b>             |
| <b>Total business-type activities</b>  | <b>\$ 35,546,913</b> | <b>\$ 22,317,352</b>    | <b>\$ 3,386,118</b> | <b>\$ (2,415,811)</b> | <b>\$ 23,287,659</b>     | <b>\$ 883,674</b>      | <b>\$ 22,403,985</b>         |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 8 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**2019A Water Revenue Bonds**

On December 24, 2019, the Patterson Public Financing Authority issued \$9,215,000 Water Revenue Bonds, Series 2019A (“Series 2019A”). The City entered into an Installment Sale Agreement dated December 1, 2019 with the Patterson Public Financing Authority to assist with the financing of certain water system improvements in the amount of \$9,591,000. The Series 2019A bonds are scheduled to mature on each June 1 from 2021 to 2049 with serial bonds from 2021 to 2039 and principal amounts ranging from \$50,000 to \$120,000 and term bonds maturing in 2044 in the amount of \$3,415,000 and 2049 in the amount of \$4,080,000. Interest rates range from 2.75 percent to 4.00 percent. The Series 2019A bonds are secured by a pledge of Net Revenues of the water System and are on parity with the Water Revenue Bonds, Series 2010. The Series 2019A bonds were sold with a net original issue premium of \$585,803 and costs of issuance of \$209,803 (including the underwriter’s discount, the fee for bond insurance and a surety fee for the reserve fund). At June 30, 2023, the outstanding balance of the 2019A Water Revenue Bonds was \$8,965,000.

The annual debt service requirements are as follows:

| Year Ending<br>June 30 | Principal           | Interest            | Total                |
|------------------------|---------------------|---------------------|----------------------|
| 2024                   | \$ 70,000           | \$ 312,644          | \$ 382,644           |
| 2025                   | 75,000              | 310,544             | 385,544              |
| 2026                   | 70,000              | 307,544             | 377,544              |
| 2027                   | 75,000              | 304,744             | 379,744              |
| 2028                   | 80,000              | 301,744             | 381,744              |
| 2029-2033              | 445,000             | 1,458,519           | 1,903,519            |
| 2034-2038              | 535,000             | 1,363,900           | 1,898,900            |
| 2039-2043              | 2,795,000           | 1,143,100           | 3,938,100            |
| 2044-2048              | 3,955,000           | 500,450             | 4,455,450            |
| 2049-2050              | 865,000             | 25,950              | 890,950              |
| Total                  | <u>\$ 8,965,000</u> | <u>\$ 6,029,139</u> | <u>\$ 14,994,139</u> |

**2019B Water Revenue Refunding Bonds**

On March 3, 2020 the PPFA issued \$7,015,000 in Water Revenue Refunding Bonds, Series 2019B (“Series 2019B”) in order to refund in full the Series 2010 Water Revenue Bonds. The City entered into a First Supplemental Installment Sale Agreement dated March 1, 2021. Proceeds from the issuance of the bonds were held by the Bank of New York Mellon as Escrow Agent in escrow to redeem the remaining principal and accrued interest due on the Water Revenue Bonds, Series 2010 on June 1, 2021.

The Series 2019B bonds are scheduled to mature as serial bonds on each June 1 from 2021 to 2039 with an interest rate of 4.00 percent. The bonds are secured by a pledge of net revenues of the water system and are on parity with the Series 2019A bonds. The bonds were sold with a net original issue premium of \$855,441 and costs of issuance of \$158,580 (including the underwriter’s discount, the fee for bond insurance and a surety fee for the reserve fund).

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 8 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**2019B Water Revenue Refunding Bonds (Continued)**

Interest on the refunding bonds is payable each December 1 and June 1 beginning on June 1, 2020. Principal is payable each June 1 beginning June 1, 2021 to June 1, 2039. At June 30, 2023, the outstanding balance of the 2019B Sewer Refunding Revenue Bonds was \$5,930,000.

The annual debt service requirements are as follows:

| <b>Year Ending<br/>June 30</b> | <b>Principal</b>    | <b>Interest</b>     | <b>Total</b>        |
|--------------------------------|---------------------|---------------------|---------------------|
| 2024                           | \$ 270,000          | \$ 237,200          | \$ 507,200          |
| 2025                           | 280,000             | 226,400             | 506,400             |
| 2026                           | 295,000             | 215,200             | 510,200             |
| 2027                           | 305,000             | 197,300             | 502,300             |
| 2028                           | 315,000             | 184,900             | 499,900             |
| 2029-2033                      | 1,795,000           | 719,100             | 2,514,100           |
| 2034-2038                      | 2,180,000           | 323,200             | 2,503,200           |
| 2039                           | 490,000             | 9,800               | 499,800             |
| Total                          | <u>\$ 5,930,000</u> | <u>\$ 2,113,100</u> | <u>\$ 8,043,100</u> |

**2021 Water State Revolving Fund Loan**

In 2021, the City entered into an agreement with the State Water Resource Board for a loan in the amount of \$4,000,000. However, the project for the loan did not commence until the current fiscal year. The loan amount is based on the amount of draws by the City for reimbursable costs. The loan bears interest in the amount of 1.2 percent. The loan matures in October 2029. At June 30, 2023, the outstanding balance of the State Revolving Fund Loan was \$41,000.

The annual debt service requirements are as follows:

| <b>Year Ending<br/>June 30</b> | <b>Principal</b> | <b>Interest</b> | <b>Total</b>     |
|--------------------------------|------------------|-----------------|------------------|
| 2024                           | \$ 1,808         | \$ 533          | \$ 2,341         |
| 2025                           | 1,832            | 509             | 2,341            |
| 2026                           | 1,856            | 486             | 2,342            |
| 2027                           | 1,880            | 462             | 2,342            |
| 2028                           | 1,904            | 437             | 2,341            |
| 2029-2033                      | 9,899            | 1,808           | 11,707           |
| 2034-2038                      | 10,559           | 1,147           | 11,706           |
| 2039-2043                      | 11,262           | 443             | 11,705           |
| Total                          | <u>\$ 41,000</u> | <u>\$ 5,825</u> | <u>\$ 46,825</u> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 8 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**2009 Sewer Revenue Bonds**

In May 2009, the Patterson Financing Authority authorized the issuance of \$3,195,000 of revenue bonds (Series 2009) to (i) finance, together with other available moneys, certain wastewater system improvements, (ii) fund a reserve for the bonds, and (iii) to pay the cost of issuance of the bonds. The bonds were issued at a discount of \$9,180 and issuance costs totaled \$219,345. Principal is payable on June 1 of each year through June 2024. Interest is payable semi-annually, on each June 1 and December 1. Interest rates range from 1.55 percent to 5.50 percent. The bonds are secured by a pledge and lien on the net revenues of the City's municipal wastewater enterprise. During fiscal year 2017-18 the bonds were partially refunded by the issuance of the 2017 Sewer Revenue Bonds. At June 30, 2023, the outstanding balance of the 2009 Sewer Revenue Bonds was \$90,000.

The annual debt service requirements are as follows:

| Year Ending<br>June 30 | Principal | Interest | Total      |
|------------------------|-----------|----------|------------|
| 2024                   | \$ 90,000 | \$ 4,275 | \$ 94,275  |
| Total                  | \$ 90,000 | \$ 4,275 | \$ 187,925 |

**2017 Sewer Refunding Revenue Bonds**

On September 5, 2017, Resolution 2017-49 approved the refinancing of a portion of the Patterson Public Financing Authority Revenue Bonds, Series 2009 (City of Patterson Wastewater System Financing Project) (the “2009 Bonds”). The 2009 Bonds were originally issued to finance the costs of acquiring and constructing wastewater system improvements, fund a reserve fund and pay costs of issuance.

The refinancing in the amount of \$2,712,200 closed on September 21, 2017 as a direct placement to Capital One Public Funding at an interest rate of 3.4 percent. The refinancing refunded the 2039 term bond of the 2009 Bonds consisting of sinking fund payments from 2025 to 2039. Savings from the refinancing were capitalized in the amount of \$469,905 and will be held by the City to provide additional funding for wastewater capital projects

Interest on the refinancing is payable each December 1 and June 1 beginning December 1, 2017. Principal is payable each June 1 beginning June 1, 2018 to June 1, 2039. The 2009 Bond that were not part of the refinancing continue to be paid as regularly scheduled until they are paid off on June 1, 2024. At June 30, 2023, the outstanding balance of the 2017 Sewer Refunding Revenue Bonds was \$2,511,000.

The annual debt service requirements are as follows:

| Year Ending<br>June 30 | Principal    | Interest   | Total        |
|------------------------|--------------|------------|--------------|
| 2024                   | \$ 32,600    | \$ 85,374  | \$ 117,974   |
| 2025                   | 128,700      | 84,266     | 212,966      |
| 2026                   | 132,800      | 79,890     | 212,690      |
| 2027                   | 136,800      | 75,375     | 212,175      |
| 2028                   | 145,700      | 70,723     | 216,423      |
| 2029-2033              | 789,700      | 276,757    | 1,066,457    |
| 2034-2038              | 935,600      | 132,838    | 1,068,438    |
| 2039                   | 209,100      | 7,109      | 216,209      |
| Total                  | \$ 2,511,000 | \$ 812,332 | \$ 3,323,332 |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 8 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**2008 Sewer State Revolving Fund Loan**

In 2008, the City entered into an agreement with the State Water Resource Board for a loan in the amount of \$1,069,602. However, the project for the loan did not commence until fiscal year 2010. The loan amount is based on the amount of draws by the City for reimbursable costs. The loan bears interest at the amount of 1.3 percent. The loan matures in October 2029. At June 30, 2023, the outstanding balance of the State Revolving Fund Loan was \$358,490.

The annual debt service requirements are as follows:

| <b>Year Ending</b> |                   |                  |                   |  |
|--------------------|-------------------|------------------|-------------------|--|
| <b>June 30</b>     | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |  |
| 2024               | \$ 47,355         | \$ 9,321         | \$ 56,676         |  |
| 2025               | 48,586            | 8,089            | 56,675            |  |
| 2026               | 49,849            | 6,826            | 56,675            |  |
| 2027               | 51,145            | 5,530            | 56,675            |  |
| 2028               | 52,475            | 4,200            | 56,675            |  |
| 2029-2030          | 109,080           | 4,272            | 113,352           |  |
| Total              | <u>\$ 358,490</u> | <u>\$ 38,238</u> | <u>\$ 396,728</u> |  |

**2021 Sewer State Revolving Fund Loan**

In 2021, the City entered into an agreement with the State Water Resource Board for a loan in the amount of \$2,084,000. However, the project for the loan did not commence until the current fiscal year. The loan amount is based on the amount of draws by the City for reimbursable costs. The loan bears interest in the amount of 1.3 percent. The loan matures in October 2029. At June 30, 2023, the outstanding balance of the State Revolving Fund Loan was \$621,907.

The annual debt service requirements are as follows:

| <b>Year Ending</b> |                   |                  |                   |  |
|--------------------|-------------------|------------------|-------------------|--|
| <b>June 30</b>     | <b>Principal</b>  | <b>Interest</b>  | <b>Total</b>      |  |
| 2024               | \$ 27,428         | \$ 8,085         | \$ 35,513         |  |
| 2025               | 27,785            | 7,728            | 35,513            |  |
| 2026               | 28,146            | 7,367            | 35,513            |  |
| 2027               | 28,512            | 7,001            | 35,513            |  |
| 2028               | 28,883            | 6,630            | 35,513            |  |
| 2029-2033          | 150,145           | 27,422           | 177,567           |  |
| 2034-2038          | 160,161           | 17,405           | 177,566           |  |
| 2039-2043          | 170,847           | 6,720            | 177,567           |  |
| Total              | <u>\$ 621,907</u> | <u>\$ 88,358</u> | <u>\$ 710,265</u> |  |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 8 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**Banc of America Public Capital Loan**

In 2014, the City entered into an agreement with Banc of America Public Capital for a loan in the amount of \$1,668,961 which was allocated between the General and Sewer Funds. Interest is calculated at 3.46 percent per annum payable each April and October 25 of each year through April 25, 2029. Principal payments are due semi-annually on April 25 and October 25 are payable from energy savings from different funds that benefitted from solar panels, streetlights, and energy efficient fixtures. In 2015, the remaining General Fund balance of \$686,473 was transferred to the Sewer fund. At June 30, 2023, the outstanding balance of the Banc of America Public Capital Loan was \$1,221,057.

| Year Ending<br>June 30 | Principal           | Interest          | Total               |
|------------------------|---------------------|-------------------|---------------------|
| 2024                   | \$ 92,790           | \$ 41,452         | \$ 134,242          |
| 2025                   | 113,620             | 38,063            | 151,683             |
| 2026                   | 136,041             | 33,940            | 169,981             |
| 2027                   | 160,803             | 29,020            | 189,823             |
| 2028                   | 409,222             | 21,326            | 430,548             |
| 2029                   | 308,581             | 8,030             | 316,611             |
| Total                  | <u>\$ 1,221,057</u> | <u>\$ 171,831</u> | <u>\$ 1,392,888</u> |

**CEC Loan**

In 2014, the City entered into an agreement with the California Energy Commission for a loan in the amount of \$2,876,172. Interest is calculated at 1.0 percent per annum payable each June and December 22 of each year through December 22, 2028. Principal payments are due semi-annually on June 22 and December 22 and are paid from energy savings from the different funds that benefit from the solar panels, streetlights, and energy efficient fixtures. At June 30, 2023, the outstanding balance of the CEC loan was \$1,145,765.

The annual debt service requirements are as follows:

| Year Ending<br>June 30 | Principal           | Interest         | Total               |
|------------------------|---------------------|------------------|---------------------|
| 2024                   | \$ 203,651          | \$ 10,980        | \$ 214,631          |
| 2025                   | 205,721             | 8,910            | 214,631             |
| 2026                   | 207,783             | 6,847            | 214,630             |
| 2027                   | 209,866             | 4,764            | 214,630             |
| 2028                   | 211,964             | 2,666            | 214,630             |
| 2029                   | 106,780             | 535              | 107,315             |
| Total                  | <u>\$ 1,145,765</u> | <u>\$ 34,702</u> | <u>\$ 1,180,467</u> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 8 – Long-Term Debt (Continued)**

**B. Business-Type Activities (Continued)**

**Patterson Ranch Development Settlement**

On November 3, 2022, Patterson Ranch Development LLC (PRD LLC) sent a letter to the City alleging that the City failed to comply with its Reimbursement Administration obligations under Section 5.9 of the Development Agreement in that it failed to condition the subdivision map approvals or reach a reimbursement agreement with the Stakeholders and PRD LLC to allow for the timely payment of the Reimbursement Obligation owed to PRD LLC for the Public Facilities Improvements. The City and PRD LLC had settlement discussions and PRD LLC has agreed to waive their claim as to the timing of the reimbursement obligation in exchange for a portion of the reimbursement obligation being paid immediately and the rest of the reimbursement obligation being covered after the issuance of bond proceeds from Community Facilities District 2018-1. Under the terms of the settlement agreement, the total amount the City will pay PRD LLC is \$2,723,211. In Fiscal Year 2023, the Water Fund advanced the Sewer Fund \$1,600,000 to pay for a portion of the settlement (see Note 5 B). At June 30, 2023, the outstanding balance of the settlement liability was \$1,123,211.

**Note 9 – Compensated Absences**

**A. Governmental Activities**

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Summary of changes in compensated absences for the year ended June 30, 2023 is as follows:

|                         | Balance<br>July 1, 2022 | Additions  | Deletions    | Balance<br>June 30, 2023 | Classification         |                              |
|-------------------------|-------------------------|------------|--------------|--------------------------|------------------------|------------------------------|
|                         |                         |            |              |                          | Due Within<br>One Year | Due In More<br>Than One Year |
| Governmental Activities | \$ 597,244              | \$ 567,488 | \$ (497,435) | \$ 667,297               | \$ 667,297             | \$ -                         |

**B. Business-Type Activities**

Summary of changes in compensated absences for the year ended June 30, 2023 is as follows:

|                                       | Balance<br>July 1, 2022 | Additions         | Deletions           | Balance<br>June 30, 2023 | Classification         |                              |
|---------------------------------------|-------------------------|-------------------|---------------------|--------------------------|------------------------|------------------------------|
|                                       |                         |                   |                     |                          | Due Within<br>One Year | Due In More<br>Than One Year |
| <b>Business-Type Activities:</b>      |                         |                   |                     |                          |                        |                              |
| Water Fund                            | \$ 120,270              | \$ 140,516        | \$ (123,096)        | \$ 137,690               | \$ 137,690             | \$ -                         |
| Sewer Fund                            | 132,336                 | 180,777           | (135,169)           | 177,944                  | 177,944                | -                            |
| Garbage Fund                          | 30,224                  | 51,932            | (35,198)            | 46,958                   | 46,958                 | -                            |
| <b>Total business-type activities</b> | <b>\$ 282,830</b>       | <b>\$ 373,225</b> | <b>\$ (293,463)</b> | <b>\$ 362,592</b>        | <b>\$ 362,592</b>      | <b>\$ -</b>                  |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 10 – Conduit Debt**

Special assessment districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debts issued by these Districts, but does not have a direct, contingent or moral obligation for the payment of this debt. Therefore, these debts are not included in the general long-term liabilities of the City.

The outstanding balance of each of these issues as of June 30, 2023 was as follows:

|  |                             |
|--|-----------------------------|
| Heartland Ranch Authority Bonds  | \$ 1,321,848                |
| Community Facilities District No. 2013-A1 Special Tax Bonds              | 29,540,762                  |
| Community Facilities District No. 2013-A2 Special Tax Bonds              | 23,885,231                  |
| Community Facilities District No. 2013-B Special Tax Bonds               | 3,476,156                   |
| Community Facilities District No. 2005-1 Business Park Special Tax Bonds | 9,050,000                   |
| Community Facilities District No. 2015-1 Special Tax Bonds               | 4,610,000                   |
| Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021  | 4,415,000                   |
| Community Facilities District No. 2005-1 Special Tax Bonds, Series 2021  | <u>6,775,000</u>            |
| <b>Total</b>   | <u><u>\$ 83,073,997</u></u> |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 11 – Fund Balances**

At June 30, 2023, fund balances classification is as follows:

|                                | <b>General<br/>Fund</b> | <b>CFD 2003-1<br/>Public Safety/<br/>Fire Protection<br/>Services Fund</b> | <b>Patterson<br/>Public<br/>Financing<br/>Authority</b> | <b>Other<br/>Governmental<br/>Funds</b> | <b>Total</b>         |
|--------------------------------|-------------------------|--|---|---|----------------------|
| <b>Nonspendable:</b>           |                         |  |   |   |                      |
| Prepaid items                  | \$ 138,149              | \$ 6,596   | \$ -  | \$ -                                    | \$ 144,745           |
| <b>Total nonspendable</b>      | <b>138,149</b>          | <b>6,596</b>   | <b>-</b>  | <b>-</b>                                | <b>144,745</b>       |
| <b>Restricted:</b>             |                         |  |   |   |                      |
| Debt service                   | 442,831                 | -  | 58,371,376  | -                                       | 58,814,207           |
| Assessment Districts           | -                       | -  | -   | 3,766,577                               | 3,766,577            |
| Grants                         | 117,930                 | -  | -   | 654,885                                 | 772,815              |
| Streets and roads              | -                       | -  | -   | 3,515,203                               | 3,515,203            |
| Measure L                      | -                       | -  | -   | 3,507,494                               | 3,507,494            |
| Developer housing in-lieu      | -                       | -  | -   | 1,062,184                               | 1,062,184            |
| Community Facilities Districts | -                       | -  | -   | 787,576                                 | 787,576              |
| Impact fee                     | -                       | -  | -   | 644,639                                 | 644,639              |
| <b>Total restricted</b>        | <b>560,761</b>          | <b>-</b>   | <b>58,371,376</b>                                       | <b>13,938,558</b>                       | <b>72,870,695</b>    |
| <b>Committed:</b>              |                         |  |   |   |                      |
| Contingencies                  | 9,838,576               | -  | -   | -                                       | 9,838,576            |
| Capital projects               | -                       | -  | -   | 10,364,796                              | 10,364,796           |
| <b>Total committed</b>         | <b>9,838,576</b>        | <b>-</b>   | <b>-</b>  | <b>10,364,796</b>                       | <b>20,203,372</b>    |
| <b>Assigned:</b>               |                         |  |   |   |                      |
| General government operations  | 1,069,799               | -  | -   | -                                       | 1,069,799            |
| Fund deficits                  | 4,118,174               | -  | -   | -                                       | 4,118,174            |
| Encumbrances                   | 628,091                 | -  | -   | -                                       | 628,091              |
| OPEB                           | 71,713                  | -  | -   | -                                       | 71,713               |
| Capital projects               | 348,561                 | -  | -   | -                                       | 348,561              |
| <b>Total assigned</b>          | <b>6,236,338</b>        | <b>-</b>   | <b>-</b>  | <b>-</b>                                | <b>6,236,338</b>     |
| <b>Unassigned (deficit)</b>    | <b>1,389,339</b>        | <b>(4,124,770)</b>   | <b>-</b>  | <b>(344,307)</b>                        | <b>(3,079,738)</b>   |
| <b>Total</b>                   | <b>\$ 18,163,163</b>    | <b>\$ (4,118,174)</b>  | <b>\$ 58,371,376</b>                                    | <b>\$ 23,959,047</b>                    | <b>\$ 96,375,412</b> |

**Note 12 – Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City obtains insurance coverage.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influences by member municipalities beyond their representation of that board. Obligations and liabilities of these risk pools are not the City's responsibility.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 12 – Risk Management (Continued)**

Since 1986, the City has joined together with other cities to form a public entity risk pool known as the Central San Joaquin Valley Risk Management Authority (“CSJVRMA”), a joint powers authority established in accordance with the California government code. The relationship between the City and CS is such that the CSJVRMA is not a component unit of the City for financial reporting purposes. Financial statements for the CSJVRMA may be obtained from the CSJVRMA's management.

The CSJVRMA is currently operating as a common risk management and insurance program for 54 member cities. The program's general objectives are to formulate, develop, and administer, on the behalf of the member cities, a program of insurance, to obtain lower cost for that coverage, and to develop a comprehensive loss control program. A member may withdraw from the CSJVRMA only by giving six-month notice. Cities applying for membership in the CSJVRMA may do so on approval of a two-thirds vote of the board of the CSJVRMA.

The latest financial information of the CSJVRMA for fiscal year ended June 30, 2023, is as follows:

|                                  |                |
|----------------------------------|----------------|
| Total Assets                     | \$ 153,984,502 |
| Total Liabilities                | \$ 120,022,096 |
| Net Position                     | \$ 33,962,406  |
| Operating Revenues               | \$ 73,024,624  |
| Operating Expenses               | \$ 71,300,255  |
| Nonoperating Revenues (Expenses) | \$ 64,143      |
| Change in Net Position           | \$ 1,788,512   |

**A. Coverage**

The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 54 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. The CSJVRMA is governed by a Board of Directors elected by the member agencies; it is not a component unit of the City. Audited financial statements are available from the Central San Joaquin Risk Management Authority at 1750 Creekside Oaks Drive, Suite 200, Sacramento, CA 95833.

The City participates in the following pooled coverages through CSJVRMA:

| Type of Coverage (Deductible)                                    | Coverage Limits |
|--|-----------------|
| Liability (\$100,000)  | \$ 54,000,000   |
| Property (\$5,000 to \$25,000)                                   | 1,000,000,000   |
| Worker's Compensation (\$500,000)                                | Statutory Limit |
| Boiler and Machinery (\$5,000 to \$25,000)                       | 100,000,000     |
| Automobile - for vehicles with values more than \$25,000 (\$500) | 1,000,000,000   |

The CSJVRMA maintains separate records for each member for each year of participation. The records track cash paid to the CSJVRMA through deposit premium assessments, the City’s self-insured retention portion of claims paid, and the City’s allocation of shared risks. Three years after the close of the workers’ compensation coverage year and five years after the close of the general liability coverage year, the CSJVRMA assesses the status of all members for the year, then either makes a refund to a member if it has positive balance (i.e., payout and reserve experience is less than premiums paid) or collects any deficit.

During the fiscal year ended June 30, 2023, the City contributed \$1,836,055 for current year coverage. Settled claims have not exceeded insurance coverage in any of the past three fiscal years.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 13 – Pension Plans**

**A. Summary**

|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>         |
|--|------------------------------------|-------------------------------------|----------------------|
| <b>Deferred outflows of resources:</b>   |                                    |                                     |                      |
| Pension contribution after measurement date:   |                                    |                                     |                      |
| Miscellaneous  | \$ 1,003,071                       | \$ 703,854                          | \$ 1,706,925         |
| Safety   | 668,931                            | -                                   | 668,931              |
| Change in assumptions:   |                                    |                                     |                      |
| Miscellaneous  | 482,565                            | 338,616                             | 821,181              |
| Safety   | 391,796                            | -                                   | 391,796              |
| Difference between expected and actual experience:                                   |                                    |                                     |                      |
| Miscellaneous  | 31,232                             | 21,915                              | 53,147               |
| Safety   | 118,619                            | -                                   | 118,619              |
| Adjustments due to differences in proportions  |                                    |                                     |                      |
| Miscellaneous  | 289,827                            | 203,373                             | 493,200              |
| Safety   | 325,475                            | -                                   | 325,475              |
| Differences between projected and actual investment<br>investment earnings           |                                    |                                     |                      |
| Miscellaneous  | 862,617                            | 605,298                             | 1,467,915            |
| Safety   | 613,606                            | -                                   | 613,606              |
| <b>Total deferred outflows of resources</b>  | <b>\$ 4,787,739</b>                | <b>\$ 1,873,056</b>                 | <b>\$ 6,660,795</b>  |
| <b>Net pension liabilities:</b>  |                                    |                                     |                      |
| Miscellaneous  | \$ 4,709,289                       | \$ 3,304,508                        | \$ 8,013,797         |
| Safety   | 3,885,700                          | -                                   | 3,885,700            |
| <b>Total net pension liabilities</b>   | <b>\$ 8,594,989</b>                | <b>\$ 3,304,508</b>                 | <b>\$ 11,899,497</b> |
| <b>Deferred inflows of Resources:</b>  |                                    |                                     |                      |
| Differences between City's contributions and<br>proportionate share of contributions |                                    |                                     |                      |
| Miscellaneous  | 74,219                             | 52,079                              | 126,298              |
| Safety   | 218,095                            | -                                   | 218,095              |
| <b>Total deferred inflows of resources</b>   | <b>\$ 292,314</b>                  | <b>\$ 52,079</b>                    | <b>\$ 344,393</b>    |
| <b>Pension expenses:</b>   |                                    |                                     |                      |
| Miscellaneous  | \$ 1,300,154                       | \$ 912,318                          | \$ 2,212,472         |
| Safety   | 825,062                            | -                                   | 825,062              |
| <b>Total pension expenses</b>  | <b>\$ 2,125,216</b>                | <b>\$ 912,318</b>                   | <b>\$ 3,037,534</b>  |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension Plans**

Plan Description

The City contributes to the California Public Employees’ Retirement System (“CalPERS”), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of the CalPERS annual financial report may be obtained from their Executive Office located at 400 P Street, Sacramento, California 95814.

Employees Covered by Benefit Terms

At June 30, 2022, measurement date, the following employees were covered by the benefit terms:

|                                      | <u>Miscellaneous</u> | <u>Miscellaneous<br/>PEPRA</u> | <u>Safety</u> | <u>Safety<br/>PEPRA</u> |
|--------------------------------------|----------------------|--------------------------------|---------------|-------------------------|
| Active employees                     | 48                   | 57                             | 14            | 6                       |
| Transferred and terminated employees | 50                   | 33                             | 5             | 4                       |
| Retired employees and beneficiaries  | 48                   | 2                              | 39            | -                       |
| Total                                | <u>146</u>           | <u>92</u>                      | <u>58</u>     | <u>10</u>               |

Benefit Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

|  | <u>Miscellaneous</u> | <u>Miscellaneous<br/>PEPRA</u> | <u>Safety</u>    | <u>Safety<br/>PEPRA</u> |
|--|----------------------|--------------------------------|------------------|-------------------------|
| Benefit formula                                      | 2.7% @ 55            | 2.0% @ 62                      | 3.0% @ 50        | 2.7% @ 57               |
| Benefit vesting schedule                             | 5 years service      | 5 years service                | 5 years service  | 5 years service         |
| Benefit payments                                     | monthly for life     | monthly for life               | monthly for life | monthly for life        |
| Retirement age                                       | 55                   | 62                             | 50               | 57                      |
| Monthly benefits, as a % of<br>eligible compensation | 2.7%                 | 2.0%                           | 3.0%             | 2.7%                    |
| Required employee contribution rate                  | 8.000%               | 7.750%                         | 9.000%           | 13.750%                 |
| Required employer contribution rate                  | 13.350%              | 7.590%                         | 22.480%          | 13.130%                 |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 13 – Pension Plans (Continued)**

**B. General Information about Pension Plans (Continued)**

Contributions

For the year ended June 30, 2023, the contributions recognized as part of pension expense for each Plan are as follows:

|                          | <b>Miscellaneous</b> | <b>Safety</b> | <b>Total</b> |
|--------------------------|----------------------|---------------|--------------|
| Contributions - employer | \$ 1,706,925         | \$ 668,931    | \$ 2,375,856 |

Change in Assumptions

The discount rate lowered from 7.15% in 2022 to 6.90% in 2023. The investment rate of return lowered from 7.15% in 2022 to 6.90% in 2023. In the prior year, the actuarial report did not have any changes in assumptions.

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

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

|  | <b>Plan Total Pension Liability</b> | <b>Plan Fiduciary Net Position</b> | <b>Net Pension Liability/(Asset)</b> |
|--|-------------------------------------|------------------------------------|--------------------------------------|
| <b>Miscellaneous</b>                   |                                     |                                    |                                      |
| Balance at: 6/30/21 (Valuation date)   | \$ 34,550,727                       | \$ 31,784,954                      | \$ 2,765,773                         |
| Balance at: 6/30/22 (Measurement date) | 39,403,463                          | 31,389,666                         | 8,013,797                            |
| Net changes during 2021-2022           | 4,852,736                           | (395,288)                          | 5,248,024                            |
| <b>Safety</b>                          |                                     |                                    |                                      |
| Balance at: 6/30/21 (Valuation date)   | \$ 14,082,820                       | \$ 12,315,218                      | \$ 1,767,602                         |
| Balance at: 6/30/22 (Measurement date) | 15,902,290                          | 12,016,589                         | 3,885,701                            |
| Net changes during 2021-2022           | 1,819,470                           | (298,629)                          | 2,118,099                            |

The City's net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2022, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability/(asset) was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2022 and 2021 were as follows:

|                              | <b>Miscellaneous</b> | <b>Safety</b> | <b>Total</b> |
|------------------------------|----------------------|---------------|--------------|
| Proportion - June 30, 2021   | 0.14566%             | 0.05037%      | 0.19603%     |
| Proportion - June 30, 2022   | 0.17126%             | 0.05655%      | 0.22781%     |
| Change - Increase/(Decrease) | 0.02560%             | 0.00618%      | 0.03178%     |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 13 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

*Proportionate Share of Net Pension Liability and Pension Expense (Continued)*

For the year ended June 30, 2023, the City recognized pension expense/credit of \$2,212,472 and \$825,062, for the Miscellaneous and Safety plans, respectively. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Miscellaneous Plan</b>  |   |  |
|--|---|--|
|  | <b>Deferred outflows<br/>of resources</b> | <b>Deferred inflows<br/>of resources</b> |
| Contribution made after the measurement date                                     | \$ 1,706,925                              | \$ -                                     |
| Difference between expected and actual experience                                | 53,147                                    | -  |
| Changes of assumptions   | 821,181                                   | -  |
| Net difference between projected and actual earnings on pension plan investments | 1,467,915                                 | -  |
| Employer contributions in excess/(under) proportionate share of contributions    | -   | 126,298                                  |
| Adjustments due to difference in proportions                                     | 493,200                                   | -  |
| Total  | <u>\$ 4,542,368</u>                       | <u>\$ 126,298</u>                        |
| <b>Safety Plan</b>   |   |  |
|  | <b>Deferred outflows<br/>of resources</b> | <b>Deferred inflows<br/>of resources</b> |
| Contribution made after the measurement date                                     | \$ 668,931                                | \$ -                                     |
| Difference between expected and actual experience                                | 118,619                                   | -  |
| Changes of assumptions   | 391,796                                   | -  |
| Net difference between projected and actual earnings on pension plan investments | 613,606                                   | -  |
| Employer contributions in excess/(under) proportionate share of contributions    | -   | 218,095                                  |
| Adjustments due to difference in proportions                                     | 325,475                                   | -  |
| Total  | <u>\$ 2,118,427</u>                       | <u>\$ 218,095</u>                        |
| <b>Aggregate Total</b>   |   |  |
|  | <b>Deferred outflows<br/>of resources</b> | <b>Deferred inflows<br/>of resources</b> |
| Contribution made after the measurement date                                     | \$ 2,375,856                              | \$ -                                     |
| Difference between expected and actual experience                                | 171,766                                   | -  |
| Changes of assumptions   | 1,212,977                                 | -  |
| Net difference between projected and actual earnings on pension plan investments | 2,081,521                                 | -  |
| Employer contributions in excess/(under) proportionate share of contributions    | -   | 344,393                                  |
| Adjustments due to difference in proportions                                     | 818,675                                   | -  |
| Total  | <u>\$ 6,660,795</u>                       | <u>\$ 344,393</u>                        |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 13 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

For the Miscellaneous Plan and Safety Plan, \$1,706,925 and \$668,931, respectively, was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended<br>June 30 | Deferred Outflows/(Inflows) of Resources |                     |                     |
|-----------------------|--|---------------------|---------------------|
|                       | Miscellaneous Plan                       | Safety Plan         | Total               |
| 2024                  | \$ 801,520                               | \$ 400,919          | \$ 1,202,439        |
| 2025                  | 661,603                                  | 302,076             | 963,679             |
| 2026                  | 348,195                                  | 154,098             | 502,293             |
| 2027                  | 897,827                                  | 374,308             | 1,272,135           |
| 2028                  | -  | -                   | -                   |
| Thereafter            | -  | -                   | -                   |
| Total                 | <u>\$ 2,709,145</u>                      | <u>\$ 1,231,401</u> | <u>\$ 3,940,546</u> |

Actuarial Assumptions

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

|                                  |  |
|----------------------------------|--|
| Actuarial Cost Method            | Entry Age Normal   |
| Actuarial Assumptions:           |  |
| Discount Rate                    | 6.90%  |
| Inflation                        | 2.50%  |
| Salary Increases                 | Varies by Entry Age and Service  |
| Investment Rate of Return        | 6.90%  |
| Mortality Rate Table             | Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. |
| Post Retirement Benefit Increase | Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies  |

All other actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website under Forms and Publications.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 13 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class <sup>1</sup>    | Assumed Asset<br>Allocation | Real Return<br>Years 1-10 <sup>2</sup> |
|-----------------------------|-----------------------------|--|
| Global Equity               | 30.00%                      | 4.45%                                  |
| Global Equity               | 12.00%                      | 3.84%                                  |
| Private Equity              | 13.00%                      | 7.28%                                  |
| Treasury                    | 5.00%                       | 0.27%                                  |
| Mortgage-backed Securities  | 5.00%                       | 0.50%                                  |
| Investment Grade Corporates | 10.00%                      | 1.56%                                  |
| High Yield                  | 5.00%                       | 2.27%                                  |
| Emerging Market Debt        | 5.00%                       | 2.48%                                  |
| Private Debt                | 5.00%                       | 3.57%                                  |
| Real Assets                 | 15.00%                      | 3.21%                                  |
| Liquidity                   | -5.00%                      | -0.59%                                 |

<sup>1</sup>In the CalPERS’ ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>2</sup>An expected inflation of 2.30% used for this period

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 13 – Pension Plans (Continued)**

**C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the City’s proportionate share of the net position liability for the Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|               | <b>Plan's Net Pension Liability/(Asset)</b> |  |                                       |
|---------------|---|--|---------------------------------------|
|               | <b>Discount Rate - 1%<br/>(5.90%)</b>       | <b>Current Discount<br/>Rate (6.90%)</b> | <b>Discount Rate + 1%<br/>(7.90%)</b> |
| Miscellaneous | \$ 13,385,200                               | \$ 8,013,797                             | \$ 3,594,466                          |
| Safety        | 6,081,782                                   | 3,885,700                                | 2,090,900                             |
| <b>Total</b>  | <b>\$ 19,466,982</b>                        | <b>\$ 11,899,497</b>                     | <b>\$ 5,685,366</b>                   |

*Pension Plan Fiduciary Net Position*

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

**D. Payable to the Pension Plan**

At June 30, 2023, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2023.

**Note 14 – Other Postemployment Benefits**

**A. Summary**

|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total</b>        |
|--|------------------------------------|-------------------------------------|---------------------|
| <b>Deferred outflows of resources:</b>                                   |                                    |                                     |                     |
| Employer contributions made  |                                    |                                     |                     |
| subsequent to the measurement date                                       | \$ 315,363                         | \$ 148,874                          | \$ 464,237          |
| Net difference between projected and actual earnings on plan investments | 16,142                             | 7,620                               | 23,762              |
| Changes in assumptions   | 1,147,647                          | 541,772                             | 1,689,419           |
| <b>Total deferred outflows of resources</b>                              | <b>\$ 1,479,152</b>                | <b>\$ 698,266</b>                   | <b>\$ 2,177,418</b> |
| <b>Net OPEB liability:</b>   |                                    |                                     |                     |
| Net OPEB liability   | \$ 5,747,349                       | \$ 1,867,265                        | \$ 7,614,614        |
| <b>Total OPEB liability</b>  | <b>\$ 5,747,349</b>                | <b>\$ 1,867,265</b>                 | <b>\$ 7,614,614</b> |
| <b>Deferred inflows of Resources:</b>                                    |                                    |                                     |                     |
| Difference between expected and actual experience                        | \$ 1,821,503                       | \$ 1,083,337                        | \$ 2,904,840        |
| Change in assumption   | 3,808,177                          | 2,264,909                           | 6,073,086           |
| <b>Total deferred inflows of resources</b>                               | <b>\$ 5,629,680</b>                | <b>\$ 3,348,246</b>                 | <b>\$ 8,977,926</b> |
| <b>Net OPEB Expense</b>  | <b>\$ 406,526</b>                  | <b>\$ 253,276</b>                   | <b>\$ 659,802</b>   |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 14 – Other Postemployment Benefits (Continued)**

***B. General Information about OPEB***

*Plan Description*

The City’s administers a defined benefit OPEB plan (Plan), which provides medical insurance benefits to eligible retirees and their spouses in accordance with applicable Memoranda of Understanding and the California Government Code to all employees who retire from the City. The Plan is an agent multiple-employer defined benefit OPEB plan administered by the City and is governed by the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Employees of the Miscellaneous bargaining group and other non-represented employees, who retire from the City with ten years or more of contiguous City service, are eligible for a Post-Retirement Health Benefit for themselves and spouse or child or children. This benefit is finite in nature and provides for the cost of benefits for one year only. This cost is computed at the rate of the current health care premiums and the current dental premiums, in place at the time of retirement.

*Eligibility*

Employees become eligible to retire under PEMHCA and receive City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The City has selected the unequal contribution method, where it contributes a percent of the amount paid for actives to its eligible retirees. The percent increases each year until the City's contribution for retirees eventually equals that for similarly stated active employees. The City currently covers 100% of the cost of medical coverage for active employees and their dependents up to, but not exceeding, the dollar amount of the family premium for the lowest cost HMO.

Membership in the plan consisted of the following at June 30, 2021, the valuation date:

|                                      |     |
|--------------------------------------|-----|
| Active employees                     | 121 |
| Transferred and terminated employees | 13  |
| Retired employees and beneficiaries  | 18  |
| Total                                | 152 |

*Contributions*

The obligation of the City to contribute to the Plan is established and may be amended by the City Council. For the 2021-22 fiscal year, measurement period, Payments made outside of the trust were \$148,232. Employees are currently not required to contribute to the plan.

In fiscal year 2022, the City elected to begin prefunding its OPEB obligation through the use of an irrevocable trust established with the Public Agencies Retirement System (PARS) OPEB Trust Program. This trust fund is an agent multiple-employer plan. The trust is used to accumulate and invest funds necessary to pay for future retiree benefits and to reduce the Town’s future cash flow requirements. PARS is a tax qualified irrevocable trust, organized under Internal Revenue Code (IRC) Section 115, established to prefund retirement health benefits. At June 30, 2022, measurement date, the balance in this trust account was \$728,233.

*Net OPEB Liability*

The City’s net OPEB liability was measured as of June 30, 2022. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 14 – Other Postemployment Benefits (Continued)**

**C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

Actuarial Assumptions

The net OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

|  |  |
|--|--|
| Discount Rate                                | 5.50%  |
| Inflation                                    | 2.50%  |
| Aggregate payroll increases                  | 2.75%  |
| Expected long-term investment rate of return | n/a  |
| Mortality, Termination, and Disability       | CalPERS 1997-2015 Experience Study   |
| Mortality Improvement Scale                  | Modified projected fully generational with Scale MP-2019   |
| Healthcare Trend Rate - Non-Medicare         | An annual healthcare cost trend rate of 6.50% initially reduced by decrements to an ultimate of 3.75% in 2076. |
| Healthcare Trend Rate - Medicare             | An annual healthcare cost trend rate of 5.65% initially reduced by decrements to an ultimate of 3.75% in 2076. |

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021.

Discount Rate

The discount rate used to measure the net OPEB liability was 5.50% percent. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

Change in the Net OPEB Liability

|   | <b>Total OPEB<br/>Liability</b> | <b>Fiduciary Net<br/>Position</b> | <b>Net OPEB<br/>Liability</b> |
|---|---------------------------------|-----------------------------------|-------------------------------|
| Balance at June 30, 2021 (Valuation Date)         | \$ 14,902,623                   | \$ -                              | \$ 14,902,623                 |
| Changes Recognized for the Measurement Period:    |                                 |                                   |                               |
| Service Cost                                      | 1,156,354                       | -                                 | 1,156,354                     |
| Interest on the total OPEB liability              | 346,275                         | -                                 | 346,275                       |
| Difference between expected and actual experience | (1,645,289)                     | -                                 | (1,645,289)                   |
| Changes of assumptions                            | (6,213,884)                     | -                                 | (6,213,884)                   |
| Contributions from the employer                   | -                               | 955,100                           | (955,100)                     |
| Net investment income                             | -                               | (21,455)                          | 21,455                        |
| Administrative expenses                           | -                               | (2,180)                           | 2,180                         |
| Benefit payments                                  | (203,232)                       | (203,232)                         | -                             |
| Net Changes during July 1, 2021 to June 30, 2022  | <u>(6,559,776)</u>              | <u>728,233</u>                    | <u>(7,288,009)</u>            |
| Balance at June 30, 2022 (Measurement Date)       | <u>\$ 8,342,847</u>             | <u>\$ 728,233</u>                 | <u>\$ 7,614,614</u>           |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 14 – Other Postemployment Benefits (Continued)**

**C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50 percent) or 1-percentage-point higher (6.50 percent) than the current discount rate:

| <b>Plan's Net OPEB Liability</b> |                                  |                               |
|----------------------------------|----------------------------------|-------------------------------|
| Discount Rate - 1%<br>(4.50%)    | Current Discount<br>Rate (5.50%) | Discount Rate + 1%<br>(6.50%) |
| \$ 8,651,477                     | \$ 7,614,614                     | \$ 6,737,498                  |

*Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates*

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| <b>Plan's Net OPEB Liability</b> |              |              |
|----------------------------------|--------------|--------------|
| Healthcare Cost                  |              |              |
| -1%                              | Trend Rates  | 1%           |
| \$ 6,795,035                     | \$ 7,614,614 | \$ 8,690,229 |

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$659,802. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>Deferred outflows<br/>of Resources</b> | <b>Deferred inflows<br/>of Resources</b> |
|--|---|--|
| Difference between expected and actual experience                        | \$ -                                      | \$ 2,904,840                             |
| Changes of assumptions   | 1,689,419                                 | 6,073,086                                |
| Net difference between projected and actual earnings on plan investments | 23,762                                    | -  |
| Employer contributions made subsequent to the measurement date           | 464,237                                   | -  |
| Total  | \$ 2,177,418                              | \$ 8,977,926                             |

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 10.5 years, which was determined as of June 30, 2021, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 14 – Other Postemployment Benefits (Continued)**

**C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the OPEB Plan, \$464,237 was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended<br>June 30 | Deferred Outflows/<br>(Inflows) of Resources |
|-----------------------|--|
| 2024                  | \$ (836,759)                                 |
| 2025                  | (836,759)                                    |
| 2026                  | (836,759)                                    |
| 2027                  | (835,761)                                    |
| 2028                  | (729,702)                                    |
| Thereafter            | (3,189,005)                                  |
|                       | \$ (7,264,745)                               |

**Note 15 – Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their current salary until future years. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them. Distributions are not available to the employees until termination, retirement, death or unforeseeable emergency as defined by the Plan.

**Note 16 – Other Required Disclosures**

**A. (Deficit) Net Position/Fund Balances**

At June 30, 2023, the following funds had a fund balances (deficit) or unrestricted net position (deficit):

| Fund  | Fund Type        | Deficit      |
|---|------------------|--------------|
| CFD 2003-1 Public Safety/Fire<br>Protection Services Fund | Special Revenue  | \$ 4,118,174 |
| Federal CDBG Grant Fund                                   | Special Revenue  | 233,081      |
| Local Transportation Fund                                 | Special Revenue  | 110,392      |
| Heartland Ranch Infrastructure Fund                       | Capital Projects | 834          |

The City plans to eliminate the deficits through the reduction in future expenditures and/or the use of new funding sources.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 16 – Other Required Disclosures (Continued)**

**B. Expenditures Exceeding Appropriations**

For the year ended June 30, 2023, expenditures exceeded appropriations in the following funds/functions:

| <u>Fund</u>   | <u>Function</u>    | <u>Excess Expenditures</u> |
|---|--------------------|----------------------------|
| CFD 2001-01 Patterson Gardens                       |                    |                            |
| Public Safety Special Revenue Fund                  | Fire               | \$ 279                     |
| Benefits Assessments Districts Special Revenue Fund | General government | 444                        |
| Federal HOME Special Revenue Fund                   | General government | 3,701                      |
| CFD 2018-2 VOP Maintenance Special Revenue Fund     | General government | 19,802                     |

**Note 17 – Settlement with Eli Development Corporation**

On September 17, 2013, Eli Development Corporation submitted a reimbursement request to the City, pursuant to the development agreement between the City and Northeast Territories Patterson, LP, entered into as of December 19, 2006. The City has received the requested evidence from Eli Development Corporation and has determined that only a portion of the amount requested is subject to reimbursement. The landowner has proposed terms for settlement of the dispute and a release agreement has been prepared, subject to landowner review and acceptance. Therefore, the reimbursement would come from other parties and landowners, not the City.

**Note 18 – Net Position**

**A. Net Investment in Capital Assets**

Net Investment in Capital Assets at June 30, 2023 consisted of the following:

|  | <u>Governmental<br/>Activities</u> | <u>Business-Type<br/>Activities</u> |
|--|------------------------------------|-------------------------------------|
| Net investment in capital assets:                      |                                    |                                     |
| Capital assets, nondepreciable                         | \$ 15,199,027                      | \$ 19,667,729                       |
| Capital assets, depreciable/amortizable, net           | 54,723,474                         | 40,651,669                          |
| Unspent bond proceeds - Restricted cash and investment | -                                  | 405,582                             |
| Unspent bond proceeds - Cash with fiscal agent         | -                                  | 11,119,195                          |
| Deferred amount on refunding                           | -                                  | 308,583                             |
| Long-term debt:  |                                    |                                     |
| Accounts payable (capital-related)                     | (8,544)                            | -                                   |
| Lease liability  | (420,639)                          | -                                   |
| Subscription liability                                 | (57,903)                           | -                                   |
| 2018 Lease Revenue Bonds                               | (1,753,961)                        | -                                   |
| 2019A Water Revenue Bonds                              | -                                  | (9,482,461)                         |
| 2019B Water Revenue Refunding Bonds                    | -                                  | (6,692,768)                         |
| 2009 Sewer Revenue Bonds                               | -                                  | (90,000)                            |
| 2017 Sewer Refunding Revenue Bonds                     | -                                  | (2,511,000)                         |
| 2008 State Revolving Fund loan                         | -                                  | (358,490)                           |
| 2021 State Revolving Fund Loan                         | -                                  | (662,907)                           |
| Banc of America loan                                   | -                                  | (1,221,057)                         |
| CEC loan   | -                                  | (1,145,765)                         |
| Patterson Ranch Development Settlement                 | -                                  | (1,123,211)                         |
| Total net investment in capital assets                 | <u>\$ 67,681,454</u>               | <u>\$ 48,865,099</u>                |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

**Note 18 – Net Position (Continued)**

**B. Restricted Net Position**

Restricted Net Position at June 30, 2023 consisted of the following:

|   | Governmental<br>Activities | Business-Type<br>Activities |
|---|----------------------------|-----------------------------|
| Restricted net position:                            |                            |                             |
| Restricted amount on fund statements                | \$ 72,870,695              | \$ 3,137,525                |
| Unavailable revenue                                 | 1,879,470                  | -                           |
| Long-term debt offset by investments held by trust: |                            |                             |
| PPFA 2013 Heartland Ranch Revenue Bonds             | (1,385,747)                | -                           |
| PPFA 2013 Series A Revenue Bonds                    | (53,265,000)               | -                           |
| PPFA 2013 Series B Revenue Bonds                    | (5,235,000)                | -                           |
| Total restricted net position                       | \$ 14,864,418              | \$ 3,137,525                |

**Note 19 – Prior Period Adjustments**

The City’s beginning fund balance and net position have been restated to reflect the cumulative effect of prior year adjustments to correct the accounting treatment of reimbursable expenditures and their related accounts receivable. Previously, the City posted costs deemed to be reimbursable directly to either an accounts receivable account or a deposit account depending on the nature of the cost. These reimbursable costs were only recognized as expenditures if it was unlikely that the City would receive reimbursement for them. In order to increase financial transparency, the City now recognizes these expenditures at the time the actual costs are incurred, and an offsetting receivable is recorded. A summary of the restatements as of June 30, 2023 are as follows:

**A. Government-Wide Financial Statements**

The beginning net position at July 1, 2022 of the Government-Wide Financial Statements was restated as follows:

|  | Governmental<br>Activities |
|--|----------------------------|
| Net position, as previously reported, at July 1, 2022  | \$ 83,218,328              |
| To correct error in accounting for accounts receivable | (1,583,809)                |
| Net position at July 1, 2022, as restated              | \$ 81,634,519              |

**B. Governmental Fund Financial Statements**

The beginning fund balance at July 1, 2022 of the Governmental Fund Financial Statements was restated as follows:

|  | General<br>Fund | Federal<br>HOME<br>Funds | Local<br>Transportation<br>Fund<br>Non Motorized |
|--|-----------------|--------------------------|--|
| Net position, as previously reported, at July 1, 2022  | \$ 18,425,835   | \$ 180,539               | \$ 113,438                                       |
| To correct error in accounting for accounts receivable | (1,587,261)     | 2,475                    | 977  |
| Net position at July 1, 2022, as restated              | \$ 16,838,574   | \$ 183,014               | \$ 114,415                                       |

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 19 – Prior Period Adjustments (Continued)**

**C. Custodial Fund Financial Statements**

The beginning net position at July 1, 2022 of the Custodial Fund Financial Statements was restated as follows:

|   | CFD 2018-1<br>VOP<br>Infrastructure |
|---|-------------------------------------|
| Net position (deficit), as previously reported, at July 1, 2022 | \$ 5,849,387                        |
| To correct error in accounting for accounts receivable          | (69,183)                            |
| Net position (deficit) at July 1, 2022, as restated             | \$ 5,780,204                        |

**Note 20 – Commitments and Contingencies**

**A. Litigation**

The City is a defendant in certain legal actions arising in the normal course of operations. The accompanying basic financial statements reflect a liability for the probable amounts of loss associated with these claims.

**B. Grants**

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of non-compliance were disclosed by the audit of the financial statements or single audit of the Federal grant programs, grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

**Note 21 – Subsequent Events**

**A. Patterson Public Financing Authority Special Tax Revenue Refunding Bonds Series 2023**

The Patterson Public Financing Authority (the “Authority”), 2023 Refunding Special Tax Revenue Bonds (the “2023 Bonds”) are being issued to refund two series of bonds issued in 2013, the Patterson Public Financing Authority, Revenue Bonds, Senior Series 2013A (the “2013 Senior Bonds”) issued in the amount of \$67,190,000 and outstanding in the amount of \$53,265,000, the Patterson Public Financing Authority, Revenue Bonds, Subordinate Series 2013B (the “2013 Subordinate Bonds”) issued in the amount of \$6,465,000 and currently outstanding in the amount of \$5,235,000 (collectively, with the 2013 Senior Bonds, the “2013 Bonds”) and to provide project funds in the amount of \$5,000,000 to facilitate a portion of the financing for the City’s Emergency Operations Center.

Since 2001, the Local Agency issued two series of notes and seven series of bonds on behalf of CFD 2001-1 to finance infrastructure improvements for CFD 2001-1. Concurrent with the issuance of the 2013 Bonds, the Local Agency issued Special Tax Refunding Bonds, Series 2001-A-1 currently outstanding in the amount of \$29,540,762, Special Tax Refunding Bonds, Series 2001-A-2 currently outstanding in the amount of \$23,885,232 and Special Tax Bonds, Series 2013-B currently outstanding in the amount of \$3,476,156 (collectively the “Local Obligations”). The Local Obligations refunded all the outstanding bonds issued by the Local Agency on behalf of CFD 2001-1. The Authority issued the 2013 Bonds to purchase the Local Obligations.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2023**

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**Note 21 – Subsequent Events (Continued)**

***A. Patterson Public Financing Authority Special Tax Revenue Refunding Bonds Series 2023 (Continued)***

The 2023 Bonds are expected to be issued in the amount of \$58,895,000 with interest rates at 5.00% with yields ranging from 3.26 to 3.85%. The “all-in” true interest cost of the Bonds is currently estimated to be 3.845% reflecting all the costs associated with issuing the 2023 Bonds. Currently it is estimated that the costs of issuance will be \$400,000 and the underwriter will charge an underwriter’s discount in the amount of \$294,475 or 0.50% of the estimated par amount of \$58,895,000. The underwriter’s discount is based on the percentage of the amount issued and may vary higher or lower depending on the final size of the issuance. The 2013 Bonds have a final maturity of September 1, 2039 and the 2023 Bonds will have the same final maturity of September 1, 2039, so there is no extension of the term.

The property owners pay their property tax bills each year a portion of which are the CFD 2001-1 special taxes. The special taxes are collected by the County and used to pay debt service on the Local Obligations. The debt service from the Local Obligations is then used to provide cash flow to pay the debt service first to the 2013 Senior Bonds at approximately 1.10 times debt service coverage each year and secondly to the 2013 Subordinate Bonds at approximately 1.00 times debt service coverage each year. There are approximately \$5,837,452 of total anticipated property owner savings over the life of the 2023 Bonds. The annual savings of approximately \$364,341 per year can be credited back to property owners on subsequent years property tax bills resulting in average annual savings of approximately \$156 per parcel per year, beginning in tax year 2024/25.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Patterson**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual</u>        | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|---------------------|----------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                      |   |
| <b>REVENUES:</b>                            |                         |                     |                      |   |
| Taxes:                                      |                         |                     |                      |   |
| Property                                    | \$ 6,925,702            | \$ 7,225,702        | \$ 7,380,341         | \$ 154,639  |
| Sales                                       | 13,081,296              | 13,081,296          | 12,842,865           | (238,431)   |
| Franchise                                   | 233,943                 | 233,943             | 247,538              | 13,595  |
| Other                                       | 227,738                 | 227,738             | 308,014              | 80,276  |
| Licenses, permits, and fees                 | 1,994,357               | 1,994,357           | 1,238,967            | (755,390)   |
| Charges for services                        | 530,038                 | 530,038             | 532,914              | 2,876   |
| Intergovernmental:                          |                         |                     |                      |   |
| Federal grant and subsidies                 | 3,933,903               | 4,197,072           | 863,911              | (3,333,161)   |
| Other governmental                          | 2,573,127               | 2,573,127           | 601,881              | (1,971,246)   |
| Fines, forfeitures and penalties            | 105,000                 | 105,000             | 112,090              | 7,090   |
| Interest                                    | 15,988                  | 15,988              | 174,896              | 158,908   |
| Miscellaneous                               | 278,339                 | 278,346             | 697,374              | 419,028   |
| <b>Total revenues</b>                       | <u>29,899,431</u>       | <u>30,462,607</u>   | <u>25,000,791</u>    | <u>(5,461,816)</u>  |
| <b>EXPENDITURES:</b>                        |                         |                     |                      |   |
| Current:                                    |                         |                     |                      |   |
| General government                          | 4,943,431               | 5,192,314           | 4,356,913            | 835,401   |
| Police                                      | 7,029,380               | 7,056,430           | 6,542,712            | 513,718   |
| Fire  | 3,558,937               | 3,761,741           | 3,596,359            | 165,382   |
| Community development and planning          | 2,343,251               | 2,433,740           | 2,208,715            | 225,025   |
| Public works                                | 4,025,480               | 4,248,103           | 4,088,701            | 159,402   |
| Park and recreation                         | 2,831,804               | 3,182,844           | 3,045,751            | 137,093   |
| Capital outlay                              | 3,001,045               | 3,708,204           | 2,529,001            | 1,179,203   |
| Debt service:                               |                         |                     |                      |   |
| Principal                                   | 144,453                 | 312,230             | 312,230              | -   |
| Interest and fiscal charges                 | 64,633                  | 68,094              | 68,094               | -   |
| <b>Total expenditures</b>                   | <u>27,942,414</u>       | <u>29,963,700</u>   | <u>26,748,476</u>    | <u>3,215,224</u>  |
| <b>REVENUES OVER (UNDER)</b>                |                         |                     |                      |   |
| <b>EXPENDITURES</b>                         | <u>1,957,017</u>        | <u>498,907</u>      | <u>(1,747,685)</u>   | <u>(2,246,592)</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                         |                     |                      |   |
| Inception of lease payable                  | -                       | -                   | 464,205              | 464,205   |
| Proceeds from sale of property              | -                       | -                   | -                    | -   |
| Transfers in                                | 5,125,196               | 5,285,196           | 3,340,378            | (1,944,818)   |
| Transfers out                               | (3,189,541)             | (3,189,541)         | (732,309)            | 2,457,232   |
| <b>Total other financing sources (uses)</b> | <u>1,935,655</u>        | <u>2,095,655</u>    | <u>3,072,274</u>     | <u>976,619</u>  |
| <b>Net change in fund balances</b>          | <u>\$ 3,892,672</u>     | <u>\$ 2,594,562</u> | 1,324,589            | <u>\$ (1,269,973)</u>   |
| <b>FUND BALANCE:</b>                        |                         |                     |                      |   |
| Beginning of year                           |                         |                     | <u>16,838,574</u>    |   |
| End of year                                 |                         |                     | <u>\$ 18,163,163</u> |   |

**City of Patterson**  
**Budgetary Comparison Schedule**  
**CFD 2003-1 Public Safety/Fire Protection Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual</u>         | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|---------------------|-----------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                       |   |
| <b>REVENUES:</b>                              |                         |                     |                       |   |
| Charges for services                          | \$ 1,346,155            | \$ 1,346,155        | \$ 1,448,114          | \$ 101,959  |
| Miscellaneous                                 | 67,000                  | 67,000              | 3,000                 | (64,000)  |
| <b>Total revenues</b>                         | <u>1,413,155</u>        | <u>1,413,155</u>    | <u>1,451,114</u>      | <u>37,959</u>   |
| <b>EXPENDITURES:</b>                          |                         |                     |                       |   |
| Current:                                      |                         |                     |                       |   |
| General government                            | 20,000                  | 20,000              | 18,506                | 1,494   |
| Fire  | 2,677,388               | 2,755,504           | 2,434,324             | 321,180   |
| Capital outlay                                | 783,395                 | 796,925             | 769,442               | 27,483  |
| <b>Total expenditures</b>                     | <u>3,480,783</u>        | <u>3,572,429</u>    | <u>3,222,272</u>      | <u>350,157</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>(2,067,628)</u>      | <u>(2,159,274)</u>  | <u>(1,771,158)</u>    | <u>388,116</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                     |                       |   |
| Transfers in                                  | 1,245,000               | 1,245,000           | 1,245,000             | -   |
| <b>Total other financing sources (uses)</b>   | <u>1,245,000</u>        | <u>1,245,000</u>    | <u>1,245,000</u>      | <u>-</u>  |
| <b>Net change in fund balances</b>            | <u>\$ (822,628)</u>     | <u>\$ (914,274)</u> | <u>(526,158)</u>      | <u>\$ 388,116</u>   |
| <b>FUND BALANCE (DEFICIT):</b>                |                         |                     |                       |   |
| Beginning of year                             |                         |                     | <u>(3,592,016)</u>    |   |
| End of year                                   |                         |                     | <u>\$ (4,118,174)</u> |   |

**City of Patterson**  
**Notes to the Budgetary Comparison Schedule**  
**Budgetary Information**  
**For the Year Ended June 30, 2023**

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The City maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City maintains an encumbrance accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (U.S.GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse at June 30, encumbrances outstanding at June 30, 2023 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2023 will provide authority to complete those transactions.

The City is required by its municipal code to adopt an annual budget on or before June 30 for the ensuing fiscal year. From the effective date of the budget, the amounts become the "annual appropriated budget".

The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

1. The Finance Director submits a proposed budget by June 30 of each year to City Council. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayers' comments.
3. The appropriated budget is prepared by fund, department, and division. The government department heads may make transfers of appropriation within a department. Transfers of appropriations between departments requires approval of the City Manager. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.
4. The budget is legally adopted through the passage of a council resolution.
5. The City Council may amend the budget by resolution during the fiscal year. The City Manager may transfer appropriations from one program, activity, or object to another within the same fund. All appropriations lapse at the end of the fiscal year to the extent they have not been expended. Capital project and grant funds are based on a project time frame, rather than a fiscal year "operating" time frame appropriating unused appropriations from year to year until project completion.
6. A budget review is presented to the City Council by the City Manager mid-year and approved additions or changes are legally adopted through Council resolution.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Project Funds.
8. Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with United States generally accepted accounting principles.
9. The City did not adopt a budget for the following fund: CDBG HA Loan Special Revenue Fund.

**City of Patterson**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Last Ten Years**  
**For the Year Ended June 30, 2023**

| <b>Miscellaneous Plan</b>   |                  |                  |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Measurement period, year ended  | <u>6/30/2022</u> | <u>6/30/2021</u> | <u>6/30/2020</u> | <u>6/30/2019</u> | <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> |
| Plan's proportion of the net pension liability  | 0.1712600%       | 0.1456588%       | 0.1580126%       | 0.1530113%       | 0.1496090%       | 0.1499839%       | 0.1499839%       | 0.1557567%       |
| Plan's proportionate share of<br>the net pension liability  | \$ 8,013,797     | \$ 2,765,773     | \$ 6,665,091     | \$ 6,127,339     | \$ 5,638,335     | \$ 5,912,437     | \$ 5,141,345     | \$ 4,273,133     |
| Plan's covered-employee payroll   | \$ 4,605,966     | \$ 4,605,966     | \$ 4,605,966     | \$ 4,471,812     | \$ 4,341,565     | \$ 4,215,111     | \$ 4,092,341     | \$ 3,973,147     |
| Plan's proportionate share of<br>the net pension liability as a percentage<br>of covered-employee payroll | 173.99%          | 60.05%           | 144.71%          | 137.02%          | 129.87%          | 140.27%          | 125.63%          | 107.55%          |
| Plan's fiduciary net position   | \$ 31,389,666    | \$ 31,784,954    | \$ 24,491,193    | \$ 22,526,868    | \$ 19,926,425    | \$ 16,132,739    | \$ 13,690,393    | \$ 12,687,998    |
| Plan's fiduciary net position as a percentage<br>of the total pension liability                           | 79.66%           | 92.00%           | 78.61%           | 78.62%           | 77.94%           | 73.18%           | 72.70%           | 74.81%           |
| Plan's proportionate share of aggregate<br>employer contributions   | \$ 1,426,665     | \$ 1,291,216     | \$ 1,103,312     | \$ 1,043,720     | \$ 900,310       | \$ 821,442       | \$ 693,115       | \$ 748,691       |

<sup>1</sup> Information only presented from the implementation year of 2014

**City of Patterson**  
**Schedule of Proportionate Share of the Net Pension Liability (Continued)**  
**Last Ten Years**  
**For the Year Ended June 30, 2023**

| <b>Safety Plan</b>  |                  |                  |                  |                  |                  |                  |                  |                  |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Measurement period, year ended  | <u>6/30/2022</u> | <u>6/30/2021</u> | <u>6/30/2020</u> | <u>6/30/2019</u> | <u>6/30/2018</u> | <u>6/30/2017</u> | <u>6/30/2016</u> | <u>6/30/2015</u> |
| Plan's proportion of the net pension liability  | 0.056550%        | 0.050366%        | 0.049523%        | 0.047853%        | 0.046974%        | 0.045984%        | 0.046120%        | 0.046242%        |
| Plan's proportionate share of the net pension liability   | \$ 3,885,701     | \$ 1,767,602     | \$ 3,299,373     | \$ 2,987,220     | \$ 2,756,215     | \$ 2,747,657     | \$ 2,388,655     | \$ 1,905,383     |
| Plan's covered-employee payroll   | \$ 1,369,049     | \$ 1,369,049     | \$ 1,369,049     | \$ 1,329,174     | \$ 1,290,460     | \$ 1,252,874     | \$ 1,216,383     | \$ 1,177,974     |
| Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll | 283.82%          | 129.11%          | 241.00%          | 224.74%          | 213.58%          | 219.99%          | 196.37%          | 161.75%          |
| Plan's fiduciary net position   | \$12,016,589     | \$12,315,218     | \$ 9,701,523     | \$ 9,134,775     | \$ 8,394,137     | \$ 7,539,289     | \$ 6,653,977     | \$ 6,545,084     |
| Plan's fiduciary net position as a percentage of the total pension liability                        | 75.57%           | 87.45%           | 74.62%           | 75.36%           | 75.28%           | 73.23%           | 73.58%           | 77.45%           |
| Plan's proportionate share of aggregate employer contributions                                      | \$ 552,488       | \$ 552,488       | \$ 494,902       | \$ 457,665       | \$ 393,732       | \$ 337,685       | \$ 312,567       | \$ 364,763       |

<sup>1</sup> Information only presented from the implementation year of 2014

**City of Patterson**  
**Schedule of Plan Contributions – Pension**  
**Last Ten Years**  
**For the Year Ended June 30, 2023**

**Miscellaneous Plan**

| Fiscal Year:  | 2022-23      | 2021-22      | 2020-21      | 2019-20      | 2018-19      | 2017-18      | 2016-17      | 2015-16      | 2014-15      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Contractually determined contribution (actuarially determined)        | \$ 1,706,925 | \$ 1,426,665 | \$ 1,291,216 | \$ 1,103,312 | \$ 1,043,720 | \$ 900,310   | \$ 821,442   | \$ 693,115   | \$ 748,691   |
| Contributions in relation to the actuarially determined contributions | (1,706,925)  | (1,426,665)  | (1,291,216)  | (1,103,312)  | (1,043,720)  | (900,310)    | (821,442)    | (693,115)    | (748,691)    |
| <b>Contribution deficiency (excess)</b>                               | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  |
| Covered payroll   | \$ 5,033,063 | \$ 4,886,469 | \$ 4,744,145 | \$ 4,605,966 | \$ 4,471,812 | \$ 4,341,565 | \$ 4,215,111 | \$ 4,092,341 | \$ 3,973,147 |
| Contributions as a percentage of covered payroll                      | 33.91%       | 30.07%       | 27.22%       | 23.95%       | 23.34%       | 20.74%       | 19.49%       | 16.94%       | 18.84%       |

<sup>1</sup> Information only presented from the implementation year of 2014

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023 were derived from the June 30, 2019 funding valuation report.

|                            |  |
|----------------------------|--|
| Actuarial cost method      | Entry Age Normal   |
| Amortization method/period | For details, see June 30, 2019 Funding Valuation Report  |
| Asset valuation method     | Actuarial Value of Assets. For details, see June 30, 2019 Funding Valuation Report.  |
| Inflation                  | 2.50%  |
| Salary increases           | Varies by entry age and service  |
| Payroll growth             | 2.750%   |
| Investment rate of return  | 7.00% net of pension plan investment and administrative expenses.  |
| Retirement age             | The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015.<br>The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. |
| Mortality                  | Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-20 by the Society of Actuaries.   |

**City of Patterson**  
**Schedule of Plan Contributions – Pension (Continued)**  
**Last Ten Years**  
**For the Year Ended June 30, 2023**

| <b>Safety Plan</b>  |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Fiscal Year:  | <b>2022-23</b> | <b>2021-22</b> | <b>2020-21</b> | <b>2019-20</b> | <b>2018-19</b> | <b>2017-18</b> | <b>2016-17</b> | <b>2015-16</b> | <b>2014-15</b> |
| Contractually determined contribution (actuarially determined)        | \$ 668,931     | \$ 571,316     | \$ 552,488     | \$ 494,902     | \$ 457,665     | \$ 393,732     | \$ 337,685     | \$ 312,567     | \$ 364,763     |
| Contributions in relation to the actuarially determined contributions | (668,931)      | (571,316)      | (552,488)      | (494,902)      | (457,665)      | (393,732)      | (337,685)      | (312,567)      | (364,763)      |
| <b>Contribution deficiency (excess)</b>                               | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>    |
| Covered payroll   | \$1,495,997    | \$1,452,424    | \$1,410,121    | \$1,369,049    | \$1,329,174    | \$1,290,460    | \$1,252,874    | \$1,216,383    | \$1,177,974    |
| Contributions as a percentage of covered payroll                      | 44.71%         | 39.18%         | 39.18%         | 36.15%         | 34.43%         | 30.51%         | 26.95%         | 25.70%         | 30.97%         |

<sup>1</sup> Information only presented from the implementation year of 2014

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023 were derived from the June 30, 2019 funding valuation re

|                            |   |
|----------------------------|---|
| Actuarial cost method      | Entry Age Normal  |
| Amortization method/period | For details, see June 30, 2019 Funding Valuation Report   |
| Asset valuation method     | Actuarial Value of Assets. For details, see June 30, 2019 Funding Valuation Report.   |
| Inflation                  | 2.50%   |
| Salary increases           | Varies by entry age and service   |
| Payroll growth             | 2.750%  |
| Investment rate of return  | 7.00% net of pension plan investment and administrative expenses.   |
| Retirement age             | The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 and 2015.   |
| Mortality                  | The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-published by the Society of Actuaries. |

**City of Patterson**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Ten Years**  
**For the Year Ended June 30, 2023**

| Measurement period, year ending:   | <u>6/30/2022</u>    | <u>6/30/2021</u>     | <u>6/30/2020</u>     | <u>6/30/2019</u>     | <u>6/30/2018</u>     |
|--|---------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB liability</b>  |                     |                      |                      |                      |                      |
| Service cost   | \$ 1,156,354        | \$ 1,088,576         | \$ 930,865           | \$ 868,965           | \$ 951,252           |
| Interest   | 346,275             | 341,695              | 413,592              | 393,931              | 394,277              |
| Changes of benefit terms   | -                   | -                    | -                    | -                    | (891,666)            |
| Differences between expected and actual experience                                 | (1,645,289)         | -                    | (1,584,352)          | -                    | (552,203)            |
| Changes of assumptions   | (6,213,884)         | 639,497              | 1,127,249            | 490,438              | 102,481              |
| Benefit payments, including<br>refunds of member contributions                     | (203,232)           | (164,926)            | (177,238)            | (163,179)            | (179,631)            |
| <b>Change in total OPEB liability</b>  | <b>(6,559,776)</b>  | <b>1,904,842</b>     | <b>710,116</b>       | <b>1,590,155</b>     | <b>(175,490)</b>     |
| <b>Total OPEB liability - beginning</b>  | <b>14,902,623</b>   | <b>12,997,781</b>    | <b>12,287,665</b>    | <b>10,697,510</b>    | <b>10,873,000</b>    |
| <b>Total OPEB liability - ending (a)</b>   | <b>\$ 8,342,847</b> | <b>\$ 14,902,623</b> | <b>\$ 12,997,781</b> | <b>\$ 12,287,665</b> | <b>\$ 10,697,510</b> |
| <b>OPEB fiduciary net position</b>   |                     |                      |                      |                      |                      |
| Contributions - employer   | \$ 955,100          | \$ 164,926           | \$ 177,238           | \$ 163,179           | \$ 179,631           |
| Net investment income  | (21,455)            | -                    | -                    | -                    | -                    |
| Benefit payments, including<br>refunds of member contributions                     | -                   | (164,926)            | (177,238)            | (163,179)            | (179,631)            |
| Administrative expense   | (2,180)             | -                    | -                    | -                    | -                    |
| <b>Change in plan fiduciary net position</b>                                       | <b>931,465</b>      | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>Plan fiduciary net position - beginning</b>                                     | <b>-</b>            | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>Plan fiduciary net position - ending (b)</b>                                    | <b>931,465</b>      | <b>-</b>             | <b>-</b>             | <b>-</b>             | <b>-</b>             |
| <b>Plan net OPEB liability - ending (a) - (b)</b>                                  | <b>\$ 7,411,382</b> | <b>\$ 14,902,623</b> | <b>\$ 12,997,781</b> | <b>\$ 12,287,665</b> | <b>\$ 10,697,510</b> |
| <b>Plan fiduciary net position as a<br/>percentage of the total OPEB liability</b> | <b>11.16%</b>       | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         | <b>0.00%</b>         |
| <b>Covered-employee payroll</b>  | <b>\$ 9,551,738</b> | <b>\$ 8,917,985</b>  | <b>\$ 8,559,266</b>  | <b>\$ 8,196,189</b>  | <b>\$ 7,352,843</b>  |
| <b>Plan net OPEB liability as a<br/>percentage of covered-employee payroll</b>     | <b>87.34%</b>       | <b>167.11%</b>       | <b>151.86%</b>       | <b>149.92%</b>       | <b>145.49%</b>       |

**Notes to Schedule**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

<sup>1</sup> Information only presented from the implementation year of 2018

**City of Patterson**  
**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**Last Ten Years**  
**For the Year Ended June 30, 2023**

| Fiscal Year:  | 2022-23           | 2021-22      | 2020-21      | 2019-20      | 2018-19      | 2017-18      | 2016-17 <sup>1</sup> |
|---|-------------------|--------------|--------------|--------------|--------------|--------------|----------------------|
| Contractually determined contribution (actuarially determined)        | \$ 976,000        | \$ 955,100   | \$ 164,926   | \$ 177,238   | \$ 163,179   | \$ 179,631   | \$ 175,000           |
| Contributions in relation to the actuarially determined contributions | (464,237)         | (955,100)    | (164,926)    | (177,238)    | (163,179)    | (179,631)    | (175,000)            |
| <b>Contribution deficiency (excess)</b>                               | <b>\$ 511,763</b> | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>  | <b>\$ -</b>          |
| Covered-employee payroll  | \$ 11,827,606     | \$ 9,551,738 | \$ 8,917,985 | \$ 8,559,266 | \$ 8,196,189 | \$ 7,352,843 | \$ 6,620,000         |
| Contributions as a percentage of covered-employee payroll             | 3.93%             | 10.00%       | 1.85%        | 2.07%        | 1.99%        | 2.44%        | 2.64%                |

<sup>1</sup> Information only presented from the implementation year of 2018

**Notes to Schedule**

**Methods and assumptions used to determine contribution rates:**

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023 are as follows:

|                            |  |
|----------------------------|--|
| Actuarial cost method      | Entry Age Normal, Level % of pay   |
| Amortization method/period | Level % of pay / 20-year fixed period for 2022/23  |
| Asset valuation method     | Investment gains and losses spread over 5-year rolling period  |
| Discount rate              | 5.50%  |
| Inflation                  | 2.50%  |
| Salary increases           | Varies by entry age and service  |
| Medical trend              | Non-Medicare - 6.50% for 2023, decreasing to an ultimate rate of 3.75% in 2076<br>Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076<br>Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076 |
| Mortality                  | CalPERS 2000-2019 Experience Study   |
| Mortality improvement      | Mortality projected fully generational with Scale MP-2021  |

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**SUPPLEMENTARY INFORMATION**

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**NON-MAJOR GOVERNMENTAL FUNDS**

**City of Patterson**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

**Special Revenue Funds**

|   | <b>Landscape<br/>Maintenance<br/>District</b> | <b>Benefit<br/>Assessment<br/>Districts</b> | <b>CSA #15<br/>Assessment<br/>District</b> | <b>CFD 2001-01<br/>Patterson<br/>Gardens<br/>Public Safety</b> | <b>Beautification<br/>Committee</b> |
|---|---|---|--|--|-------------------------------------|
| <b>ASSETS</b>   |   |   |  |  |                                     |
| Cash and investments  | \$ 882,246                                    | \$ 2,623,998                                | \$ 1,700                                   | \$ 298,095   | \$ 40,280                           |
| Receivables:  |   |   |  |  |                                     |
| Accounts  | 450   | -   | -  | -  | -                                   |
| Intergovernmental   | 17,583  | 4,442                                       | 102  | 8,872  | -                                   |
| Interest  | 3,963   | 4,710                                       | 3  | 509  | 69                                  |
| Notes and loans   | -   | -   | -  | -  | -                                   |
| Lease   | -   | -   | -  | -  | -                                   |
| <b>Total assets</b>   | <b>\$ 904,242</b>                             | <b>\$ 2,633,150</b>                         | <b>\$ 1,805</b>                            | <b>\$ 307,476</b>  | <b>\$ 40,349</b>                    |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>  |   |   |  |  |                                     |
| <b>LIABILITIES:</b>   |   |   |  |  |                                     |
| Accounts payable  | \$ 64,714                                     | \$ 15,090                                   | \$ 292                                     | \$ -   | \$ -                                |
| Due to other funds  | -   | -   | -  | -  | -                                   |
| Unearned revenue  | -   | -   | -  | -  | -                                   |
| Deposits and other liabilities  | -   | -   | -  | -  | -                                   |
| <b>Total liabilities</b>  | <b>64,714</b>                                 | <b>15,090</b>                               | <b>292</b>                                 | <b>-</b>   | <b>-</b>                            |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |   |   |  |  |                                     |
| Lease-related deferred inflows of resources                                   | -   | -   | -  | -  | -                                   |
| Unavailable revenue   | -   | -   | -  | -  | -                                   |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>                                      | <b>-</b>                                    | <b>-</b>                                   | <b>-</b>   | <b>-</b>                            |
| <b>FUND BALANCES (DEFICIT):</b>   |   |   |  |  |                                     |
| Restricted  | 839,528                                       | 2,618,060                                   | 1,513                                      | 307,476  | 40,349                              |
| Committed   | -   | -   | -  | -  | -                                   |
| Assigned  | -   | -   | -  | -  | -                                   |
| Unassigned (deficit)  | -   | -   | -  | -  | -                                   |
| <b>Total fund balances</b>  | <b>839,528</b>                                | <b>2,618,060</b>                            | <b>1,513</b>                               | <b>307,476</b>   | <b>40,349</b>                       |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 904,242</b>                             | <b>\$ 2,633,150</b>                         | <b>\$ 1,805</b>                            | <b>\$ 307,476</b>  | <b>\$ 40,349</b>                    |

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2023**

**Special Revenue Funds**

|   | <b>CDBG<br/>HA Loan<br/>Fund</b> | <b>State<br/>HCD Rehab<br/>Program</b> | <b>Federal<br/>CDBG<br/>Grant</b> | <b>First Time<br/>Home<br/>Buyers</b> | <b>Federal<br/>HOME<br/>Funds</b> |
|---|----------------------------------|--|-----------------------------------|---------------------------------------|-----------------------------------|
| <b>ASSETS</b>   |                                  |  |                                   |                                       |                                   |
| Cash and investments  | \$ -                             | \$ 224,058                             | \$ -                              | \$ 199,457                            | \$ 196,966                        |
| Receivables:  |                                  |  |                                   |                                       |                                   |
| Accounts  | -                                | -                                      | -                                 | -                                     | -                                 |
| Intergovernmental   | -                                | -                                      | 16,403                            | -                                     | -                                 |
| Interest  | -                                | 403                                    | -                                 | 341                                   | 336                               |
| Notes and loans   | 293,489                          | 8,756                                  | -                                 | 78,675                                | 206,709                           |
| Lease   | -                                | -                                      | -                                 | -                                     | -                                 |
| <b>Total assets</b>   | <b>\$ 293,489</b>                | <b>\$ 233,217</b>                      | <b>\$ 16,403</b>                  | <b>\$ 278,473</b>                     | <b>\$ 404,011</b>                 |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>  |                                  |  |                                   |                                       |                                   |
| <b>LIABILITIES:</b>   |                                  |  |                                   |                                       |                                   |
| Accounts payable  | \$ -                             | \$ -                                   | \$ -                              | \$ -                                  | \$ 1,851                          |
| Due to other funds  | -                                | -                                      | 193,441                           | -                                     | -                                 |
| Unearned revenue  | -                                | -                                      | 56,043                            | -                                     | 11,651                            |
| Deposits and other liabilities  | -                                | -                                      | -                                 | -                                     | -                                 |
| <b>Total liabilities</b>  | <b>-</b>                         | <b>-</b>                               | <b>249,484</b>                    | <b>-</b>                              | <b>13,502</b>                     |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |                                  |  |                                   |                                       |                                   |
| Lease-related deferred inflows of resources                                   | -                                | -                                      | -                                 | -                                     | -                                 |
| Unavailable revenue   | 293,489                          | 8,776                                  | -                                 | 78,675                                | 206,708                           |
| <b>Total deferred inflows of resources</b>                                    | <b>293,489</b>                   | <b>8,776</b>                           | <b>-</b>                          | <b>78,675</b>                         | <b>206,708</b>                    |
| <b>FUND BALANCES (DEFICIT):</b>   |                                  |  |                                   |                                       |                                   |
| Restricted  | -                                | 224,441                                | -                                 | 199,798                               | 183,801                           |
| Committed   | -                                | -                                      | -                                 | -                                     | -                                 |
| Assigned  | -                                | -                                      | -                                 | -                                     | -                                 |
| Unassigned (deficit)  | -                                | -                                      | (233,081)                         | -                                     | -                                 |
| <b>Total fund balances</b>  | <b>-</b>                         | <b>224,441</b>                         | <b>(233,081)</b>                  | <b>199,798</b>                        | <b>183,801</b>                    |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 293,489</b>                | <b>\$ 233,217</b>                      | <b>\$ 16,403</b>                  | <b>\$ 278,473</b>                     | <b>\$ 404,011</b>                 |

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2023**

**Special Revenue Funds**

|   | <b>Special Revenue Funds</b>                      |                   |  |  |                                |
|---|---|-------------------|--|--|--------------------------------|
|   | <b>Neighborhood<br/>Stabilization<br/>Program</b> | <b>Gas Tax</b>    | <b>Local<br/>Transportation<br/>Fund</b> | <b>Local<br/>Transportation<br/>Fund<br/>Non Motorized</b> | <b>Street Project<br/>Fund</b> |
| <b>ASSETS</b>   |   |                   |  |  |                                |
| Cash and investments  | \$ 6,485  | \$ 626,319        | \$ 186,431                               | \$ 90,910  | \$ 3,759,421                   |
| Receivables:  |   |                   |  |  |                                |
| Accounts  | -   | -                 | -  | -  | -                              |
| Intergovernmental   | -   | 160,409           | -  | -  | 165,227                        |
| Interest  | 780   | 1,070             | 319                                      | 155  | 6,424                          |
| Notes and loans   | 27,290  | -                 | -  | -  | -                              |
| Lease   | -   | -                 | -  | -  | -                              |
| <b>Total assets</b>   | <b>\$ 34,555</b>                                  | <b>\$ 787,798</b> | <b>\$ 186,750</b>                        | <b>\$ 91,065</b>   | <b>\$ 3,931,072</b>            |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>  |   |                   |  |  |                                |
| <b>LIABILITIES:</b>   |   |                   |  |  |                                |
| Accounts payable  | \$ -  | \$ -              | \$ -                                     | \$ -   | \$ 1,106,908                   |
| Due to other funds  | -   | -                 | -  | -  | -                              |
| Unearned revenue  | -   | -                 | 297,142                                  | 11,352   | -                              |
| Deposits and other liabilities  | -   | -                 | -  | -  | -                              |
| <b>Total liabilities</b>  | <b>-</b>  | <b>-</b>          | <b>297,142</b>                           | <b>11,352</b>  | <b>1,106,908</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |   |                   |  |  |                                |
| Lease-related deferred inflows of resources                                   | -   | -                 | -  | -  | -                              |
| Unavailable revenue   | 28,059  | 11,245            | -  | -  | 165,227                        |
| <b>Total deferred inflows of resources</b>                                    | <b>28,059</b>                                     | <b>11,245</b>     | <b>-</b>                                 | <b>-</b>   | <b>165,227</b>                 |
| <b>FUND BALANCES (DEFICIT):</b>   |   |                   |  |  |                                |
| Restricted  | 6,496   | 776,553           | -  | 79,713   | 2,658,937                      |
| Committed   | -   | -                 | -  | -  | -                              |
| Assigned  | -   | -                 | -  | -  | -                              |
| Unassigned (deficit)  | -   | -                 | (110,392)                                | -  | -                              |
| <b>Total fund balances</b>  | <b>6,496</b>                                      | <b>776,553</b>    | <b>(110,392)</b>                         | <b>79,713</b>  | <b>2,658,937</b>               |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 34,555</b>                                  | <b>\$ 787,798</b> | <b>\$ 186,750</b>                        | <b>\$ 91,065</b>   | <b>\$ 3,931,072</b>            |

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2023**

**Special Revenue Funds**

|   | <b>Measure L<br/>Fund</b> | <b>Developer<br/>Housing<br/>In-Lieu<br/>Fee</b> | <b>Police<br/>Asset<br/>Forfeiture</b> | <b>Westside<br/>Drainage<br/>Study</b> | <b>CFD 2013-1</b> |
|---|---------------------------|--|--|--|-------------------|
| <b>ASSETS</b>   |                           |  |  |  |                   |
| Cash and investments  | \$ 4,110,951              | \$ 1,060,372                                     | \$ 4,326                               | \$ 66,023                              | \$ 787,669        |
| Receivables:  |                           |  |  |  |                   |
| Accounts  | -                         | -  | -                                      | -                                      | -                 |
| Intergovernmental   | 440,930                   | -  | -                                      | -                                      | 587               |
| Interest  | 7,025                     | 1,812  | 7                                      | 113                                    | 1,346             |
| Notes and loans   | -                         | 1,023,333  | -                                      | -                                      | -                 |
| Lease   | -                         | -  | -                                      | -                                      | -                 |
| <b>Total assets</b>   | <b>\$ 4,558,906</b>       | <b>\$ 2,085,517</b>                              | <b>\$ 4,333</b>                        | <b>\$ 66,136</b>                       | <b>\$ 789,602</b> |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>  |                           |  |  |  |                   |
| <b>LIABILITIES:</b>   |                           |  |  |  |                   |
| Accounts payable  | \$ 157,933                | \$ -   | \$ -                                   | \$ -                                   | \$ 6,359          |
| Due to other funds  | -                         | -  | -                                      | -                                      | -                 |
| Unearned revenue  | 893,479                   | -  | -                                      | -                                      | -                 |
| Deposits and other liabilities  | -                         | -  | -                                      | -                                      | -                 |
| <b>Total liabilities</b>  | <b>1,051,412</b>          | <b>-</b>   | <b>-</b>                               | <b>-</b>                               | <b>6,359</b>      |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |                           |  |  |  |                   |
| Lease-related deferred inflows of resources                                   | -                         | -  | -                                      | -                                      | -                 |
| Unavailable revenue   | -                         | 1,023,333  | -                                      | -                                      | -                 |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>                  | <b>1,023,333</b>                                 | <b>-</b>                               | <b>-</b>                               | <b>-</b>          |
| <b>FUND BALANCES (DEFICIT):</b>   |                           |  |  |  |                   |
| Restricted  | 3,507,494                 | 1,062,184  | 4,333                                  | -                                      | 783,243           |
| Committed   | -                         | -  | -                                      | 66,136                                 | -                 |
| Assigned  | -                         | -  | -                                      | -                                      | -                 |
| Unassigned (deficit)  | -                         | -  | -                                      | -                                      | -                 |
| <b>Total fund balances</b>  | <b>3,507,494</b>          | <b>1,062,184</b>                                 | <b>4,333</b>                           | <b>66,136</b>                          | <b>783,243</b>    |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 4,558,906</b>       | <b>\$ 2,085,517</b>                              | <b>\$ 4,333</b>                        | <b>\$ 66,136</b>                       | <b>\$ 789,602</b> |

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2023**

|   | Special Revenue Funds          |                                  | Capital Projects Funds              |                                     |                             |
|---|--------------------------------|----------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
|   | CFD 2015-2<br>Public<br>Safety | CFD 2018-2<br>VOP<br>Maintenance | Community<br>Facility<br>Impact Fee | General<br>Government<br>Impact Fee | Public Safety<br>Impact Fee |
| <b>ASSETS</b>   |                                |                                  |                                     |                                     |                             |
| Cash and investments  | \$ 73,117                      | \$ 596,731                       | \$ 1,210,109                        | \$ 266,039                          | \$ 640,821                  |
| Receivables:  |                                |                                  |                                     |                                     |                             |
| Accounts  | -                              | -                                | -                                   | -                                   | -                           |
| Intergovernmental   | -                              | 927                              | -                                   | -                                   | -                           |
| Interest  | 125                            | 1,020                            | 2,068                               | 455                                 | 1,095                       |
| Notes and loans   | -                              | -                                | -                                   | -                                   | -                           |
| Lease   | -                              | -                                | -                                   | -                                   | -                           |
| <b>Total assets</b>   | <b>\$ 73,242</b>               | <b>\$ 598,678</b>                | <b>\$ 1,212,177</b>                 | <b>\$ 266,494</b>                   | <b>\$ 641,916</b>           |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>  |                                |                                  |                                     |                                     |                             |
| <b>LIABILITIES:</b>   |                                |                                  |                                     |                                     |                             |
| Accounts payable  | \$ -                           | \$ 607                           | \$ -                                | \$ -                                | \$ -                        |
| Due to other funds  | -                              | -                                | -                                   | -                                   | -                           |
| Unearned revenue  | -                              | -                                | -                                   | -                                   | -                           |
| Deposits and other liabilities  | -                              | 26,674                           | -                                   | -                                   | -                           |
| <b>Total liabilities</b>  | <b>-</b>                       | <b>27,281</b>                    | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |                                |                                  |                                     |                                     |                             |
| Lease-related deferred inflows of resources                                   | -                              | -                                | -                                   | -                                   | -                           |
| Unavailable revenue   | -                              | -                                | -                                   | -                                   | -                           |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>                       | <b>-</b>                         | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |
| <b>FUND BALANCES (DEFICIT):</b>   |                                |                                  |                                     |                                     |                             |
| Restricted  | 73,242                         | 571,397                          | -                                   | -                                   | -                           |
| Committed   | -                              | -                                | 1,212,177                           | 266,494                             | 641,916                     |
| Assigned  | -                              | -                                | -                                   | -                                   | -                           |
| Unassigned (deficit)  | -                              | -                                | -                                   | -                                   | -                           |
| <b>Total fund balances</b>  | <b>73,242</b>                  | <b>571,397</b>                   | <b>1,212,177</b>                    | <b>266,494</b>                      | <b>641,916</b>              |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 73,242</b>               | <b>\$ 598,678</b>                | <b>\$ 1,212,177</b>                 | <b>\$ 266,494</b>                   | <b>\$ 641,916</b>           |

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2023**

**Capital Projects Funds**

|   | <b>Parkland<br/>In-Lieu<br/>Fee</b> | <b>Street<br/>Improvement<br/>Impact Fee</b> | <b>Water<br/>Impact Fee</b> | <b>Storm Drain<br/>Impact Fee</b> | <b>Sewer<br/>Impact Fee</b> |
|---|-------------------------------------|--|-----------------------------|-----------------------------------|-----------------------------|
| <b>ASSETS</b>   |                                     |  |                             |                                   |                             |
| Cash and investments  | \$ 59,528                           | \$ 787,448                                   | \$ 5,001,980                | \$ 1,275,442                      | \$ 95,925                   |
| Receivables:  |                                     |  |                             |                                   |                             |
| Accounts  | -                                   | -  | -                           | -                                 | -                           |
| Intergovernmental   | -                                   | -  | -                           | -                                 | -                           |
| Interest  | 102                                 | 1,346  | 8,536                       | 2,178                             | 159                         |
| Notes and loans   | -                                   | -  | -                           | -                                 | -                           |
| Lease   | -                                   | -  | -                           | -                                 | -                           |
| <b>Total assets</b>   | <b>\$ 59,630</b>                    | <b>\$ 788,794</b>                            | <b>\$ 5,010,516</b>         | <b>\$ 1,277,620</b>               | <b>\$ 96,084</b>            |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>  |                                     |  |                             |                                   |                             |
| <b>LIABILITIES:</b>   |                                     |  |                             |                                   |                             |
| Accounts payable  | \$ -                                | \$ -   | \$ -                        | \$ 8,544                          | \$ -                        |
| Due to other funds  | -                                   | -  | -                           | -                                 | -                           |
| Unearned revenue  | -                                   | -  | -                           | -                                 | -                           |
| Deposits and other liabilities  | -                                   | -  | -                           | -                                 | -                           |
| <b>Total liabilities</b>  | <b>-</b>                            | <b>-</b>                                     | <b>-</b>                    | <b>8,544</b>                      | <b>-</b>                    |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |                                     |  |                             |                                   |                             |
| Lease-related deferred inflows of resources                                   | -                                   | -  | -                           | -                                 | -                           |
| Unavailable revenue   | -                                   | -  | -                           | -                                 | -                           |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>                            | <b>-</b>                                     | <b>-</b>                    | <b>-</b>                          | <b>-</b>                    |
| <b>FUND BALANCES (DEFICIT):</b>   |                                     |  |                             |                                   |                             |
| Restricted  | -                                   | -  | -                           | -                                 | -                           |
| Committed   | 59,630                              | 788,794                                      | 5,010,516                   | 1,269,076                         | 96,084                      |
| Assigned  | -                                   | -  | -                           | -                                 | -                           |
| Unassigned (deficit)  | -                                   | -  | -                           | -                                 | -                           |
| <b>Total fund balances</b>  | <b>59,630</b>                       | <b>788,794</b>                               | <b>5,010,516</b>            | <b>1,269,076</b>                  | <b>96,084</b>               |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 59,630</b>                    | <b>\$ 788,794</b>                            | <b>\$ 5,010,516</b>         | <b>\$ 1,277,620</b>               | <b>\$ 96,084</b>            |

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2023**

**Capital Projects Funds**

|   | <b>Delta<br/>Mendota<br/>Storm Gate</b> | <b>Aquatic<br/>Center<br/>Construction</b> | <b>Future Water<br/>Acquisition</b> | <b>Heartland<br/>Ranch<br/>Infrastructure</b> | <b>Downtown<br/>Assistance<br/>Fee</b> |
|---|---|--|-------------------------------------|---|--|
| <b>ASSETS</b>   |   |  |                                     |   |  |
| Cash and investments  | \$ 175,152                              | \$ 433,791                                 | \$ 147,856                          | \$ 46,263                                     | \$ 195,546                             |
| Receivables:  |   |  |                                     |   |  |
| Accounts  | -                                       | -  | -                                   | -   | -                                      |
| Intergovernmental   | -                                       | -  | -                                   | -   | -                                      |
| Interest  | 299                                     | 741  | 253                                 | 79  | 334                                    |
| Notes and loans   | -                                       | -  | -                                   | -   | -                                      |
| Lease   | -                                       | -  | 6,851                               | -   | -                                      |
| <b>Total assets</b>   | <b>\$ 175,451</b>                       | <b>\$ 434,532</b>                          | <b>\$ 154,960</b>                   | <b>\$ 46,342</b>                              | <b>\$ 195,880</b>                      |
| <b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>  |   |  |                                     |   |  |
| <b>LIABILITIES:</b>   |   |  |                                     |   |  |
| Accounts payable  | \$ -                                    | \$ -                                       | \$ -                                | \$ -  | \$ -                                   |
| Due to other funds  | -                                       | -  | -                                   | -   | -                                      |
| Unearned revenue  | -                                       | -  | -                                   | -   | -                                      |
| Deposits and other liabilities  | -                                       | -  | -                                   | 47,176  | -                                      |
| <b>Total liabilities</b>  | <b>-</b>                                | <b>-</b>                                   | <b>-</b>                            | <b>47,176</b>                                 | <b>-</b>                               |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>   |   |  |                                     |   |  |
| Lease-related deferred inflows of resources                                   | -                                       | -  | 6,850                               | -   | -                                      |
| Unavailable revenue   | -                                       | -  | -                                   | -   | -                                      |
| <b>Total deferred inflows of resources</b>                                    | <b>-</b>                                | <b>-</b>                                   | <b>6,850</b>                        | <b>-</b>                                      | <b>-</b>                               |
| <b>FUND BALANCES (DEFICIT):</b>   |   |  |                                     |   |  |
| Restricted  | -                                       | -  | -                                   | -   | -                                      |
| Committed   | 175,451                                 | 434,532                                    | 148,110                             | -   | 195,880                                |
| Assigned  | -                                       | -  | -                                   | -   | -                                      |
| Unassigned (deficit)  | -                                       | -  | -                                   | (834)   | -                                      |
| <b>Total fund balances</b>  | <b>175,451</b>                          | <b>434,532</b>                             | <b>148,110</b>                      | <b>(834)</b>                                  | <b>195,880</b>                         |
| <b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <b>\$ 175,451</b>                       | <b>\$ 434,532</b>                          | <b>\$ 154,960</b>                   | <b>\$ 46,342</b>                              | <b>\$ 195,880</b>                      |

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2023**

|   | <b>Total<br/>Non-major<br/>Governmental<br/>Funds</b> |
|---|---|
| <b>ASSETS</b>   |   |
| Cash and investments  | \$ 26,171,455   |
| Receivables:  |   |
| Accounts  | 450   |
| Intergovernmental   | 815,482   |
| Interest  | 48,175  |
| Notes and loans   | 1,638,252   |
| Lease   | 6,851   |
| <b>Total assets</b>   | <b>\$ 28,680,665</b>                                  |
| <br><b>LIABILITIES, DEFERRED<br/>INFLOWS OF RESOURCES,<br/>AND FUND BALANCES</b>  |   |
| <b>LIABILITIES:</b>   |   |
| Accounts payable  | \$ 1,362,298  |
| Due to other funds  | 193,441   |
| Unearned revenue  | 1,269,667   |
| Deposits and other liabilities  | 73,850  |
| <b>Total liabilities</b>  | <b>2,899,256</b>                                      |
| <br><b>DEFERRED INFLOWS OF RESOURCES:</b>   |   |
| Lease-related deferred inflows of resources                                       | 6,850   |
| Unavailable revenue   | 1,815,512   |
| <b>Total deferred inflows of resources</b>  | <b>1,822,362</b>                                      |
| <br><b>FUND BALANCES (DEFICIT):</b>   |   |
| Restricted  | 13,938,558  |
| Committed   | 10,364,796  |
| Assigned  | -   |
| Unassigned (deficit)  | (344,307)   |
| <b>Total fund balances</b>  | <b>23,959,047</b>                                     |
| <br><b>Total liabilities, deferred inflows<br/>of resources and fund balances</b> | <br><b>\$ 28,680,665</b>                              |

(Concluded)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

|   | Special Revenue                      |                                    |                                   |                                       |                             |
|---|--------------------------------------|------------------------------------|-----------------------------------|---------------------------------------|-----------------------------|
|   | Landscape<br>Maintenance<br>District | Benefit<br>Assessment<br>Districts | CSA #15<br>Assessment<br>District | CFD 2001-01                           |                             |
|   |                                      |                                    |                                   | Patterson<br>Gardens<br>Public Safety | Beautification<br>Committee |
| <b>REVENUES:</b>                              |                                      |                                    |                                   |                                       |                             |
| Licenses, permits, and fees                   | \$ -                                 | \$ -                               | \$ -                              | \$ -                                  | \$ -                        |
| Charges for services                          | 1,978,665                            | 515,557                            | 8,521                             | 561,263                               | -                           |
| Intergovernmental:                            |                                      |                                    |                                   |                                       |                             |
| Federal grant and subsidies                   | -                                    | -                                  | -                                 | -                                     | -                           |
| Other governmental                            | -                                    | -                                  | -                                 | -                                     | -                           |
| Investment income(loss)                       | 8,236                                | 15,928                             | 6                                 | 888                                   | 249                         |
| Revenue from Fiduciary Fund                   | -                                    | -                                  | -                                 | -                                     | -                           |
| Miscellaneous                                 | -                                    | -                                  | -                                 | -                                     | 540                         |
| <b>Total revenues</b>                         | <b>1,986,901</b>                     | <b>531,485</b>                     | <b>8,527</b>                      | <b>562,151</b>                        | <b>789</b>                  |
| <b>EXPENDITURES:</b>                          |                                      |                                    |                                   |                                       |                             |
| Current:                                      |                                      |                                    |                                   |                                       |                             |
| General government                            | -                                    | 444                                | -                                 | -                                     | -                           |
| Police  | -                                    | -                                  | -                                 | -                                     | -                           |
| Fire  | -                                    | -                                  | -                                 | 6,727                                 | -                           |
| Community development and planning            | -                                    | -                                  | 4,620                             | -                                     | -                           |
| Public works                                  | 556,900                              | 190,524                            | -                                 | -                                     | -                           |
| Park and recreation                           | 487                                  | -                                  | -                                 | -                                     | -                           |
| Capital outlay                                | -                                    | -                                  | -                                 | -                                     | -                           |
| <b>Total expenditures</b>                     | <b>557,387</b>                       | <b>190,968</b>                     | <b>4,620</b>                      | <b>6,727</b>                          | <b>-</b>                    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>1,429,514</b>                     | <b>340,517</b>                     | <b>3,907</b>                      | <b>555,424</b>                        | <b>789</b>                  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                                      |                                    |                                   |                                       |                             |
| Transfers in                                  | -                                    | -                                  | -                                 | -                                     | -                           |
| Transfers out                                 | (1,437,083)                          | (169,705)                          | (2,678)                           | (500,000)                             | -                           |
| <b>Total financing sources (uses)</b>         | <b>(1,437,083)</b>                   | <b>(169,705)</b>                   | <b>(2,678)</b>                    | <b>(500,000)</b>                      | <b>-</b>                    |
| <b>Net change in fund balances</b>            | <b>(7,569)</b>                       | <b>170,812</b>                     | <b>1,229</b>                      | <b>55,424</b>                         | <b>789</b>                  |
| <b>FUND BALANCES (DEFICIT):</b>               |                                      |                                    |                                   |                                       |                             |
| Beginning of year, as restated                | 847,097                              | 2,447,248                          | 284                               | 252,052                               | 39,560                      |
| End of year                                   | <u>\$ 839,528</u>                    | <u>\$ 2,618,060</u>                | <u>\$ 1,513</u>                   | <u>\$ 307,476</u>                     | <u>\$ 40,349</u>            |

(Continued)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

**Special Revenue Funds**

|   | <b>CDBG<br/>HA Loan<br/>Fund</b> | <b>State<br/>HCD Rehab<br/>Program</b> | <b>Federal<br/>CDBG<br/>Grant</b> | <b>First Time<br/>Home<br/>Buyers</b> | <b>Federal<br/>HOME<br/>Funds</b> |
|---|----------------------------------|--|-----------------------------------|---------------------------------------|-----------------------------------|
| <b>REVENUES:</b>                              |                                  |  |                                   |                                       |                                   |
| Licenses, permits, and fees                   | \$ -                             | \$ -                                   | \$ -                              | \$ -                                  | \$ -                              |
| Charges for services                          | -                                | -                                      | -                                 | -                                     | -                                 |
| Intergovernmental:                            |                                  |  |                                   |                                       |                                   |
| Federal grant and subsidies                   | -                                | -                                      | 27,840                            | -                                     | -                                 |
| Other governmental                            | -                                | -                                      | -                                 | -                                     | -                                 |
| Investment income(loss)                       | -                                | 1,394                                  | -                                 | 2,983                                 | 2,707                             |
| Revenue from Fiduciary Fund                   | -                                | -                                      | -                                 | -                                     | -                                 |
| Miscellaneous                                 | -                                | -                                      | -                                 | 2,946                                 | 1,781                             |
| <b>Total revenues</b>                         | <b>-</b>                         | <b>1,394</b>                           | <b>27,840</b>                     | <b>5,929</b>                          | <b>4,488</b>                      |
| <b>EXPENDITURES:</b>                          |                                  |  |                                   |                                       |                                   |
| Current:                                      |                                  |  |                                   |                                       |                                   |
| General government                            | -                                | -                                      | -                                 | -                                     | 3,701                             |
| Police  | -                                | -                                      | -                                 | -                                     | -                                 |
| Fire  | -                                | -                                      | -                                 | -                                     | -                                 |
| Community development and planning            | -                                | -                                      | -                                 | -                                     | -                                 |
| Public works                                  | -                                | -                                      | -                                 | -                                     | -                                 |
| Park and recreation                           | -                                | -                                      | -                                 | -                                     | -                                 |
| Capital outlay                                | -                                | -                                      | -                                 | -                                     | -                                 |
| <b>Total expenditures</b>                     | <b>-</b>                         | <b>-</b>                               | <b>-</b>                          | <b>-</b>                              | <b>3,701</b>                      |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>-</b>                         | <b>1,394</b>                           | <b>27,840</b>                     | <b>5,929</b>                          | <b>787</b>                        |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                                  |  |                                   |                                       |                                   |
| Transfers in                                  | -                                | -                                      | -                                 | -                                     | -                                 |
| Transfers out                                 | -                                | -                                      | -                                 | -                                     | -                                 |
| <b>Total financing sources (uses)</b>         | <b>-</b>                         | <b>-</b>                               | <b>-</b>                          | <b>-</b>                              | <b>-</b>                          |
| <b>Net change in fund balances</b>            | <b>-</b>                         | <b>1,394</b>                           | <b>27,840</b>                     | <b>5,929</b>                          | <b>787</b>                        |
| <b>FUND BALANCES (DEFICIT):</b>               |                                  |  |                                   |                                       |                                   |
| Beginning of year, as restated                | -                                | 223,047                                | (260,921)                         | 193,869                               | 183,014                           |
| End of year                                   | \$ -                             | \$ 224,441                             | \$ (233,081)                      | \$ 199,798                            | \$ 183,801                        |

(Continued)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

**Special Revenue Funds**

|   | <b>Neighborhood<br/>Stabilization<br/>Program</b> | <b>Gas Tax</b>    | <b>Local<br/>Transportation<br/>Fund</b> | <b>Local<br/>Transportation<br/>Fund<br/>Non Motorized</b> | <b>Street Project<br/>Fund</b> |
|---|---|-------------------|--|--|--------------------------------|
| <b>REVENUES:</b>                              |   |                   |  |  |                                |
| Licenses, permits, and fees                   | \$ -  | \$ -              | \$ -                                     | \$ -   | \$ -                           |
| Charges for services                          | -   | -                 | -  | -  | -                              |
| Intergovernmental:                            |   |                   |  |  |                                |
| Federal grant and subsidies                   | -   | -                 | -  | -  | 147,537                        |
| Other governmental                            | -   | 1,161,045         | -  | -  | 158,213                        |
| Investment income(loss)                       | 40  | 4,304             | 1,161                                    | 677  | 19,579                         |
| Revenue from Fiduciary Fund                   | -   | -                 | -  | -  | 218,726                        |
| Miscellaneous                                 | -   | -                 | 1,000                                    | -  | -                              |
| <b>Total revenues</b>                         | <b>40</b>   | <b>1,165,349</b>  | <b>2,161</b>                             | <b>677</b>   | <b>544,055</b>                 |
| <b>EXPENDITURES:</b>                          |   |                   |  |  |                                |
| Current:                                      |   |                   |  |  |                                |
| General government                            | -   | -                 | -  | -  | -                              |
| Police  | -   | -                 | -  | -  | -                              |
| Fire  | -   | -                 | -  | -  | -                              |
| Community development and planning            | -   | -                 | -  | -  | -                              |
| Public works                                  | -   | -                 | -  | -  | 62,253                         |
| Park and recreation                           | -   | -                 | -  | -  | -                              |
| Capital outlay                                | -   | -                 | -  | -  | 2,303,974                      |
| <b>Total expenditures</b>                     | <b>-</b>  | <b>-</b>          | <b>-</b>                                 | <b>-</b>   | <b>2,366,227</b>               |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>40</b>   | <b>1,165,349</b>  | <b>2,161</b>                             | <b>677</b>   | <b>(1,822,172)</b>             |
| <b>OTHER FINANCING SOURCES (USES):</b>        |   |                   |  |  |                                |
| Transfers in                                  | -   | -                 | -  | -  | 1,633,347                      |
| Transfers out                                 | -   | (771,558)         | -  | (35,379)   | -                              |
| <b>Total financing sources (uses)</b>         | <b>-</b>  | <b>(771,558)</b>  | <b>-</b>                                 | <b>(35,379)</b>  | <b>1,633,347</b>               |
| <b>Net change in fund balances</b>            | <b>40</b>   | <b>393,791</b>    | <b>2,161</b>                             | <b>(34,702)</b>  | <b>(188,825)</b>               |
| <b>FUND BALANCES (DEFICIT):</b>               |   |                   |  |  |                                |
| Beginning of year, as restated                | 6,456   | 382,762           | (112,553)                                | 114,415  | 2,847,762                      |
| End of year                                   | <u>\$ 6,496</u>                                   | <u>\$ 776,553</u> | <u>\$ (110,392)</u>                      | <u>\$ 79,713</u>   | <u>\$ 2,658,937</u>            |

(Continued)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

**Special Revenue Funds**

|   | <b>Measure L<br/>Fund</b> | <b>Developer<br/>Housing<br/>In-Lieu<br/>Fee</b> | <b>Police<br/>Asset<br/>Forfeiture</b> | <b>Westside<br/>Drainage<br/>Study</b> | <b>CFD 2013-1</b> |
|---|---------------------------|--|--|--|-------------------|
| <b>REVENUES:</b>                              |                           |  |  |  |                   |
| Licenses, permits, and fees                   | \$ -                      | \$ -   | \$ -                                   | \$ -                                   | \$ -              |
| Charges for services                          | -                         | -  | -                                      | -                                      | 223,565           |
| Intergovernmental:                            |                           |  |  |  |                   |
| Federal grant and subsidies                   | -                         | -  | -                                      | -                                      | -                 |
| Other governmental                            | 1,792,171                 | -  | -                                      | -                                      | -                 |
| Investment income(loss)                       | 23,444                    | 6,602  | 27                                     | 411                                    | 4,104             |
| Revenue from Fiduciary Fund                   | -                         | -  | -                                      | -                                      | -                 |
| Miscellaneous                                 | -                         | -  | -                                      | -                                      | -                 |
| <b>Total revenues</b>                         | <b>1,815,615</b>          | <b>6,602</b>                                     | <b>27</b>                              | <b>411</b>                             | <b>227,669</b>    |
| <b>EXPENDITURES:</b>                          |                           |  |  |  |                   |
| Current:                                      |                           |  |  |  |                   |
| General government                            | -                         | -  | -                                      | -                                      | 25,813            |
| Police  | -                         | -  | -                                      | -                                      | -                 |
| Fire  | -                         | -  | -                                      | -                                      | -                 |
| Community development and planning            | -                         | -  | -                                      | -                                      | -                 |
| Public works                                  | -                         | -  | -                                      | -                                      | -                 |
| Park and recreation                           | -                         | -  | -                                      | -                                      | -                 |
| Capital outlay                                | 2,443,176                 | -  | -                                      | -                                      | -                 |
| <b>Total expenditures</b>                     | <b>2,443,176</b>          | <b>-</b>   | <b>-</b>                               | <b>-</b>                               | <b>25,813</b>     |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>(627,561)</b>          | <b>6,602</b>                                     | <b>27</b>                              | <b>411</b>                             | <b>201,856</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                           |  |  |  |                   |
| Transfers in                                  | 1,475,090                 | -  | -                                      | -                                      | -                 |
| Transfers out                                 | (802,302)                 | -  | -                                      | -                                      | -                 |
| <b>Total financing sources (uses)</b>         | <b>672,788</b>            | <b>-</b>   | <b>-</b>                               | <b>-</b>                               | <b>-</b>          |
| <b>Net change in fund balances</b>            | <b>45,227</b>             | <b>6,602</b>                                     | <b>27</b>                              | <b>411</b>                             | <b>201,856</b>    |
| <b>FUND BALANCES (DEFICIT):</b>               |                           |  |  |  |                   |
| Beginning of year, as restated                | 3,462,267                 | 1,055,582  | 4,306                                  | 65,725                                 | 581,387           |
| End of year                                   | \$ 3,507,494              | \$ 1,062,184                                     | \$ 4,333                               | \$ 66,136                              | \$ 783,243        |

(Continued)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

|   | <u>Special Revenue Funds</u>            |   | <u>Capital Projects Funds</u>                |  |                                     |
|---|---|---|--|--|-------------------------------------|
|   | <u>CFD 2015-2<br/>Public<br/>Safety</u> | <u>CFD 2018-2<br/>VOP<br/>Maintenance</u> | <u>Community<br/>Facility<br/>Impact Fee</u> | <u>General<br/>Government<br/>Impact Fee</u> | <u>Public Safety<br/>Impact Fee</u> |
| <b>REVENUES:</b>                              |   |   |  |  |                                     |
| Licenses, permits, and fees                   | \$ -                                    | \$ -                                      | \$ 231,300                                   | \$ 61,013                                    | \$ 41,612                           |
| Charges for services                          | 98,092                                  | 354,819                                   | -  | -  | -                                   |
| Intergovernmental:                            |   |   |  |  |                                     |
| Federal grant and subsidies                   | -                                       | -   | -  | -  | -                                   |
| Other governmental                            | -                                       | -   | -  | -  | (21,025)                            |
| Investment income(loss)                       | 519                                     | 2,606                                     | 7,081  | 1,756  | 3,973                               |
| Revenue from Fiduciary Fund                   | -                                       | -   | -  | -  | -                                   |
| Miscellaneous                                 | 4,930                                   | -   | -  | -  | -                                   |
| <b>Total revenues</b>                         | <b>103,541</b>                          | <b>357,425</b>                            | <b>238,381</b>                               | <b>62,769</b>                                | <b>24,560</b>                       |
| <b>EXPENDITURES:</b>                          |   |   |  |  |                                     |
| Current:                                      |   |   |  |  |                                     |
| General government                            | 25                                      | 10,643                                    | -  | -  | -                                   |
| Police  | -                                       | -   | -  | -  | -                                   |
| Fire  | -                                       | -   | -  | -  | -                                   |
| Community development and planning            | -                                       | -   | -  | -  | -                                   |
| Public works                                  | -                                       | 22,391                                    | -  | -  | -                                   |
| Park and recreation                           | -                                       | -   | -  | -  | -                                   |
| Capital outlay                                | -                                       | -   | -  | 227,425                                      | -                                   |
| <b>Total expenditures</b>                     | <b>25</b>                               | <b>33,034</b>                             | <b>-</b>                                     | <b>227,425</b>                               | <b>-</b>                            |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>103,516</b>                          | <b>324,391</b>                            | <b>238,381</b>                               | <b>(164,656)</b>                             | <b>24,560</b>                       |
| <b>OTHER FINANCING SOURCES (USES):</b>        |   |   |  |  |                                     |
| Transfers in                                  | -                                       | -   | -  | -  | -                                   |
| Transfers out                                 | (85,000)                                | -   | -  | -  | -                                   |
| <b>Total financing sources (uses)</b>         | <b>(85,000)</b>                         | <b>-</b>                                  | <b>-</b>                                     | <b>-</b>                                     | <b>-</b>                            |
| <b>Net change in fund balances</b>            | <b>18,516</b>                           | <b>324,391</b>                            | <b>238,381</b>                               | <b>(164,656)</b>                             | <b>24,560</b>                       |
| <b>FUND BALANCES (DEFICIT):</b>               |   |   |  |  |                                     |
| Beginning of year, as restated                | 54,726                                  | 247,006                                   | 973,796                                      | 431,150                                      | 617,356                             |
| End of year                                   | <u>\$ 73,242</u>                        | <u>\$ 571,397</u>                         | <u>\$ 1,212,177</u>                          | <u>\$ 266,494</u>                            | <u>\$ 641,916</u>                   |

(Continued)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

**Capital Projects Funds**

|   | <b>Parkland<br/>In-Lieu<br/>Fee</b> | <b>Street<br/>Improvement<br/>Impact Fee</b> | <b>Water<br/>Impact Fee</b> | <b>Storm Drain<br/>Impact Fee</b> | <b>Sewer<br/>Impact Fee</b> |
|---|-------------------------------------|--|-----------------------------|-----------------------------------|-----------------------------|
| <b>REVENUES:</b>                              |                                     |  |                             |                                   |                             |
| Licenses, permits, and fees                   | \$ 3,689                            | \$ 16,394                                    | \$ 837,521                  | \$ 30,817                         | \$ 9,156                    |
| Charges for services                          | -                                   | 58,867                                       | -                           | -                                 | -                           |
| Intergovernmental:                            |                                     |  |                             |                                   |                             |
| Federal grant and subsidies                   | -                                   | -  | -                           | -                                 | -                           |
| Other governmental                            | -                                   | 137,270                                      | -                           | -                                 | -                           |
| Investment income(loss)                       | 359                                 | 5,530  | 29,754                      | 7,980                             | 612                         |
| Revenue from Fiduciary Fund                   | -                                   | -  | -                           | -                                 | -                           |
| Miscellaneous                                 | -                                   | -  | -                           | -                                 | -                           |
| <b>Total revenues</b>                         | <b>4,048</b>                        | <b>218,061</b>                               | <b>867,275</b>              | <b>38,797</b>                     | <b>9,768</b>                |
| <b>EXPENDITURES:</b>                          |                                     |  |                             |                                   |                             |
| Current:                                      |                                     |  |                             |                                   |                             |
| General government                            | -                                   | -  | -                           | -                                 | -                           |
| Police  | -                                   | -  | -                           | -                                 | -                           |
| Fire  | -                                   | -  | -                           | -                                 | -                           |
| Community development and planning            | -                                   | -  | -                           | -                                 | -                           |
| Public works                                  | -                                   | -  | -                           | -                                 | -                           |
| Park and recreation                           | -                                   | -  | -                           | -                                 | -                           |
| Capital outlay                                | 2,355                               | -  | -                           | 33,970                            | -                           |
| <b>Total expenditures</b>                     | <b>2,355</b>                        | <b>-</b>                                     | <b>-</b>                    | <b>33,970</b>                     | <b>-</b>                    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>1,693</b>                        | <b>218,061</b>                               | <b>867,275</b>              | <b>4,827</b>                      | <b>9,768</b>                |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                                     |  |                             |                                   |                             |
| Transfers in                                  | -                                   | -  | -                           | -                                 | -                           |
| Transfers out                                 | -                                   | (218,726)                                    | -                           | -                                 | -                           |
| <b>Total financing sources (uses)</b>         | <b>-</b>                            | <b>(218,726)</b>                             | <b>-</b>                    | <b>-</b>                          | <b>-</b>                    |
| <b>Net change in fund balances</b>            | <b>1,693</b>                        | <b>(665)</b>                                 | <b>867,275</b>              | <b>4,827</b>                      | <b>9,768</b>                |
| <b>FUND BALANCES (DEFICIT):</b>               |                                     |  |                             |                                   |                             |
| Beginning of year, as restated                | 57,937                              | 789,459                                      | 4,143,241                   | 1,264,249                         | 86,316                      |
| End of year                                   | <u>\$ 59,630</u>                    | <u>\$ 788,794</u>                            | <u>\$ 5,010,516</u>         | <u>\$ 1,269,076</u>               | <u>\$ 96,084</u>            |

(Continued)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

**Capital Projects Funds**

|   | <b>Delta<br/>Mendota<br/>Storm Gate</b> | <b>Aquatic<br/>Center<br/>Construction</b> | <b>Future Water<br/>Acquisition</b> | <b>Heartland<br/>Ranch<br/>Infrastructure</b> | <b>Downtown<br/>Assistance<br/>Fee</b> |
|---|---|--|-------------------------------------|---|--|
| <b>REVENUES:</b>                              |   |  |                                     |   |  |
| Licenses, permits, and fees                   | \$ -                                    | \$ 61,500                                  | \$ -                                | \$ -  | \$ 32,500                              |
| Charges for services                          | -                                       | -  | -                                   | -   | -                                      |
| Intergovernmental:                            |   |  |                                     |   |  |
| Federal grant and subsidies                   | -                                       | -  | -                                   | -   | -                                      |
| Other governmental                            | -                                       | -  | -                                   | -   | -                                      |
| Investment income(loss)                       | 1,090                                   | 2,584                                      | 1,033                               | 288   | 1,158                                  |
| Revenue from Fiduciary Fund                   | -                                       | -  | -                                   | -   | -                                      |
| Miscellaneous                                 | -                                       | -  | 3,096                               | -   | -                                      |
| <b>Total revenues</b>                         | <b>1,090</b>                            | <b>64,084</b>                              | <b>4,129</b>                        | <b>288</b>                                    | <b>33,658</b>                          |
| <b>EXPENDITURES:</b>                          |   |  |                                     |   |  |
| Current:                                      |   |  |                                     |   |  |
| General government                            | -                                       | -  | -                                   | -   | -                                      |
| Police  | -                                       | -  | -                                   | -   | -                                      |
| Fire  | -                                       | -  | -                                   | -   | -                                      |
| Community development and planning            | -                                       | -  | -                                   | -   | -                                      |
| Public works                                  | -                                       | -  | -                                   | -   | -                                      |
| Park and recreation                           | -                                       | -  | -                                   | -   | -                                      |
| Capital outlay                                | -                                       | -  | -                                   | -   | -                                      |
| <b>Total expenditures</b>                     | <b>-</b>                                | <b>-</b>                                   | <b>-</b>                            | <b>-</b>                                      | <b>-</b>                               |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>1,090</b>                            | <b>64,084</b>                              | <b>4,129</b>                        | <b>288</b>                                    | <b>33,658</b>                          |
| <b>OTHER FINANCING SOURCES (USES):</b>        |   |  |                                     |   |  |
| Transfers in                                  | -                                       | -  | -                                   | -   | -                                      |
| Transfers out                                 | -                                       | -  | -                                   | -   | -                                      |
| <b>Total financing sources (uses)</b>         | <b>-</b>                                | <b>-</b>                                   | <b>-</b>                            | <b>-</b>                                      | <b>-</b>                               |
| <b>Net change in fund balances</b>            | <b>1,090</b>                            | <b>64,084</b>                              | <b>4,129</b>                        | <b>288</b>                                    | <b>33,658</b>                          |
| <b>FUND BALANCES (DEFICIT):</b>               |   |  |                                     |   |  |
| Beginning of year, as restated                | 174,361                                 | 370,448                                    | 143,981                             | (1,122)                                       | 162,222                                |
| End of year                                   | <u>\$ 175,451</u>                       | <u>\$ 434,532</u>                          | <u>\$ 148,110</u>                   | <u>\$ (834)</u>                               | <u>\$ 195,880</u>                      |

(Continued)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

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|   | <b>Total<br/>Non-major<br/>Governmental<br/>Funds</b> |
|---|---|
|   |   |
| <b>REVENUES:</b>                              |   |
| Licenses, permits, and fees                   | \$ 1,325,502  |
| Charges for services                          | 3,799,349   |
| Intergovernmental:                            |   |
| Federal grant and subsidies                   | 175,377   |
| Other governmental                            | 3,227,674   |
| Investment income(loss)                       | 159,063   |
| Revenue from Fiduciary Fund                   | 218,726   |
| Miscellaneous                                 | 14,293  |
|   | <b>8,919,984</b>                                      |
| <b>Total revenues</b>                         | <b>8,919,984</b>                                      |
| <b>EXPENDITURES:</b>                          |   |
| Current:                                      |   |
| General government                            | 40,626  |
| Police  | -   |
| Fire  | 6,727   |
| Community development and planning            | 4,620   |
| Public works                                  | 832,068   |
| Park and recreation                           | 487   |
| Capital outlay                                | 5,010,900   |
|   | <b>5,895,428</b>                                      |
| <b>Total expenditures</b>                     | <b>5,895,428</b>                                      |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>3,024,556</b>                                      |
| <b>OTHER FINANCING SOURCES (USES):</b>        |   |
| Transfers in                                  | 3,108,437   |
| Transfers out                                 | (4,022,431)   |
|   | <b>(913,994)</b>                                      |
| <b>Total financing sources (uses)</b>         | <b>(913,994)</b>                                      |
| <b>Net change in fund balances</b>            | <b>2,110,562</b>                                      |
| <b>FUND BALANCES (DEFICIT):</b>               |   |
| Beginning of year, as restated                | 21,848,485  |
| End of year                                   | <b>\$ 23,959,047</b>                                  |

(Concluded)

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Patterson Public Financing Authority Debt Service Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                        | <u>Actual</u>        | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|------------------------|----------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>           |                      |   |
| <b>REVENUES:</b>                   |                         |                        |                      |   |
| Investment income (loss)           | \$ (3,534,684)          | \$ (3,136,044)         | \$ 3,667,112         | \$ 6,803,156  |
| Revenue from Fiduciary Fund        | (522,944)               | (522,944)              | 517,184              | 1,040,128   |
| <b>Total revenues</b>              | <u>(4,057,628)</u>      | <u>(3,658,988)</u>     | <u>4,184,296</u>     | <u>7,843,284</u>  |
| <b>EXPENDITURES:</b>               |                         |                        |                      |   |
| Debt service:                      |                         |                        |                      |   |
| Principal                          | 2,815,792               | 3,214,432              | 2,567,628            | 646,804   |
| Interest and fiscal charges        | 4,488,078               | 4,689,078              | 3,907,613            | 781,465   |
| <b>Total expenditures</b>          | <u>7,303,870</u>        | <u>7,903,510</u>       | <u>6,475,241</u>     | <u>1,428,269</u>  |
| <b>Net change in fund balances</b> | <u>\$ (11,361,498)</u>  | <u>\$ (11,562,498)</u> | <u>(2,290,945)</u>   | <u>\$ 9,271,553</u>   |
| <b>FUND BALANCE:</b>               |                         |                        |                      |   |
| Beginning of year                  |                         |                        | <u>60,662,321</u>    |   |
| End of year                        |                         |                        | <u>\$ 58,371,376</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Landscape Maintenance District Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual</u>      | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|--------------------|--------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                    |   |
| <b>REVENUES:</b>                              |                         |                    |                    |   |
| Charges for services                          | \$ 1,856,849            | \$ 1,856,849       | \$ 1,978,665       | \$ 121,816  |
| Investment income (loss)                      | 2,448                   | 2,448              | 8,236              | 5,788   |
| <b>Total revenues</b>                         | <u>1,859,297</u>        | <u>1,859,297</u>   | <u>1,986,901</u>   | <u>127,604</u>  |
| <b>EXPENDITURES:</b>                          |                         |                    |                    |   |
| Current:                                      |                         |                    |                    |   |
| Public works                                  | 1,926,835               | 1,926,835          | 556,900            | 1,369,935   |
| Parks and recreation                          | -                       | -                  | 487                | (487)   |
| <b>Total expenditures</b>                     | <u>1,926,835</u>        | <u>1,926,835</u>   | <u>557,387</u>     | <u>1,369,448</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>(67,538)</u>         | <u>(67,538)</u>    | <u>1,429,514</u>   | <u>1,497,052</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                    |                    |   |
| Transfers out                                 | <u>(27,000)</u>         | <u>(27,000)</u>    | <u>(1,437,083)</u> | <u>(1,410,083)</u>  |
| <b>Total other financing sources (uses)</b>   | <u>(27,000)</u>         | <u>(27,000)</u>    | <u>(1,437,083)</u> | <u>(1,410,083)</u>  |
| <b>Net change in fund balances</b>            | <u>\$ (94,538)</u>      | <u>\$ (94,538)</u> | <u>(7,569)</u>     | <u>\$ 86,969</u>  |
| <b>FUND BALANCE:</b>                          |                         |                    |                    |   |
| Beginning of year                             |                         |                    | <u>847,097</u>     |   |
| End of year                                   |                         |                    | <u>\$ 839,528</u>  |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Benefit Assessment Districts Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|---------------------|---------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                     |   |
| <b>REVENUES:</b>                              |                         |                     |                     |   |
| Charges for services                          | \$ 511,202              | \$ 511,202          | \$ 515,557          | \$ 4,355  |
| Investment income (loss)                      | 8,786                   | 8,786               | 15,928              | 7,142   |
| <b>Total revenues</b>                         | <u>519,988</u>          | <u>519,988</u>      | <u>531,485</u>      | <u>11,497</u>   |
| <b>EXPENDITURES:</b>                          |                         |                     |                     |   |
| Current:                                      |                         |                     |                     |   |
| General government                            | -                       | -                   | 444                 | (444)   |
| Public works                                  | 558,315                 | 558,315             | 190,524             | 367,791   |
| <b>Total expenditures</b>                     | <u>558,315</u>          | <u>558,315</u>      | <u>190,968</u>      | <u>367,347</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>(38,327)</u>         | <u>(38,327)</u>     | <u>340,517</u>      | <u>378,844</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                     |                     |   |
| Transfers out                                 | (839,769)               | (839,769)           | (169,705)           | 670,064   |
| <b>Total other financing sources (uses)</b>   | <u>(839,769)</u>        | <u>(839,769)</u>    | <u>(169,705)</u>    | <u>670,064</u>  |
| <b>Net change in fund balances</b>            | <u>\$ (878,096)</u>     | <u>\$ (878,096)</u> | 170,812             | <u>\$ 1,048,908</u>   |
| <b>FUND BALANCE:</b>                          |                         |                     |                     |   |
| Beginning of year                             |                         |                     | <u>2,447,248</u>    |   |
| End of year                                   |                         |                     | <u>\$ 2,618,060</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CSA #15 Assessment District Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u>   | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|-------------------|-----------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                 |   |
| <b>REVENUES:</b>                              |                         |                   |                 |   |
| Charges for services                          | \$ 9,034                | \$ 9,034          | \$ 8,521        | \$ (513)  |
| Investment income (loss)                      | 27                      | 27                | 6               | (21)  |
| <b>Total revenues</b>                         | <u>9,061</u>            | <u>9,061</u>      | <u>8,527</u>    | <u>(534)</u>  |
| <b>EXPENDITURES:</b>                          |                         |                   |                 |   |
| Current:                                      |                         |                   |                 |   |
| Community development and planning            | <u>14,067</u>           | <u>14,067</u>     | <u>4,620</u>    | <u>9,447</u>  |
| <b>Total expenditures</b>                     | <u>14,067</u>           | <u>14,067</u>     | <u>4,620</u>    | <u>9,447</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>(5,006)</u>          | <u>(5,006)</u>    | <u>3,907</u>    | <u>8,913</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                   |                 |   |
| Transfers out                                 | <u>(2,678)</u>          | <u>(2,678)</u>    | <u>(2,678)</u>  | <u>-</u>  |
| <b>Total other financing sources (uses)</b>   | <u>(2,678)</u>          | <u>(2,678)</u>    | <u>(2,678)</u>  | <u>-</u>  |
| <b>Net change in fund balances</b>            | <u>\$ (7,684)</u>       | <u>\$ (7,684)</u> | 1,229           | <u>\$ 8,913</u>   |
| <b>FUND BALANCE (DEFICIT):</b>                |                         |                   |                 |   |
| Beginning of year                             |                         |                   | <u>284</u>      |   |
| End of year                                   |                         |                   | <u>\$ 1,513</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CFD 2001-01 Patterson Gardens Public Safety Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>     |                   |   |
| <b>REVENUES:</b>                              |                         |                  |                   |   |
| Charges for services                          | \$ 553,166              | \$ 553,166       | \$ 561,263        | \$ 8,097  |
| Investment income (loss)                      | 294                     | 294              | 888               | 594   |
| <b>Total revenues</b>                         | <u>553,460</u>          | <u>553,460</u>   | <u>562,151</u>    | <u>8,691</u>  |
| <b>EXPENDITURES:</b>                          |                         |                  |                   |   |
| Current:                                      |                         |                  |                   |   |
| Fire  | 6,448                   | 6,448            | 6,727             | (279)   |
| <b>Total expenditures</b>                     | <u>6,448</u>            | <u>6,448</u>     | <u>6,727</u>      | <u>(279)</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>547,012</u>          | <u>547,012</u>   | <u>555,424</u>    | <u>8,412</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                  |                   |   |
| Transfers out                                 | (500,000)               | (500,000)        | (500,000)         | -   |
| <b>Total other financing sources (uses)</b>   | <u>(500,000)</u>        | <u>(500,000)</u> | <u>(500,000)</u>  | <u>-</u>  |
| <b>Net change in fund balances</b>            | <u>\$ 47,012</u>        | <u>\$ 47,012</u> | 55,424            | <u>\$ 8,412</u>   |
| <b>FUND BALANCE:</b>                          |                         |                  |                   |   |
| Beginning of year                             |                         |                  | <u>252,052</u>    |   |
| End of year                                   |                         |                  | <u>\$ 307,476</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Beautification Committee Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                 | <u>Actual</u>    | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|-----------------|------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>    |                  |   |
| <b>REVENUES:</b>                   |                         |                 |                  |   |
| Taxes:                             |                         |                 |                  |   |
| Investment income (loss)           | \$ 146                  | \$ 146          | \$ 249           | \$ 103  |
| Miscellaneous                      | -                       | 620             | 540              | (80)  |
| <b>Total revenues</b>              | <u>146</u>              | <u>766</u>      | <u>789</u>       | <u>23</u>   |
| <b>EXPENDITURES:</b>               |                         |                 |                  |   |
| Current:                           |                         |                 |                  |   |
| Public works                       | <u>300</u>              | <u>920</u>      | <u>-</u>         | <u>920</u>  |
| <b>Total expenditures</b>          | <u>300</u>              | <u>920</u>      | <u>-</u>         | <u>920</u>  |
| <b>Net change in fund balances</b> | <u>\$ (154)</u>         | <u>\$ (154)</u> | 789              | <u>\$ 943</u>   |
| <b>FUND BALANCE:</b>               |                         |                 |                  |   |
| Beginning of year                  |                         |                 | <u>39,560</u>    |   |
| End of year                        |                         |                 | <u>\$ 40,349</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**State HCD Rehab Program Special Revenue Fund**  
**For the Year Ended June 30, 2023**

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|                                    | <b>Budgeted Amounts</b> |                 | <b>Actual</b> | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|------------------------------------|-------------------------|-----------------|---------------|---|
|                                    | <b>Original</b>         | <b>Final</b>    |               |   |
| <b>REVENUES:</b>                   |                         |                 |               |   |
| Investment income (loss)           | \$ 1,296                | \$ 1,296        | \$ 1,394      | \$ 98   |
| <b>Total revenues</b>              | <b>1,296</b>            | <b>1,296</b>    | <b>1,394</b>  | <b>98</b>   |
| <b>Net change in fund balances</b> | <b>\$ 1,296</b>         | <b>\$ 1,296</b> | <b>1,394</b>  | <b>\$ 98</b>  |
| <b>FUND BALANCE:</b>               |                         |                 |               |   |
| Beginning of year                  |                         |                 | 223,047       |   |
| End of year                        |                         |                 | \$ 224,441    |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Federal CDBG Grant Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|----------------|---------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>   |                     |   |
| <b>REVENUES:</b>                   |                         |                |                     |   |
| Intergovernmental:                 |                         |                |                     |   |
| Federal grant and subsidies        | \$ 150,000              | \$ 150,000     | \$ 27,840           | \$ (122,160)  |
| <b>Total revenues</b>              | <u>150,000</u>          | <u>150,000</u> | <u>27,840</u>       | <u>(122,160)</u>  |
| <b>EXPENDITURES:</b>               |                         |                |                     |   |
| Capital outlay                     | <u>150,000</u>          | <u>150,000</u> | <u>-</u>            | <u>150,000</u>  |
| <b>Total expenditures</b>          | <u>150,000</u>          | <u>150,000</u> | <u>-</u>            | <u>150,000</u>  |
| <b>Net change in fund balances</b> | <u>\$ -</u>             | <u>\$ -</u>    | 27,840              | <u>\$ 27,840</u>  |
| <b>FUND BALANCE (DEFICIT):</b>     |                         |                |                     |   |
| Beginning of year                  |                         |                | <u>(260,921)</u>    |   |
| End of year                        |                         |                | <u>\$ (233,081)</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**First Time Home Buyers Special Revenue Fund**  
**For the Year Ended June 30, 2023**

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|                                    | <u>Budgeted Amounts</u> |                 | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|-----------------|-------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>    |                   |   |
| <b>REVENUES:</b>                   |                         |                 |                   |   |
| Investment income (loss)           | \$ 2,176                | \$ 2,176        | \$ 2,983          | \$ 807  |
| Miscellaneous                      | 1,778                   | 1,778           | 2,946             | 1,168   |
| <b>Total revenues</b>              | <u>3,954</u>            | <u>3,954</u>    | 5,929             | <u>1,975</u>  |
| <b>Net change in fund balances</b> | <u>\$ 3,954</u>         | <u>\$ 3,954</u> | 5,929             | <u>\$ 1,975</u>   |
| <b>FUND BALANCE:</b>               |                         |                 |                   |   |
| Beginning of year                  |                         |                 | <u>193,869</u>    |   |
| End of year                        |                         |                 | <u>\$ 199,798</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Federal HOME Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                 | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|-----------------|-------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>    |                   |   |
| <b>REVENUES:</b>                   |                         |                 |                   |   |
| Investment income (loss)           | \$ 3,174                | \$ 3,174        | \$ 2,707          | \$ (467)  |
| Miscellaneous                      | 2,438                   | 2,438           | 1,781             | (657)   |
| <b>Total revenues</b>              | <u>5,612</u>            | <u>5,612</u>    | <u>4,488</u>      | <u>(1,124)</u>  |
| <b>EXPENDITURES:</b>               |                         |                 |                   |   |
| Current:                           |                         |                 |                   |   |
| General government                 | -                       | -               | 3,701             | (3,701)   |
| <b>Total expenditures</b>          | <u>-</u>                | <u>-</u>        | <u>3,701</u>      | <u>(3,701)</u>  |
| <b>Net change in fund balances</b> | <u>\$ 5,612</u>         | <u>\$ 5,612</u> | 787               | <u>\$ (4,825)</u>   |
| <b>FUND BALANCE:</b>               |                         |                 |                   |   |
| Beginning of year                  |                         |                 | <u>183,014</u>    |   |
| End of year                        |                         |                 | <u>\$ 183,801</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Neighborhood Stabilization Program Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |               | <u>Actual</u>   | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|---------------|-----------------|---|
|                                    | <u>Original</u>         | <u>Final</u>  |                 |   |
| <b>REVENUES:</b>                   |                         |               |                 |   |
| Investment income (loss)           | \$ 20                   | \$ 20         | \$ 40           | \$ 20   |
| Miscellaneous                      | 501                     | 501           | -               | (501)   |
| <b>Total revenues</b>              | <u>521</u>              | <u>521</u>    | 40              | <u>(481)</u>  |
| <br>                               |                         |               |                 |   |
| <b>Net change in fund balances</b> | <u>\$ 521</u>           | <u>\$ 521</u> | 40              | <u>\$ (481)</u>   |
| <br>                               |                         |               |                 |   |
| <b>FUND BALANCE:</b>               |                         |               |                 |   |
| Beginning of year                  |                         |               | <u>6,456</u>    |   |
| End of year                        |                         |               | <u>\$ 6,496</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|-------------------|-------------------|---|
|   | <u>Original</u>         | <u>Final</u>      |                   |   |
| <b>REVENUES:</b>                            |                         |                   |                   |   |
| Intergovernmental:                          |                         |                   |                   |   |
| Other governmental                          | \$ 1,094,018            | \$ 1,094,018      | \$ 1,161,045      | \$ 67,027   |
| Investment income (loss)                    | 1,685                   | 1,685             | 4,304             | 2,619   |
| <b>Total revenues</b>                       | <u>1,095,703</u>        | <u>1,095,703</u>  | <u>1,165,349</u>  | <u>69,646</u>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                         |                   |                   |   |
| Transfers out                               | <u>(922,638)</u>        | <u>(922,638)</u>  | <u>(771,558)</u>  | <u>151,080</u>  |
| <b>Total other financing sources (uses)</b> | <u>(922,638)</u>        | <u>(922,638)</u>  | <u>(771,558)</u>  | <u>151,080</u>  |
| <b>Net change in fund balances</b>          | <u>\$ 173,065</u>       | <u>\$ 173,065</u> | 393,791           | <u>\$ 220,726</u>   |
| <b>FUND BALANCE:</b>                        |                         |                   |                   |   |
| Beginning of year                           |                         |                   | <u>382,762</u>    |   |
| End of year                                 |                         |                   | <u>\$ 776,553</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Local Transportation Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                 | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|-----------------|---------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>    |                     |   |
| <b>REVENUES:</b>                   |                         |                 |                     |   |
| Intergovernmental:                 |                         |                 |                     |   |
| Other governmental                 | \$ 2,000                | \$ 2,000        | \$ -                | \$ (2,000)  |
| Investment income (loss)           | 954                     | 954             | 1,161               | 207   |
| Miscellaneous                      | -                       | -               | 1,000               | 1,000   |
| <b>Total revenues</b>              | <u>2,954</u>            | <u>2,954</u>    | <u>2,161</u>        | <u>(793)</u>  |
| <br>                               |                         |                 |                     |   |
| <b>Net change in fund balances</b> | <u>\$ 2,954</u>         | <u>\$ 2,954</u> | 2,161               | <u>\$ (793)</u>   |
| <br>                               |                         |                 |                     |   |
| <b>FUND BALANCE (DEFICIT):</b>     |                         |                 |                     |   |
| Beginning of year                  |                         |                 | <u>(112,553)</u>    |   |
| End of year                        |                         |                 | <u>\$ (110,392)</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Local Transportation Non-Motorized Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                    | <u>Actual</u>    | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|--------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>       |                  |   |
| <b>REVENUES:</b>                            |                         |                    |                  |   |
| Investment income (loss)                    | \$ 281                  | \$ 281             | \$ 677           | \$ 396  |
| <b>Total revenues</b>                       | <u>281</u>              | <u>281</u>         | <u>677</u>       | <u>396</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                         |                    |                  |   |
| Transfers out                               | <u>(72,851)</u>         | <u>(72,851)</u>    | <u>(35,379)</u>  | <u>37,472</u>   |
| <b>Total other financing sources (uses)</b> | <u>(72,851)</u>         | <u>(72,851)</u>    | <u>(35,379)</u>  | <u>37,472</u>   |
| <b>Net change in fund balances</b>          | <u>\$ (72,570)</u>      | <u>\$ (72,570)</u> | <u>(34,702)</u>  | <u>\$ 37,868</u>  |
| <b>FUND BALANCE:</b>                        |                         |                    |                  |   |
| Beginning of year                           |                         |                    | <u>114,415</u>   |   |
| End of year                                 |                         |                    | <u>\$ 79,713</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Street Project Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|---------------------|---------------------|---|
|   | <u>Original</u>         | <u>Final</u>        |                     |   |
| <b>REVENUES:</b>                              |                         |                     |                     |   |
| Intergovernmental:                            |                         |                     |                     |   |
| Federal grant and subsidies                   | \$ 379,909              | \$ 379,909          | \$ 147,537          | \$ (232,372)  |
| Other governmental                            | 552,361                 | 552,361             | 158,213             | (394,148)   |
| Investment income (loss)                      | 6,626                   | 6,626               | 19,579              | 12,953  |
| Revenue from Fiduciary Fund                   | -                       | -                   | 218,726             | 218,726   |
| Miscellaneous                                 | -                       | 1,000               | -                   | (1,000)   |
| <b>Total revenues</b>                         | <u>938,896</u>          | <u>939,896</u>      | <u>544,055</u>      | <u>(395,841)</u>  |
| <b>EXPENDITURES:</b>                          |                         |                     |                     |   |
| Current:                                      |                         |                     |                     |   |
| Public works                                  | 85,000                  | 85,000              | 62,253              | 22,747  |
| Capital outlay                                | 6,031,272               | 6,216,272           | 2,303,974           | 3,912,298   |
| <b>Total expenditures</b>                     | <u>6,116,272</u>        | <u>6,301,272</u>    | <u>2,366,227</u>    | <u>3,935,045</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>(5,177,376)</u>      | <u>(5,361,376)</u>  | <u>(1,822,172)</u>  | <u>3,539,204</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                     |                     |   |
| Transfers in                                  | 4,762,002               | 4,762,002           | 1,633,347           | (3,128,655)   |
| <b>Total other financing sources (uses)</b>   | <u>4,762,002</u>        | <u>4,762,002</u>    | <u>1,633,347</u>    | <u>(3,128,655)</u>  |
| <b>Net change in fund balances</b>            | <u>\$ (415,374)</u>     | <u>\$ (599,374)</u> | <u>(188,825)</u>    | <u>\$ 410,549</u>   |
| <b>FUND BALANCE:</b>                          |                         |                     |                     |   |
| Beginning of year                             |                         |                     | <u>2,847,762</u>    |   |
| End of year                                   |                         |                     | <u>\$ 2,658,937</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Measure L Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                       | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|-----------------------|---------------------|---|
|   | <u>Original</u>         | <u>Final</u>          |                     |   |
| <b>REVENUES:</b>                              |                         |                       |                     |   |
| Intergovernmental:                            |                         |                       |                     |   |
| Other governmental                            | \$ 1,124,762            | \$ 1,124,762          | \$ 1,792,171        | \$ 667,409  |
| Investment income (loss)                      | 17,419                  | 17,419                | 23,444              | 6,025   |
| <b>Total revenues</b>                         | <u>1,142,181</u>        | <u>1,142,181</u>      | <u>1,815,615</u>    | <u>673,434</u>  |
| <b>EXPENDITURES:</b>                          |                         |                       |                     |   |
| Capital outlay                                | <u>4,351,191</u>        | <u>4,359,763</u>      | <u>2,443,176</u>    | <u>1,916,587</u>  |
| <b>Total expenditures</b>                     | <u>4,351,191</u>        | <u>4,359,763</u>      | <u>2,443,176</u>    | <u>1,916,587</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>(3,209,010)</u>      | <u>(3,217,582)</u>    | <u>(627,561)</u>    | <u>2,590,021</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                       |                     |   |
| Transfers in                                  | (1,983,898)             | (1,983,898)           | 1,475,090           | 3,458,988   |
| Transfers out                                 | <u>(1,117,336)</u>      | <u>(1,117,336)</u>    | <u>(802,302)</u>    | <u>315,034</u>  |
| <b>Total other financing sources (uses)</b>   | <u>(3,101,234)</u>      | <u>(3,101,234)</u>    | <u>672,788</u>      | <u>3,774,022</u>  |
| <b>Net change in fund balances</b>            | <u>\$ (6,310,244)</u>   | <u>\$ (6,318,816)</u> | 45,227              | <u>\$ 6,364,043</u>   |
| <b>FUND BALANCE:</b>                          |                         |                       |                     |   |
| Beginning of year                             |                         |                       | <u>3,462,267</u>    |   |
| End of year                                   |                         |                       | <u>\$ 3,507,494</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Developer Housing In-Lieu Fee Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                     | <u>Actual</u>       | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|---------------------|---------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>        |                     |   |
| <b>REVENUES:</b>                   |                         |                     |                     |   |
| Licenses, permits, and fees        | \$ 1,383,062            | \$ 1,383,062        | \$ -                | \$ (1,383,062)  |
| Investment income (loss)           | 3,923                   | 3,923               | 6,602               | 2,679   |
| <b>Total revenues</b>              | <u>1,386,985</u>        | <u>1,386,985</u>    | 6,602               | <u>(1,380,383)</u>  |
| <b>Net change in fund balances</b> | <u>\$ 1,386,985</u>     | <u>\$ 1,386,985</u> | 6,602               | <u>\$ (1,380,383)</u>   |
| <b>FUND BALANCE:</b>               |                         |                     |                     |   |
| Beginning of year                  |                         |                     | <u>1,055,582</u>    |   |
| End of year                        |                         |                     | <u>\$ 1,062,184</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Police Asset Forfeiture Special Revenue Fund**  
**For the Year Ended June 30, 2023**

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|                                    | <b>Budgeted Amounts</b> |              | <b>Actual</b> | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|------------------------------------|-------------------------|--------------|---------------|---|
|                                    | <b>Original</b>         | <b>Final</b> |               |   |
| <b>REVENUES:</b>                   |                         |              |               |   |
| Investment income (loss)           | \$ 471                  | \$ 471       | \$ 27         | \$ (444)  |
| <b>Total revenues</b>              | 471                     | 471          | 27            | (444)   |
| <b>Net change in fund balances</b> | \$ 471                  | \$ 471       | 27            | \$ (444)  |
| <b>FUND BALANCE:</b>               |                         |              |               |   |
| Beginning of year                  |                         |              | 4,306         |   |
| End of year                        |                         |              | \$ 4,333      |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Westside Drainage Study Special Revenue Fund**  
**For the Year Ended June 30, 2023**

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|                                    | Budgeted Amounts |        | Actual    | Variance with<br>Final Budget<br>Favorable<br>(Unfavorable) |
|------------------------------------|------------------|--------|-----------|---|
|                                    | Original         | Final  |           |   |
| <b>REVENUES:</b>                   |                  |        |           |   |
| Investment income (loss)           | \$ 245           | \$ 245 | \$ 411    | \$ 166  |
| <b>Total revenues</b>              | 245              | 245    | 411       | 166   |
| <b>Net change in fund balances</b> | \$ 245           | \$ 245 | 411       | \$ 166  |
| <b>FUND BALANCE:</b>               |                  |        |           |   |
| Beginning of year                  |                  |        | 65,725    |   |
| End of year                        |                  |        | \$ 66,136 |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CFD 2013-1 Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|-------------------|-------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>      |                   |   |
| <b>REVENUES:</b>                   |                         |                   |                   |   |
| Charges for services               | \$ 219,300              | \$ 219,300        | \$ 223,565        | \$ 4,265  |
| Investment income (loss)           | 1,351                   | 1,351             | 4,104             | 2,753   |
| <b>Total revenues</b>              | <u>220,651</u>          | <u>220,651</u>    | <u>227,669</u>    | <u>7,018</u>  |
| <b>EXPENDITURES:</b>               |                         |                   |                   |   |
| Current:                           |                         |                   |                   |   |
| General government                 | 32,805                  | 32,805            | 25,813            | 6,992   |
| <b>Total expenditures</b>          | <u>32,805</u>           | <u>32,805</u>     | <u>25,813</u>     | <u>6,992</u>  |
| <b>Net change in fund balances</b> | <u>\$ 187,846</u>       | <u>\$ 187,846</u> | 201,856           | <u>\$ 14,010</u>  |
| <b>FUND BALANCE:</b>               |                         |                   |                   |   |
| Beginning of year                  |                         |                   | <u>581,387</u>    |   |
| End of year                        |                         |                   | <u>\$ 783,243</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CFD 2015-2 Public Safety Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|   | <u>Budgeted Amounts</u> |                  | <u>Actual</u>    | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|---|-------------------------|------------------|------------------|---|
|   | <u>Original</u>         | <u>Final</u>     |                  |   |
| <b>REVENUES:</b>                              |                         |                  |                  |   |
| Charges for services                          | \$ 96,145               | \$ 96,145        | \$ 98,092        | \$ 1,947  |
| Investment income (loss)                      | 218                     | 218              | 519              | 301   |
| Miscellaneous                                 | -                       | -                | 4,930            | 4,930   |
| <b>Total revenues</b>                         | <u>96,363</u>           | <u>96,363</u>    | <u>103,541</u>   | <u>7,178</u>  |
| <b>EXPENDITURES:</b>                          |                         |                  |                  |   |
| Current:                                      |                         |                  |                  |   |
| General government                            | <u>25</u>               | <u>25</u>        | <u>25</u>        | <u>-</u>  |
| <b>Total expenditures</b>                     | <u>25</u>               | <u>25</u>        | <u>25</u>        | <u>-</u>  |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <u>96,338</u>           | <u>96,338</u>    | <u>103,516</u>   | <u>7,178</u>  |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                         |                  |                  |   |
| Transfers out                                 | <u>(85,000)</u>         | <u>(85,000)</u>  | <u>(85,000)</u>  | <u>-</u>  |
| <b>Total other financing sources (uses)</b>   | <u>(85,000)</u>         | <u>(85,000)</u>  | <u>(85,000)</u>  | <u>-</u>  |
| <b>Net change in fund balances</b>            | <u>\$ 11,338</u>        | <u>\$ 11,338</u> | <u>18,516</u>    | <u>\$ 7,178</u>   |
| <b>FUND BALANCE:</b>                          |                         |                  |                  |   |
| Beginning of year                             |                         |                  | <u>54,726</u>    |   |
| End of year                                   |                         |                  | <u>\$ 73,242</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CFD 2018-2 VOP Maintenance Special Revenue Fund**  
**For the Year Ended June 30, 2023**

|                                    | <u>Budgeted Amounts</u> |                   | <u>Actual</u>     | <u>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</u> |
|------------------------------------|-------------------------|-------------------|-------------------|---|
|                                    | <u>Original</u>         | <u>Final</u>      |                   |   |
| <b>REVENUES:</b>                   |                         |                   |                   |   |
| Charges for services               | \$ 222,286              | \$ 222,286        | \$ 354,819        | \$ 132,533  |
| Investment income (loss)           | 118                     | 118               | 2,606             | 2,488   |
| <b>Total revenues</b>              | <u>222,404</u>          | <u>222,404</u>    | <u>357,425</u>    | <u>135,021</u>  |
| <b>EXPENDITURES:</b>               |                         |                   |                   |   |
| Current:                           |                         |                   |                   |   |
| General government                 | 11,683                  | 11,683            | 10,643            | 1,040   |
| Public works                       | 2,589                   | 2,589             | 22,391            | (19,802)  |
| <b>Total expenditures</b>          | <u>14,272</u>           | <u>14,272</u>     | <u>33,034</u>     | <u>(18,762)</u>   |
| <b>Net change in fund balances</b> | <u>\$ 208,132</u>       | <u>\$ 208,132</u> | 324,391           | <u>\$ 116,259</u>   |
| <b>FUND BALANCE:</b>               |                         |                   |                   |   |
| Beginning of year                  |                         |                   | <u>247,006</u>    |   |
| End of year                        |                         |                   | <u>\$ 571,397</u> |   |

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Community Facility Impact Fee Special Revenue Fund**  
**For the Year Ended June 30, 2023**

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|                                    | <b>Budgeted Amounts</b> |                   | <b>Actual</b>       | <b>Variance with<br/>Final Budget<br/>Favorable<br/>(Unfavorable)</b> |
|------------------------------------|-------------------------|-------------------|---------------------|---|
|                                    | <b>Original</b>         | <b>Final</b>      |                     |   |
| <b>REVENUES:</b>                   |                         |                   |                     |   |
| Licenses, permits, and fees        | \$ 1,421,917            | \$ 1,421,917      | \$ 231,300          | \$ (1,190,617)  |
| Investment income (loss)           | 1,186                   | 1,186             | 7,081               | 5,895   |
|                                    | <b>1,423,103</b>        | <b>1,423,103</b>  | <b>238,381</b>      | <b>(1,184,722)</b>  |
| <b>Total revenues</b>              |                         |                   |                     |   |
| <b>Net change in fund balances</b> | <b>\$ 1,103,103</b>     | <b>\$ 943,103</b> | <b>238,381</b>      | <b>\$ (704,722)</b>   |
| <b>FUND BALANCE:</b>               |                         |                   |                     |   |
| Beginning of year                  |                         |                   | 973,796             |   |
| End of year                        |                         |                   | <b>\$ 1,212,177</b> |   |

## **CUSTODIAL FUNDS**

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**City of Patterson**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2023**

|  | <b>CFD 2001-1</b>     | <b>CFD 2005-1</b>    |                    |                   | <b>CFD 2018-1</b>     |                      |
|--|-----------------------|----------------------|--------------------|-------------------|-----------------------|----------------------|
|  | <b>West Patterson</b> | <b>West</b>          |                    |                   | <b>VOP</b>            |                      |
|  | <b>Financing</b>      | <b>Patterson</b>     | <b>CFD 2015-1</b>  | <b>Heartland</b>  | <b>Infrastructure</b> | <b>Total</b>         |
|  | <b>Authority</b>      | <b>Business Park</b> | <b>Arambel-KDN</b> | <b>Ranch 2013</b> |                       |                      |
| <b>ASSETS</b>  |                       |                      |                    |                   |                       |                      |
| Cash and investments   | \$ 6,596,701          | \$ 2,271,547         | \$ -               | \$ 530,444        | \$ 1,093,653          | \$ 10,492,345        |
| Restricted cash and investments                                | -                     | 186,222              | 100                | -                 | -                     | 186,322              |
| Cash and investments with fiscal agents                        | 670,340               | 8,157,754            | 429,721            | 230,691           | 4,783,723             | 14,272,229           |
| Accounts receivable  | 280                   | -                    | -                  | -                 | -                     | 280                  |
| Intergovernmental receivable                                   | 54,024                | 2,879                | -                  | 5,495             | 935                   | 63,333               |
| Interest receivable  | 15,342                | 3,881                | -                  | 906               | 1,869                 | 21,998               |
| Notes receivable   | 975,361               | -                    | -                  | -                 | -                     | 975,361              |
| <b>Total assets</b>  | <b>8,312,048</b>      | <b>10,622,283</b>    | <b>429,821</b>     | <b>767,536</b>    | <b>5,880,180</b>      | <b>26,011,868</b>    |
| <b>LIABILITIES</b>   |                       |                      |                    |                   |                       |                      |
| Accounts payable   | 37,198                | -                    | -                  | -                 | -                     | 37,198               |
| Due to City  | -                     | -                    | 52,587             | -                 | -                     | 52,587               |
| <b>Total liabilities</b>                                       | <b>37,198</b>         | <b>-</b>             | <b>52,587</b>      | <b>-</b>          | <b>-</b>              | <b>89,785</b>        |
| <b>NET POSITION</b>  |                       |                      |                    |                   |                       |                      |
| Restricted for:  |                       |                      |                    |                   |                       |                      |
| Individuals, organizations, and other governments, as restated | 8,274,850             | 10,622,283           | 377,234            | 767,536           | 5,880,180             | 25,922,083           |
| <b>Total Net Position</b>                                      | <b>\$ 8,274,850</b>   | <b>\$ 10,622,283</b> | <b>\$ 377,234</b>  | <b>\$ 767,536</b> | <b>\$ 5,880,180</b>   | <b>\$ 25,922,083</b> |

**City of Patterson**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended June 30, 2023**

|   | <b>CFD 2001-1<br/>West Patterson<br/>Financing<br/>Authority</b> | <b>CFD 2005-1<br/>West<br/>Patterson<br/>Business Park</b> | <b>CFD 2015-1<br/>Arambel-KDN</b> | <b>Heartland<br/>Ranch 2013</b> | <b>CFD 2018-1<br/>VOP<br/>Infrastructure</b> | <b>Total</b>         |
|---|--|--|-----------------------------------|---------------------------------|--|----------------------|
| <b>ADDITIONS:</b>                         |  |  |                                   |                                 |  |                      |
| Special assessments for other governments | \$ 5,440,668   | \$ 952,011   | \$ 304,319                        | \$ 635,506                      | \$ 487,412                                   | \$ 7,819,916         |
| Investment income                         | 188,994  | 265,721  | 1,173                             | 1,314                           | 152,469                                      | 609,671              |
| <b>Total additions</b>                    | <b>5,629,662</b>   | <b>1,217,732</b>   | <b>305,492</b>                    | <b>636,820</b>                  | <b>639,881</b>                               | <b>8,429,587</b>     |
| <b>DEDUCTIONS:</b>                        |  |  |                                   |                                 |  |                      |
| Administration                            | 568  | 11,055   | 6,785                             | 34,663                          | 21,716                                       | 74,787               |
| Payments on conduit bonds - principal     | 1,905,629  | 140,000  | 40,000                            | -                               | 50,000                                       | 2,135,629            |
| Payments on conduit bonds - interest      | 3,532,980  | 662,010  | 242,588                           | -                               | 175,850                                      | 4,613,428            |
| Projects payments                         | 1,738,754  | -  | -                                 | -                               | -  | 1,738,754            |
| Contributions to City                     | -  | 1,399,030  | -                                 | 517,184                         | 292,339                                      | 2,208,553            |
| <b>Total deductions</b>                   | <b>7,177,931</b>   | <b>2,212,095</b>   | <b>289,373</b>                    | <b>551,847</b>                  | <b>539,905</b>                               | <b>10,771,151</b>    |
| <b>Changes in net position</b>            | <b>(1,548,269)</b>   | <b>(994,363)</b>   | <b>16,119</b>                     | <b>84,973</b>                   | <b>99,976</b>                                | <b>(2,341,564)</b>   |
| <b>NET POSITION:</b>                      |  |  |                                   |                                 |  |                      |
| Beginning of year, as restated (Note 19)  | 9,823,119  | 11,616,646   | 361,115                           | 682,563                         | 5,780,204                                    | 28,263,647           |
| End of year                               | <u>\$ 8,274,850</u>  | <u>\$ 10,622,283</u>                                       | <u>\$ 377,234</u>                 | <u>\$ 767,536</u>               | <u>\$ 5,880,180</u>                          | <u>\$ 25,922,083</u> |

## **STATISTICAL SECTION**

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## STATISTICAL SECTION

The Statistical Section provides financial statement users with additional historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess a government's economic condition.

The Statistical Section is required by the Governmental Accounting Standards Board (GASB) to be reported in the following sections:

| <u>Contents</u>  | <u>Page</u> |
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| <b>Financial Trends Information</b> .....  | 162         |
| Helps readers understand how the City's financial position and well-being have changed over time.  |             |
| <b>Revenue Capacity Information</b> .....  | 172         |
| Helps readers understand and assess the City's ability to generate its own sources of revenue, the most significant local revenue source being sales and use tax.  |             |
| <b>Demographic and Economic Information</b> .....  | 185         |
| Helps readers understand the socioeconomic environment within which the City's financial activities take place, and provides information to facilitate comparisons of financial statement information over time and among other governments. |             |
| <b>Operating Information</b> .....   | 187         |
| Information about the City's operations and resources to help readers use financial information to understand and assess the related services the City provides and the activities it performs.  |             |

**City of Patterson**  
**Table 1**  
**Net Position by Classification**  
**Last Ten Fiscal Years**

|                                     | Fiscal Year           |                       |                       |                       |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|                                     | 2023                  | 2022                  | 2021                  | 2020                  | 2019                  |
| Governmental activities:            |                       |                       |                       |                       |                       |
| Investment in capital assets        | \$ 67,681,454         | \$ 61,241,920         | \$ 59,507,530         | \$ 61,274,713         | \$ 60,390,350         |
| Restricted                          | 14,864,418            | 15,315,965            | 14,976,923            | 10,752,749            | 11,572,138            |
| Unrestricted net position (deficit) | 6,662,963             | 9,993,088             | 413,664               | (5,182,490)           | (7,892,944)           |
| <b>Total Net Position</b>           | <b>\$ 89,208,835</b>  | <b>\$ 86,550,973</b>  | <b>\$ 74,898,117</b>  | <b>\$ 66,844,972</b>  | <b>\$ 64,069,544</b>  |
| Business-type activities:           |                       |                       |                       |                       |                       |
| Investment in capital assets        | \$ 49,988,310         | \$ 36,458,905         | \$ 36,978,338         | \$ 37,930,411         | \$ 37,746,179         |
| Restricted                          | 3,137,525             | 3,133,590             | 3,133,810             | 983,202               | 469,817               |
| Unrestricted net position (deficit) | (4,650,588)           | 4,888,385             | 2,943,625             | 4,536,071             | 2,567,625             |
| <b>Total Net Position</b>           | <b>\$ 48,475,247</b>  | <b>\$ 44,480,880</b>  | <b>\$ 43,055,773</b>  | <b>\$ 43,449,684</b>  | <b>\$ 40,783,621</b>  |
| Primary Government:                 |                       |                       |                       |                       |                       |
| Investment in capital assets        | \$ 117,669,764        | \$ 97,700,825         | \$ 96,485,868         | \$ 99,205,124         | \$ 98,136,529         |
| Restricted                          | 18,001,943            | 18,449,555            | 18,110,733            | 11,735,951            | 12,041,955            |
| Unrestricted net position (deficit) | 2,012,375             | 14,881,473            | 3,357,289             | (646,419)             | (5,325,319)           |
| <b>Total Net Position</b>           | <b>\$ 137,684,082</b> | <b>\$ 131,031,853</b> | <b>\$ 117,953,890</b> | <b>\$ 110,294,656</b> | <b>\$ 104,853,165</b> |

Note: Some prior year balances may have been restated from previous financial statements to reflect the new GASB implementations or prior period reinstatements

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 1**  
**Net Position by Classification (Continued)**  
**Last Ten Fiscal Years**

|                                     | Fiscal Year           |                       |                       |                      |                       |
|-------------------------------------|-----------------------|-----------------------|-----------------------|----------------------|-----------------------|
|                                     | 2018                  | 2017                  | 2016                  | 2015                 | 2014                  |
| Governmental activities:            |                       |                       |                       |                      |                       |
| Investment in capital assets        | \$ 60,721,785         | \$ 55,621,936         | \$ 55,756,984         | \$ 50,237,700        | \$ 47,460,440         |
| Restricted                          | 8,385,204             | 6,391,176             | 5,270,127             | 4,867,200            | 4,866,877             |
| Unrestricted net position (deficit) | (4,612,193)           | 1,816,668             | 1,909,873             | 987,000              | 7,418,444             |
| <b>Total Net Position</b>           | <b>\$ 64,494,796</b>  | <b>\$ 63,829,780</b>  | <b>\$ 62,936,984</b>  | <b>\$ 56,091,900</b> | <b>\$ 59,745,761</b>  |
| Business-type activities:           |                       |                       |                       |                      |                       |
| Investment in capital assets        | \$ 37,346,159         | \$ 38,857,716         | \$ 35,232,028         | \$ 34,725,800        | \$ 34,941,039         |
| Restricted                          | 469,905               | -                     | 4,102,582             | 5,303,228            | 5,437,345             |
| Unrestricted net position (deficit) | (77,313)              | 517,319               | 1,250,675             | 1,737,680            | 4,704,599             |
| <b>Total Net Position</b>           | <b>\$ 37,738,751</b>  | <b>\$ 39,375,035</b>  | <b>\$ 40,585,285</b>  | <b>\$ 41,766,708</b> | <b>\$ 45,082,983</b>  |
| Primary Government:                 |                       |                       |                       |                      |                       |
| Investment in capital assets        | \$ 98,067,944         | \$ 94,479,652         | \$ 90,989,012         | \$ 84,963,500        | \$ 82,401,479         |
| Restricted                          | 8,855,109             | 6,391,176             | 9,372,709             | 10,170,428           | 10,304,222            |
| Unrestricted net position (deficit) | (4,689,506)           | 2,333,987             | 3,160,548             | 2,724,680            | 12,123,043            |
| <b>Total Net Position</b>           | <b>\$ 102,233,547</b> | <b>\$ 103,204,815</b> | <b>\$ 103,522,269</b> | <b>\$ 97,858,608</b> | <b>\$ 104,828,744</b> |

Note: Some prior year balances may have been restated from previous financial statements to reflect the new GASB implementations or prior period reinstatements

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years**

|                                       | Fiscal Year            |                       |                        |                        |                        |
|---------------------------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|
|                                       | 2023                   | 2022                  | 2021                   | 2020                   | 2019                   |
| <b>Expenses</b>                       |                        |                       |                        |                        |                        |
| Governmental activities:              |                        |                       |                        |                        |                        |
| General government                    | \$ 10,196,494          | \$ 3,280,417          | \$ 4,196,700           | \$ 4,514,103           | \$ 3,167,076           |
| Police                                | 6,739,695              | 5,909,652             | 5,859,954              | 5,838,153              | 6,711,694              |
| Fire                                  | 6,294,195              | 5,402,965             | 5,592,559              | 5,367,429              | 4,937,738              |
| Community development and planning    | 2,329,664              | 1,959,595             | 1,829,511              | 2,084,354              | 2,523,052              |
| Public works                          | 8,127,788              | 4,270,332             | 5,414,262              | 4,687,210              | 4,455,175              |
| Parks and recreation                  | 3,959,583              | 2,321,417             | 2,747,819              | 4,536,510              | 4,618,872              |
| Interest and fiscal charges           | 3,905,165              | 6,142,450             | 3,818,561              | 3,942,429              | 4,360,669              |
| <b>Total governmental activities</b>  | <b>\$ 41,552,584</b>   | <b>\$ 29,286,828</b>  | <b>\$ 29,459,366</b>   | <b>\$ 30,970,188</b>   | <b>\$ 30,774,276</b>   |
| Business-type activities:             |                        |                       |                        |                        |                        |
| Water                                 | \$ 7,594,552           | \$ 4,019,102          | \$ 5,056,402           | \$ 5,404,924           | \$ 4,561,024           |
| Sewer                                 | 7,506,130              | 4,709,466             | 5,532,181              | 5,533,806              | 5,287,098              |
| Garbage                               | 3,422,477              | 3,152,032             | 2,774,714              | 2,912,990              | 2,545,016              |
| <b>Total business-type activities</b> | <b>\$ 18,523,159</b>   | <b>\$ 11,880,600</b>  | <b>\$ 13,363,297</b>   | <b>\$ 13,851,720</b>   | <b>\$ 12,393,138</b>   |
| <b>Total expenses</b>                 | <b>\$ 60,075,743</b>   | <b>\$ 41,167,428</b>  | <b>\$ 42,822,663</b>   | <b>\$ 44,821,908</b>   | <b>\$ 43,167,414</b>   |
| <b>Program Revenues</b>               |                        |                       |                        |                        |                        |
| Governmental activities:              |                        |                       |                        |                        |                        |
| Charges for services:                 |                        |                       |                        |                        |                        |
| General government                    | \$ 338,534             | \$ 274,622            | \$ 553,126             | \$ 374,895             | \$ 653,327             |
| Police                                | 87,704                 | 153,959               | 177,795                | 86,776                 | 198,638                |
| Fire                                  | 2,216,509              | 2,058,970             | 1,965,540              | 1,741,172              | 1,620,028              |
| Community development and planning    | 780,969                | 984,408               | 796,707                | 810,870                | 530,975                |
| Public works                          | 1,323,138              | 1,399,256             | 961,761                | 968,384                | 920,656                |
| Parks and recreation                  | 2,403,693              | 2,330,698             | 2,463,997              | 1,890,773              | 1,763,473              |
| Operating grants and contributions    | 3,200,329              | 5,918,650             | 3,564,498              | 2,040,401              | 2,064,434              |
| Capital grants and contributions      | 9,699,274              | 3,494,698             | 4,333,162              | 3,609,391              | 2,262,266              |
| <b>Total governmental activities</b>  | <b>\$ 20,050,150</b>   | <b>\$ 16,615,261</b>  | <b>\$ 14,816,586</b>   | <b>\$ 11,522,662</b>   | <b>\$ 10,013,797</b>   |
| Business-type activities:             |                        |                       |                        |                        |                        |
| Water                                 | \$ 7,269,812           | \$ 6,755,521          | \$ 6,336,607           | \$ 5,660,058           | \$ 4,764,097           |
| Sewer                                 | 5,431,483              | 4,716,644             | 4,440,546              | 4,610,985              | 4,665,525              |
| Garbage                               | 4,127,989              | 3,878,211             | 3,577,780              | 3,378,155              | 3,228,053              |
| Operating grants and contributions    | -                      | 33,872                | -                      | -                      | 34,318                 |
| Capital grants and contributions      | 6,156,519              | 81,253                | -                      | 8,493                  | -                      |
| <b>Total business-type Activities</b> | <b>\$ 22,985,803</b>   | <b>\$ 15,465,501</b>  | <b>\$ 14,354,933</b>   | <b>\$ 13,657,691</b>   | <b>\$ 12,691,993</b>   |
| <b>Total program revenues</b>         | <b>\$ 43,035,953</b>   | <b>\$ 32,080,762</b>  | <b>\$ 29,171,519</b>   | <b>\$ 25,180,353</b>   | <b>\$ 22,705,790</b>   |
| <b>Net (Expense) Program Revenues</b> |                        |                       |                        |                        |                        |
| Governmental activities               | \$ (21,502,434)        | \$ (12,671,567)       | \$ (14,642,780)        | \$ (19,447,526)        | \$ (20,760,479)        |
| Business-type activities              | 4,462,644              | 3,584,901             | 991,636                | (194,029)              | 298,855                |
| <b>Total Primary Government</b>       | <b>\$ (17,039,790)</b> | <b>\$ (9,086,666)</b> | <b>\$ (13,651,144)</b> | <b>\$ (19,641,555)</b> | <b>\$ (20,461,624)</b> |

**City of Patterson**  
**Table 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**

|                                       | Fiscal Year            |                        |                        |                        |                        |
|---------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                       | 2018                   | 2017                   | 2016                   | 2015                   | 2014                   |
| <b>Expenses</b>                       |                        |                        |                        |                        |                        |
| Governmental activities:              |                        |                        |                        |                        |                        |
| General government                    | \$ 3,328,847           | \$ 2,259,261           | \$ 2,003,932           | \$ 2,650,997           | \$ 3,945,285           |
| Police                                | 6,880,924              | 4,458,567              | 4,156,842              | 3,298,276              | 3,987,323              |
| Fire                                  | 2,699,018              | 3,532,864              | 3,594,435              | 3,381,961              | 3,339,030              |
| Community development and planning    | 1,724,146              | 3,024,928              | 1,258,725              | 1,213,617              | 1,460,591              |
| Public works                          | 4,790,738              | 2,631,811              | 4,652,522              | 4,043,774              | 4,412,453              |
| Parks and recreation                  | 4,473,167              | 3,277,134              | 2,696,555              | 2,558,315              | 2,463,941              |
| Interest and fiscal charges           | 3,847,304              | 3,955,958              | 3,935,590              | 4,118,232              | 80,122                 |
| <b>Total governmental activities</b>  | <b>\$ 27,744,144</b>   | <b>\$ 23,140,523</b>   | <b>\$ 22,298,601</b>   | <b>\$ 21,265,172</b>   | <b>\$ 19,688,745</b>   |
| Business-type activities:             |                        |                        |                        |                        |                        |
| Water                                 | \$ 4,917,985           | \$ 4,481,750           | \$ 3,567,751           | \$ 3,734,709           | \$ 3,474,567           |
| Sewer                                 | 5,297,929              | 4,893,962              | 4,221,112              | 4,091,034              | 3,867,142              |
| Garbage                               | 2,397,523              | 2,310,200              | 2,080,840              | 2,069,439              | 1,971,695              |
| <b>Total business-type activities</b> | <b>\$ 12,613,437</b>   | <b>\$ 11,685,912</b>   | <b>\$ 9,869,703</b>    | <b>\$ 9,895,182</b>    | <b>\$ 9,313,404</b>    |
| <b>Total expenses</b>                 | <b>\$ 40,357,581</b>   | <b>\$ 34,826,435</b>   | <b>\$ 32,168,304</b>   | <b>\$ 31,160,354</b>   | <b>\$ 29,002,149</b>   |
| <b>Program Revenues</b>               |                        |                        |                        |                        |                        |
| Governmental activities:              |                        |                        |                        |                        |                        |
| Charges for services:                 |                        |                        |                        |                        |                        |
| General government                    | \$ 4,797               | \$ 678,608             | \$ 108,119             | \$ 166,427             | \$ 38,738              |
| Police                                | 300,973                | 218,337                | 268,929                | 392,009                | 217,030                |
| Fire                                  | 720,761                | 587,593                | 413,973                | 681,690                | 376,520                |
| Community development and planning    | 65,114                 | 645,985                | 390,721                | 885,242                | 385,554                |
| Public works                          | 2,362,593              | 2,161,045              | 2,000,190              | 2,296,599              | 1,802,849              |
| Parks and recreation                  | 1,690,041              | 1,481,692              | 1,804,685              | 1,780,112              | 1,628,009              |
| Operating grants and contributions    | 2,767,848              | 1,590,404              | 998,122                | 1,318,671              | 1,236,474              |
| Capital grants and contributions      | 1,877,817              | 1,112,733              | 342,867                | 556,120                | 861,536                |
| <b>Total governmental activities</b>  | <b>\$ 9,789,944</b>    | <b>\$ 8,476,397</b>    | <b>\$ 6,327,606</b>    | <b>\$ 8,076,870</b>    | <b>\$ 6,546,710</b>    |
| Business-type activities:             |                        |                        |                        |                        |                        |
| Water                                 | \$ 4,197,555           | \$ 3,680,373           | \$ 3,389,473           | \$ 3,972,456           | \$ 4,156,756           |
| Sewer                                 | 4,344,858              | 4,011,227              | 3,855,492              | 3,406,079              | 3,275,496              |
| Garbage                               | 3,079,843              | 2,921,089              | 2,800,845              | 2,667,681              | 2,475,705              |
| Operating grants and contributions    | 68,852                 | 701,283                | -                      | -                      | -                      |
| Capital grants and contributions      | -                      | -                      | (1,582)                | -                      | -                      |
| <b>Total business-type Activities</b> | <b>\$ 11,691,108</b>   | <b>\$ 11,313,972</b>   | <b>\$ 10,044,228</b>   | <b>\$ 10,046,216</b>   | <b>\$ 9,907,957</b>    |
| <b>Total program revenues</b>         | <b>\$ 21,481,052</b>   | <b>\$ 19,790,369</b>   | <b>\$ 16,371,834</b>   | <b>\$ 18,123,086</b>   | <b>\$ 16,454,667</b>   |
| <b>Net (Expense) Program Revenues</b> |                        |                        |                        |                        |                        |
| Governmental activities               | \$ (17,954,200)        | \$ (14,664,126)        | \$ (15,970,995)        | \$ (13,188,302)        | \$ (13,142,035)        |
| Business-type activities              | (922,329)              | (371,940)              | 174,525                | 151,034                | 594,553                |
| <b>Total Primary Government</b>       | <b>\$ (18,876,529)</b> | <b>\$ (15,036,066)</b> | <b>\$ (15,796,470)</b> | <b>\$ (13,037,268)</b> | <b>\$ (12,547,482)</b> |

**City of Patterson**  
**Table 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**

|                                       | Fiscal Year          |                      |                       |                      |                      |
|---------------------------------------|----------------------|----------------------|-----------------------|----------------------|----------------------|
|                                       | 2023                 | 2022                 | 2021                  | 2020                 | 2019                 |
| <b>General Revenues:</b>              |                      |                      |                       |                      |                      |
| Governmental activities:              |                      |                      |                       |                      |                      |
| Taxes:                                |                      |                      |                       |                      |                      |
| Property tax                          | \$ 7,381,341         | \$ 6,466,296         | \$ 6,196,152          | \$ 3,621,765         | \$ 3,386,596         |
| Sales tax                             | 12,842,865           | 12,317,056           | 10,029,499            | 6,840,520            | 5,837,364            |
| Franchise tax                         | 247,538              | 193,226              | 222,803               | 211,963              | 205,047              |
| Motor vehicle in lieu                 | -                    | -                    | -                     | 2,267,086            | 2,089,248            |
| Other taxes                           | 308,014              | 277,779              | 248,158               | 162,436              | 136,047              |
| Use of money and property             | -                    | -                    | -                     | -                    | 473,114              |
| Revenue from Fiduciary Fund           | 4,004,069            | -                    | 527,556               | 2,387,683            | 1,745,012            |
| Investment earnings                   | 735,910              | (474,168)            | 3,442,805             | 4,145,959            | 4,179,507            |
| Other revenue                         | -                    | 6,277,085            | 379,911               | 896,921              | 1,038,772            |
| Transfers (Note 6)                    | 617,936              | -                    | 1,649,041             | 1,642,806            | 1,290,335            |
| Special / Extraordinary item          | 2,939,075            | -                    | -                     | -                    | -                    |
| <b>Total governmental activities</b>  | <b>\$ 29,076,748</b> | <b>\$ 25,057,274</b> | <b>\$ 22,695,925</b>  | <b>\$ 22,177,139</b> | <b>\$ 20,381,042</b> |
| Business-type activities:             |                      |                      |                       |                      |                      |
| Use of money and property             | \$ 462,486           | \$ 3,208,319         | \$ 43,762             | \$ 205,023           | \$ 171,436           |
| Revenue from Fiduciary Fund           | 1,472,643            | 518,052              | 155,744               | 1,648,115            | 3,850,536            |
| Other revenue                         | 49,137               | 1,366,103            | 63,988                | 2,649,760            | 14,378               |
| Transfers (Note 6)                    | (2,939,075)          | 2,306,094            | (1,649,041)           | (1,642,806)          | (1,290,335)          |
| <b>Total business-type activities</b> | <b>\$ (954,809)</b>  | <b>\$ 7,398,568</b>  | <b>\$ (1,385,547)</b> | <b>\$ 2,860,092</b>  | <b>\$ 2,746,015</b>  |
| <b>Total general revenues</b>         | <b>\$ 28,121,939</b> | <b>\$ 32,455,842</b> | <b>\$ 21,310,378</b>  | <b>\$ 25,037,231</b> | <b>\$ 23,127,057</b> |
| <b>Change in Net Position</b>         |                      |                      |                       |                      |                      |
| Governmental activities               | \$ 7,574,314         | \$ 6,094,327         | \$ 8,053,145          | \$ 2,729,613         | \$ (379,437)         |
| Business-type activities:             | 3,507,835            | (2,872,483)          | (393,911)             | 2,666,063            | 3,044,870            |
| <b>Total</b>                          | <b>\$ 11,082,149</b> | <b>\$ 3,221,844</b>  | <b>\$ 7,659,234</b>   | <b>\$ 5,395,676</b>  | <b>\$ 2,665,433</b>  |

**City of Patterson**  
**Table 2**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**

|                                       | Fiscal Year          |                      |                       |                       |                       |
|---------------------------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
|                                       | 2018                 | 2017                 | 2016                  | 2015                  | 2014                  |
| <b>General Revenues:</b>              |                      |                      |                       |                       |                       |
| Governmental activities:              |                      |                      |                       |                       |                       |
| Taxes:                                |                      |                      |                       |                       |                       |
| Property tax                          | \$ 3,417,541         | \$ 3,414,365         | \$ 3,172,489          | \$ 2,657,306          | \$ 2,068,125          |
| Sales tax                             | 5,027,535            | 5,502,627            | 5,045,260             | 3,732,177             | 3,394,908             |
| Franchise tax                         | 206,354              | 274,792              | 188,834               | 179,313               | 174,558               |
| Motor vehicle in lieu                 | 1,947,375            | 1,844,519            | 1,693,793             | 1,596,755             | 1,288,025             |
| Other taxes                           | 717,288              | 137,847              | 549,654               | 719,718               | 769,476               |
| Use of money and property             | -                    | -                    | 4,530,279             | 4,491,782             | 117,176               |
| Revenue from Fiduciary Fund           | 1,681,843            | -                    | -                     | -                     | -                     |
| Investment earnings                   | 4,515,819            | 4,312,058            | 6,075,652             | -                     | 809,908               |
| Other revenue                         | 203,070              | 633,427              | 188,402               | 159,416               | -                     |
| Transfers (Note 6)                    | 1,271,753            | 895,861              | 1,371,990             | 2,117,754             | 201,549               |
| Special / Extraordinary item          | -                    | -                    | -                     | -                     | 1,083,500             |
| <b>Total governmental activities</b>  | <b>\$ 18,988,578</b> | <b>\$ 17,015,496</b> | <b>\$ 22,816,353</b>  | <b>\$ 15,654,221</b>  | <b>\$ 9,907,225</b>   |
| Business-type activities:             |                      |                      |                       |                       |                       |
| Use of money and property             | \$ 74,144            | \$ 31,002            | \$ 14,451             | \$ 13,985             | \$ 34,679             |
| Revenue from Fiduciary Fund           | 500,786              | -                    | -                     | -                     | -                     |
| Other revenue                         | 64,483               | 26,549               | -                     | -                     | -                     |
| Transfers (Note 6)                    | (1,271,753)          | (895,861)            | (1,371,990)           | (2,117,754)           | (1,083,500)           |
| <b>Total business-type activities</b> | <b>\$ (632,340)</b>  | <b>\$ (838,310)</b>  | <b>\$ (1,357,539)</b> | <b>\$ (2,103,769)</b> | <b>\$ (1,048,821)</b> |
| <b>Total general revenues</b>         | <b>\$ 18,356,238</b> | <b>\$ 16,177,186</b> | <b>\$ 21,458,814</b>  | <b>\$ 13,550,452</b>  | <b>\$ 8,858,404</b>   |
| <b>Change in Net Position</b>         |                      |                      |                       |                       |                       |
| Governmental activities               | \$ 1,034,378         | \$ 2,351,370         | \$ 6,845,358          | \$ 2,465,919          | \$ (3,234,810)        |
| Business-type activities:             | (1,554,669)          | (1,210,250)          | (1,183,014)           | (1,952,735)           | (454,268)             |
| <b>Total</b>                          | <b>\$ (520,291)</b>  | <b>\$ 1,141,120</b>  | <b>\$ 5,662,344</b>   | <b>\$ 513,184</b>     | <b>\$ (3,689,078)</b> |

**City of Patterson**  
**Table 3**  
**Fund Balance, Governmental Funds**  
**Last Ten Fiscal Years**

|   | Fiscal Year          |                       |                      |                      |                      |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------|
|   | 2023                 | 2022                  | 2021                 | 2020                 | 2019                 |
| <b>FUND BALANCES:</b>                     |                      |                       |                      |                      |                      |
| General Fund                              |                      |                       |                      |                      |                      |
| Nonspendable                              | \$ 138,149           | \$ 138,586            | \$ 106,172           | \$ 104,997           | \$ 84,466            |
| Restricted                                | 560,761              | 360,498               | 360,498              | 344,809              | 290,150              |
| Committed                                 | 9,838,576            | 3,762,470             | 3,762,470            | 3,751,813            | 3,725,949            |
| Assigned                                  | 6,236,338            | 2,896,296             | 2,896,296            | 2,889,800            | 2,879,593            |
| Unassigned                                | 1,389,339            | 12,651,739            | 6,589,826            | 1,984,909            | 1,192,981            |
| <b>Total General Fund</b>                 | <b>\$ 18,163,163</b> | <b>\$ 19,809,589</b>  | <b>\$ 13,715,262</b> | <b>\$ 9,076,328</b>  | <b>8,173,139</b>     |
| All Other Governmental Funds              |                      |                       |                      |                      |                      |
| Nonspendable                              | \$ 6,596             | \$ 138,586            | \$ 3,338             | \$ -                 | \$ -                 |
| Restricted                                | 72,309,934           | 75,829,140            | 75,922,386           | 75,515,298           | 74,293,766           |
| Committed                                 | 10,364,796           | 13,042,711            | 7,173,724            | 4,986,655            | 4,905,500            |
| Assigned                                  | -                    | 2,935,856             | 38,865               | -                    | 40,109               |
| Unassigned (deficit)                      | (4,469,077)          | 8,607,342             | (3,567,982)          | (2,935,948)          | (2,777,683)          |
| <b>Total All Other Governmental Funds</b> | <b>\$ 78,212,249</b> | <b>\$ 100,553,635</b> | <b>\$ 79,570,331</b> | <b>\$ 77,566,005</b> | <b>\$ 76,461,692</b> |
| <b>Total Fund Balance</b>                 | <b>\$ 96,375,412</b> | <b>\$ 120,363,224</b> | <b>\$ 93,285,593</b> | <b>\$ 86,642,333</b> | <b>\$ 84,634,831</b> |

**City of Patterson**  
**Table 3**  
**Fund Balance, Governmental Funds (Continued)**  
**Last Ten Fiscal Years**

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
| <b>FUND BALANCES:</b>                     |                      |                      |                      |                      |                      |
| General Fund                              |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ 73,526            | \$ 68,630            | \$ 78,491            | \$ -                 | \$ 850               |
| Restricted                                | 146,789              | 144,229              | 51,773               | 40,508               | 81,663               |
| Committed                                 | 3,658,050            | 3,642,337            | 3,626,143            | 3,605,039            | 3,605,039            |
| Assigned                                  | 2,883,371            | 2,879,809            | 1,879,546            | 2,051,675            | 2,246,696            |
| Unassigned                                | 873,038              | 1,502,483            | 1,564,376            | 568,385              | 283,289              |
| <b>Total General Fund</b>                 | <b>\$ 7,634,774</b>  | <b>\$ 8,237,488</b>  | <b>\$ 7,200,329</b>  | <b>\$ 6,265,607</b>  | <b>\$ 6,217,537</b>  |
| All Other Governmental Funds              |                      |                      |                      |                      |                      |
| Nonspendable                              | \$ 2,865             | \$ 574               | \$ -                 | \$ -                 | -                    |
| Restricted                                | 75,770,466           | 76,995,568           | 78,162,371           | 78,664,140           | 2,935,022            |
| Committed                                 | 4,905,500            | 6,016,084            | 5,734,508            | 6,335,270            | 5,833,844            |
| Assigned                                  | -                    | -                    | 38,985               | 105                  | -                    |
| Unassigned (deficit)                      | (1,283,973)          | (729,053)            | (283,235)            | (135,283)            | (152,677)            |
| <b>Total All Other Governmental Funds</b> | <b>\$ 79,394,858</b> | <b>\$ 82,283,173</b> | <b>\$ 83,652,629</b> | <b>\$ 84,864,232</b> | <b>\$ 8,616,189</b>  |
| <b>Total Fund Balance</b>                 | <b>\$ 87,029,632</b> | <b>\$ 90,520,661</b> | <b>\$ 90,852,958</b> | <b>\$ 91,129,839</b> | <b>\$ 14,833,726</b> |

**City of Patterson**  
**Table 4**  
**Changes in Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**

|   | Fiscal Year           |                      |                      |                      |                       |
|---|-----------------------|----------------------|----------------------|----------------------|-----------------------|
|   | 2023                  | 2022                 | 2021                 | 2020                 | 2019                  |
| <b>Revenues:</b>  |                       |                      |                      |                      |                       |
| <b>Taxes:</b>   |                       |                      |                      |                      |                       |
| Property  | \$ 7,380,341          | \$ 6,466,296         | \$ 6,196,152         | \$ 3,621,765         | \$ 3,386,596          |
| Sales   | 12,842,865            | 12,317,056           | 10,029,499           | 6,840,520            | 5,837,364             |
| Franchise   | 247,538               | 193,226              | 222,803              | 211,963              | 205,047               |
| Motor vehicle in lieu   | -                     | -                    | -                    | 2,267,086            | 2,089,248             |
| Other   | 308,014               | 277,779              | 248,158              | 162,436              | 136,047               |
| License, permits, and fees                                      | 2,564,469             | 3,760,608            | 3,872,859            | 2,135,391            | 1,360,937             |
| Charges for current services                                    | 5,780,377             | 5,165,200            | 4,651,557            | 4,446,008            | 4,369,186             |
| Intergovernmental   | 4,868,843             | 7,400,132            | 5,943,756            | 6,225,231            | 3,483,936             |
| Fines, forfeitures and penalties                                | 112,090               | 158,125              | 339,080              | 66,683               | 181,044               |
| Investment earnings   | 4,001,071             | 2,779,382            | 3,528,985            | 4,152,528            | 4,198,697             |
| Revenue from Fiduciary Fund                                     | 735,910               | 518,052              | 527,556              | 2,387,683            | 1,745,012             |
| Miscellaneous revenues  | 714,667               | 658,984              | 393,511              | 981,021              | 1,189,088             |
| <b>Total Revenues</b>   | <b>\$ 39,556,185</b>  | <b>\$ 39,694,840</b> | <b>\$ 35,953,916</b> | <b>\$ 33,498,315</b> | <b>28,182,202</b>     |
| <b>Expenditures:</b>  |                       |                      |                      |                      |                       |
| <b>Current:</b>   |                       |                      |                      |                      |                       |
| General government  | \$ 4,416,045          | \$ 3,280,417         | \$ 3,539,563         | \$ 3,803,016         | \$ 2,899,263          |
| Police  | 6,542,712             | 5,909,652            | 5,410,959            | 5,373,752            | 5,374,098             |
| Fire  | 6,037,410             | 5,402,965            | 5,289,020            | 5,057,265            | 4,696,647             |
| Community development and planning                              | 2,213,335             | 1,959,595            | 1,728,594            | 2,021,174            | 2,545,955             |
| Public Works  | 4,920,769             | 4,270,332            | 3,899,114            | 3,323,065            | 3,267,381             |
| Parks and recreation  | 3,046,238             | 2,321,417            | 1,878,060            | 3,713,674            | 4,014,566             |
| Capital outlay  | 8,309,343             | 4,513,191            | 2,964,721            | 3,417,460            | 2,776,974             |
| <b>Debt service:</b>  |                       |                      |                      |                      |                       |
| Principal   | 2,879,858             | 2,444,648            | 2,427,337            | 2,476,386            | 2,225,040             |
| Interest and fiscal charges                                     | 3,975,707             | 3,697,802            | 3,822,329            | 3,947,827            | 4,067,414             |
| <b>Total Expenditures</b>                                       | <b>\$ 42,341,417</b>  | <b>\$ 33,800,019</b> | <b>\$ 30,959,697</b> | <b>\$ 33,133,619</b> | <b>\$ 31,867,338</b>  |
| <b>Excess (deficiency) of revenue over (under) expenditures</b> | <b>\$ (2,785,232)</b> | <b>\$ 5,894,821</b>  | <b>\$ 4,994,219</b>  | <b>\$ 364,696</b>    | <b>\$ (3,685,136)</b> |
| <b>Other financing sources (uses)</b>                           |                       |                      |                      |                      |                       |
| Proceeds from leases  | \$ 464,205            |                      | \$ -                 | \$ -                 | \$ -                  |
| Proceeds from loan repayments                                   | -                     |                      | -                    | -                    | -                     |
| Proceeds from issuance of bonds                                 | -                     | 59,040               | -                    | -                    | -                     |
| Transfers in  | 7,693,815             | 3,469,860            | 6,985,786            | 3,339,258            | 3,818,998             |
| Transfers out   | (4,754,740)           | (2,155,679)          | (5,336,745)          | (1,696,452)          | (2,528,663)           |
| <b>Total Other Financing Sources</b>                            | <b>\$ 3,403,280</b>   | <b>\$ 1,373,221</b>  | <b>\$ 1,649,041</b>  | <b>\$ 1,642,806</b>  | <b>\$ 1,290,335</b>   |
| <b>Net Change in Fund Balance</b>                               | <b>\$ 618,048</b>     | <b>\$ 7,268,042</b>  | <b>\$ 6,643,260</b>  | <b>\$ 2,007,502</b>  | <b>\$ (2,394,801)</b> |
| <b>Debt Service as a Percentage of Non-capital Expenditure</b>  | <b>20.30%</b>         | <b>20.97%</b>        | <b>22.32%</b>        | <b>21.62%</b>        | <b>21.63%</b>         |

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 4**  
**Changes in Fund Balance of Governmental Funds (Continued)**  
**Last Ten Fiscal Years**

|   | Fiscal Year           |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
| <b>Revenues:</b>  |                       |                       |                       |                       |                       |
| <b>Taxes:</b>   |                       |                       |                       |                       |                       |
| Property  | \$ 3,417,541          | \$ 3,414,365          | \$ 3,172,489          | \$ 2,657,306          | \$ 2,068,125          |
| Sales   | 5,027,535             | 5,502,627             | 5,045,260             | 3,732,177             | 3,394,908             |
| Franchise   | 206,354               | 274,792               | 188,834               | 179,313               | 174,558               |
| Motor vehicle in lieu   | 1,947,375             | 1,844,519             | 1,693,793             | 1,596,755             | 1,288,025             |
| Other   | 131,701               | 137,847               | 549,654               | 719,718               | 769,476               |
| License, permits, and fees                                      | 2,055,853             | 1,791,391             | 983,115               | 2,016,921             | 557,204               |
| Charges for current services                                    | 5,519,738             | 3,849,087             | 3,763,566             | 4,021,749             | 3,680,478             |
| Intergovernmental   | 2,028,281             | 1,989,969             | 1,340,990             | 1,844,850             | 2,138,010             |
| Fines, forfeitures and penalties                                | 146,100               | 157,307               | 239,936               | 193,350               | 211,018               |
| Investment earnings   | 4,535,040             | 4,312,058             | 4,530,279             | 4,577,761             | 117,176               |
| Revenue from Fiduciary Fund                                     | 1,681,843             | -                     | -                     | -                     | -                     |
| Miscellaneous revenues  | 355,285               | 612,457               | 188,402               | 1,565,122             | 416,362               |
| <b>Total Revenues</b>   | <b>\$ 27,052,646</b>  | <b>\$ 23,886,419</b>  | <b>\$ 21,696,318</b>  | <b>\$ 23,105,022</b>  | <b>\$ 14,815,340</b>  |
| <b>Expenditures:</b>  |                       |                       |                       |                       |                       |
| <b>Current:</b>   |                       |                       |                       |                       |                       |
| General government  | \$ 2,656,904          | \$ 2,507,830          | \$ 2,704,512          | \$ 2,744,062          | \$ 2,602,651          |
| Police  | 6,377,259             | 4,218,306             | 4,290,965             | 4,039,064             | 3,916,598             |
| Fire  | 2,437,226             | 3,574,689             | 3,274,834             | 3,069,601             | 2,822,442             |
| Community development and planning                              | 1,654,039             | 1,485,366             | 1,240,042             | 1,374,632             | 1,254,394             |
| Public Works  | 3,707,312             | 2,874,435             | 2,691,886             | 2,746,358             | 3,114,271             |
| Parks and recreation  | 3,719,906             | 2,466,882             | 1,940,339             | 1,841,033             | 1,741,109             |
| Capital outlay  | 7,237,219             | 2,080,160             | 1,432,210             | 1,873,381             | 3,344,428             |
| <b>Debt service:</b>  |                       |                       |                       |                       |                       |
| Principal   | 2,250,465             | 2,060,273             | 1,765,836             | 3,105,901             | 286,833               |
| Interest and fiscal charges                                     | 4,204,098             | 3,954,933             | 4,016,686             | 4,123,116             | 80,122                |
| <b>Total Expenditures</b>                                       | <b>\$ 34,244,428</b>  | <b>\$ 25,222,874</b>  | <b>\$ 23,357,310</b>  | <b>\$ 24,917,148</b>  | <b>\$ 19,162,848</b>  |
| <b>Excess (deficiency) of revenue over (under) expenditures</b> | <b>\$ (7,191,782)</b> | <b>\$ (1,336,455)</b> | <b>\$ (1,660,992)</b> | <b>\$ (1,812,126)</b> | <b>\$ (4,347,508)</b> |
| <b>Other financing sources (uses)</b>                           |                       |                       |                       |                       |                       |
| Proceeds from leases  | \$ -                  | \$ 161,990            | \$ -                  | \$ -                  | \$ -                  |
| Proceeds from loan repayments                                   | -                     | -                     | 12,116                | 760                   | 717,421               |
| Proceeds from issuance of bonds                                 | 2,429,000             | -                     | -                     | -                     | -                     |
| Transfers in  | 4,107,492             | 3,012,930             | 4,711,665             | 4,655,106             | 3,295,570             |
| Transfers out   | (2,835,739)           | (2,117,069)           | (3,339,675)           | (3,223,826)           | (2,212,070)           |
| <b>Total Other Financing Sources</b>                            | <b>\$ 3,700,753</b>   | <b>\$ 1,057,851</b>   | <b>\$ 1,384,106</b>   | <b>\$ 1,432,040</b>   | <b>\$ 1,800,921</b>   |
| <b>Net Change in Fund Balance</b>                               | <b>\$ (3,491,029)</b> | <b>\$ (278,604)</b>   | <b>\$ (276,886)</b>   | <b>\$ (380,086)</b>   | <b>\$ (2,546,587)</b> |
| <b>Debt Service as a Percentage of Non-capital Expenditure</b>  | <b>23.90%</b>         | <b>25.99%</b>         | <b>26.37%</b>         | <b>31.37%</b>         | <b>2.32%</b>          |

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 5**  
**Tax Revenues by Source**  
**Last Ten Fiscal Years**

|                       | Fiscal Year          |                      |                      |                      |                      |
|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                       | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 |
| Revenues:             |                      |                      |                      |                      |                      |
| Taxes:                |                      |                      |                      |                      |                      |
| Property              | \$ 7,381,341         | \$ 6,466,296         | \$ 6,196,152         | \$ 3,621,765         | \$ 3,386,596         |
| Sales                 | 12,842,865           | 12,317,056           | 10,029,499           | 6,840,520            | 5,837,364            |
| Franchise             | 247,538              | 193,226              | 222,803              | 211,963              | 205,047              |
| Motor vehicle in lieu | -                    | -                    | -                    | 2,267,086            | 2,089,248            |
| Other                 | 308,014              | 277,779              | 248,158              | 162,436              | 136,047              |
| <b>Total Revenues</b> | <b>\$ 20,779,758</b> | <b>\$ 19,254,357</b> | <b>\$ 16,696,612</b> | <b>\$ 13,103,770</b> | <b>\$ 11,654,302</b> |

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 5**  
**Tax Revenues by Source (Continued)**  
**Last Ten Fiscal Years**

|                       | Fiscal Year          |                      |                      |                     |                     |
|-----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
|                       | 2018                 | 2017                 | 2016                 | 2015                | 2014                |
| Revenues:             |                      |                      |                      |                     |                     |
| Taxes:                |                      |                      |                      |                     |                     |
| Property              | \$ 3,417,541         | \$ 2,931,682         | \$ 3,172,489         | \$ 2,657,306        | \$ 2,068,125        |
| Sales                 | 5,027,535            | 5,502,627            | 5,045,260            | 3,732,177           | 3,394,908           |
| Franchise             | 206,534              | 274,792              | 188,834              | 179,313             | 174,558             |
| Motor vehicle in lieu | 1,947,375            | 1,844,519            | 1,693,793            | 1,596,755           | 1,288,025           |
| Other                 | 131,701              | 137,847              | 549,654              | 719,718             | 769,476             |
| <b>Total Revenues</b> | <b>\$ 10,730,686</b> | <b>\$ 10,691,467</b> | <b>\$ 10,650,030</b> | <b>\$ 8,885,269</b> | <b>\$ 7,695,092</b> |

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 6a**  
**Water Sold by Customer Type**  
**Last Five Fiscal Years**

| Type of Customer      | Fiscal Year         |                     |                     |                     |                     |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                       | 2023                | 2022                | 2021                | 2020                | 2019                |
| Residential           | 1,020,933 cf        | 1,065,086 cf        | 1,146,893 cf        | 1,095,305 cf        | 1,018,052 cf        |
| Commercial/Industrial | 160,824             | 135,263             | 132,374             | 165,164             | 151,297             |
| Irrigation            | 321,211             | 411,831             | 450,848             | 444,466             | 334,844             |
| <b>Total</b>          | <b>1,502,968</b> cf | <b>1,612,180</b> cf | <b>1,730,115</b> cf | <b>1,704,935</b> cf | <b>1,504,193</b> cf |

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 6b**  
**Water and Wastewater Utility Rates**  
**Last Ten Fiscal Years**

| Fiscal Year | Water             |                        | Wastewater        |  |
|-------------|-------------------|------------------------|-------------------|--|
|             | Monthly Base Rate | Additional Per 100cf** | Monthly Base Rate |  |
| 2023        | \$ 17.12          | \$ 3.86                | \$ 49.94          |  |
| 2022        | \$ 16.79          | \$ 3.86                | \$ 49.94          |  |
| 2021        | \$ 15.12          | \$ 3.48                | \$ 49.94          |  |
| 2020        | \$ 13.62          | \$ 3.14                | \$ 49.94          |  |
| 2019        | \$ 12.27          | \$ 2.82                | \$ 49.94          |  |
| 2018        | \$ 11.06          | \$ 2.54                | \$ 44.44          |  |
| 2017        | \$ 11.06          | \$ 2.54                | \$ 44.44          |  |
| 2016        | \$ 11.04          | \$ 2.76                | \$ 41.92          |  |
| 2015        | \$ 11.04          | \$ 2.76                | \$ 39.55          |  |
| 2014        | \$ 10.62          | \$ 2.65                | \$ 37.31          |  |

100 cf = 100 cubic feet (748 gallons)

Rates are based on 3/4" meter, which is the standard household meter size.

\*\*The Utility charges an excess use rate above normal demand.

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 6**  
**City-Wide Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

|                                      | Fiscal Year             |                         |                         |                         |                         |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                      | 2013-14                 | 2014-15                 | 2015-16*                | 2016-17                 | 2017-18                 |
| Residential Property                 | \$ -                    | \$ -                    | \$ 1,067,738,189        | \$ 1,125,435,937        | \$ 1,221,805,158        |
| Commercial Property                  | -                       | -                       | 106,365,150             | 134,692,261             | 141,903,335             |
| Industrial Property                  | -                       | -                       | 278,228,208             | 461,416,004             | 460,796,304             |
| Other Property                       | 1,243,040,268           | 1,490,319,496           | 187,566,714             | 62,594,490              | 66,537,768              |
| Unsecured Property                   | 22,211,957              | 69,354,774              | 81,491,675              | 87,592,650              | 84,553,479              |
| Less: Tax-Exempt Property            | 18,900,554              | 18,375,785              | 35,591,679              | 36,416,220              | 38,086,325              |
| <b>Taxable Assessed Value</b>        | <b>\$ 1,246,351,671</b> | <b>\$ 1,541,298,485</b> | <b>\$ 1,685,798,257</b> | <b>\$ 1,835,315,122</b> | <b>\$ 1,937,329,719</b> |
| Total Direct Tax Rate (1)            | 1.126574                | 1.092819                | 1.097113                | 1.095707                | 1.104825                |
| Estimated Actual Taxable Value (2)   | \$ 1,246,351,671        | \$ 1,541,298,485        | \$ 2,474,212,386        | \$ 2,515,245,600        | \$ 2,880,528,379        |
| Factor of Taxable Assessed Value (2) | 1.000000                | 1.000000                | 1.467680                | 1.370471                | 1.486855                |

Source: County Assessor data, MuniServices, LLC / Avenue Insights & Analytics

2015-16 is the city's first ACFR publication, therefore prior year data availability is limited.

(-) indicates data not available

\*Other property includes state unitary \$99,152.

(1) Total Direct Tax Rate is represented by TRA 5-001

(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

Based on these calculations a factor was extrapolated and applied to current assessed values.

**City of Patterson**  
**Table 6**  
**City-Wide Assessed Value and Estimated Actual Value of Taxable Property (Continued)**  
**Last Ten Fiscal Years**

|                                      | Fiscal Year             |                         |                         |                         |                         |
|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                                      | 2018-19                 | 2019-20                 | 2020-21                 | 2021-22                 | 2022-23                 |
| Residential Property                 | \$ 1,336,735,402        | \$ 1,420,672,172        | \$ 1,472,464,677        | \$ 1,572,562,406        | \$ 1,727,967,560        |
| Commercial Property                  | 162,332,795             | 175,943,468             | 201,385,521             | 213,310,784             | 236,429,368             |
| Industrial Property                  | 464,865,277             | 470,160,844             | 537,164,362             | 535,210,557             | 541,200,991             |
| Other Property                       | 73,659,817              | 141,632,148             | 113,983,444             | 126,040,766             | 150,812,186             |
| Unsecured Property                   | 82,368,182              | 87,689,106              | 83,230,002              | 82,516,633              | 82,171,485              |
| Less: Tax-Exempt Property            | 38,436,037              | 42,869,663              | 44,893,026              | 57,029,494              | 57,996,914              |
| <b>Taxable Assessed Value</b>        | <b>\$ 2,081,525,436</b> | <b>\$ 2,253,228,075</b> | <b>\$ 2,363,334,980</b> | <b>\$ 2,472,611,652</b> | <b>\$ 2,680,584,676</b> |
| Total Direct Tax Rate (1)            | 1.106684                | 1.141246                | 1.136632                | 1.131314                | 1.125102                |
| Estimated Actual Taxable Value (2)   | \$ 3,191,213,893        | \$ 3,457,556,850        | \$ 2,968,433,744        | \$ 4,764,749,852        | \$ 4,558,931,744        |
| Factor of Taxable Assessed Value (2) | 1.533113                | 1.534490                | 1.256036                | 1.927011                | 1.700723                |

Source: County Assessor data, MuniServices, LLC / Avenue Insights & Analytics  
2015-16 is the city's first ACFR publication, therefore prior year data availability is limited.

(-) indicates data not available

\*Other property includes state unitary \$99,152.

(1) Total Direct Tax Rate is represented by TRA 5-001

(2.) Estimated Actual Value is derived from a series of calculations comparing median assessed values from 1940 to current median sale prices.

Based on these calculations a factor was extrapolated and applied to current assessed values.

**City of Patterson**  
**Table 7**  
**Taxable Property by Use Code, City-Wide**  
**Last Seven Fiscal Years**

| Category                   | Fiscal Year             |                         |                         |                         |                         |                         |                         |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                            | 2016-17                 | 2017-18                 | 2018-19                 | 2019-20                 | 2020-21                 | 2021-22                 | 2022-23                 |
| Residential                | \$ 1,125,435,937        | \$ 1,221,805,158        | \$ 1,336,735,402        | \$ 1,420,672,172        | \$ 1,472,464,677        | \$ 1,572,562,406        | \$ 1,727,967,560        |
| Industrial                 | 461,416,004             | 460,796,304             | 464,865,277             | 470,160,844             | 537,164,362             | 535,210,557             | 541,200,991             |
| Commercial                 | 134,692,261             | 141,903,335             | 162,332,795             | 175,943,468             | 201,385,521             | 213,310,784             | 236,429,368             |
| Vacant                     | 41,941,904              | 49,709,923              | 59,900,775              | 111,593,169             | 79,088,199              | 91,050,322              | 116,283,431             |
| Agriculture                | 14,009,788              | 14,548,636              | 11,793,401              | 14,729,866              | 14,082,823              | 13,859,051              | 19,784,066              |
| Unknown                    | 5,164,703               | 1,245,101               | 1,096,217               | 9,299,298               | 18,838,976              | 19,138,532              | 12,713,957              |
| Rural                      | 1,337,947               | 712,923                 | 727,181                 | 5,866,493               | 1,818,114               | 1,836,948               | 1,873,685               |
| Unitary                    | 88,243                  | 88,243                  | 88,243                  | 88,243                  | 99,152                  | 99,152                  | 99,152                  |
| Miscellaneous              | 51,905                  | 52,942                  | 54,000                  | 55,079                  | 56,180                  | 56,761                  | 57,895                  |
| Institution                | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| <b>Gross Secured Value</b> | <b>\$ 1,784,138,692</b> | <b>\$ 1,890,862,565</b> | <b>\$ 2,037,593,291</b> | <b>\$ 2,208,408,632</b> | <b>\$ 2,324,998,004</b> | <b>\$ 2,447,124,513</b> | <b>\$ 2,656,410,105</b> |
| Unsecured                  | \$ 87,592,650           | \$ 84,553,479           | \$ 82,368,182           | \$ 87,689,106           | \$ 83,230,002           | \$ 83,230,002           | \$ 82,516,633           |
| Exemptions                 | 36,416,220              | 38,086,325              | 38,436,037              | 42,869,663              | 44,893,026              | 44,893,026              | 57,029,494              |
| <b>Net Taxable Value</b>   | <b>\$ 1,835,315,122</b> | <b>\$ 1,937,329,719</b> | <b>\$ 2,081,525,436</b> | <b>\$ 2,253,228,075</b> | <b>\$ 2,363,334,980</b> | <b>\$ 2,485,461,489</b> | <b>\$ 2,681,897,244</b> |

Source: County Assessor data, MuniServices, LLC / Avenue Insights & Analytics limited.

**City of Patterson**  
**Table 8**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Fiscal Years**

|                                   | Fiscal Year     |                 |                 |                 |                 |                 |                 |                 |                 |                 |
|-----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                   | 2013-14         | 2014-15         | 2015-16         | 2016-17         | 2017-18         | 2018-19         | 2019-20         | 2020-21         | 2021-22         | 2022-23         |
| Basic City and County Levy:       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| <b>City of Patterson</b>          | <b>0.188770</b> | <b>0.188770</b> | <b>0.188770</b> | <b>0.188770</b> | <b>0.188770</b> | <b>0.188770</b> | <b>0.188770</b> | <b>0.188770</b> | <b>0.188770</b> | <b>0.188770</b> |
| <b>All Others:</b>                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| County General Fund               | 0.241442        | 0.241442        | 0.241442        | 0.241442        | 0.241442        | 0.241442        | 0.241442        | 0.241442        | 0.241442        | 0.241442        |
| Co Supt of Schools                | 0.003947        | 0.003947        | 0.003947        | 0.003947        | 0.003947        | 0.003947        | 0.003947        | 0.003947        | 0.003947        | 0.003947        |
| County Fire Service               | 0.005658        | 0.005658        | 0.005658        | 0.005658        | 0.005658        | 0.005658        | 0.005658        | 0.005658        | 0.005658        | 0.005658        |
| Patterson Cemetery                | 0.007696        | 0.007696        | 0.007696        | 0.007696        | 0.007696        | 0.007696        | 0.007696        | 0.007696        | 0.007696        | 0.007696        |
| Patterson Hospital District       | 0.034410        | 0.034410        | 0.034410        | 0.034410        | 0.034410        | 0.034410        | 0.034410        | 0.034410        | 0.034410        | 0.034410        |
| Turlock Mosquito Abatement        | 0.011318        | 0.011318        | 0.011318        | 0.011318        | 0.011318        | 0.011318        | 0.011318        | 0.011318        | 0.011318        | 0.011318        |
| Patterson Unified School District | 0.386426        | 0.386426        | 0.386426        | 0.386426        | 0.386426        | 0.386426        | 0.386426        | 0.386426        | 0.386426        | 0.386426        |
| Yosemite Community College        | 0.070620        | 0.070620        | 0.070620        | 0.070620        | 0.070620        | 0.070620        | 0.070620        | 0.070620        | 0.070620        | 0.070620        |
| County School Service Fund        | 0.020908        | 0.020908        | 0.020908        | 0.020908        | 0.020908        | 0.020908        | 0.020908        | 0.020908        | 0.020908        | 0.020908        |
| Schools-equalization aid          | 0.018355        | 0.018355        | 0.018355        | 0.018355        | 0.018355        | 0.018355        | 0.018355        | 0.018355        | 0.018355        | 0.018355        |
| Schools-tuition                   | 0.010450        | 0.010450        | 0.010450        | 0.010450        | 0.010450        | 0.010450        | 0.010450        | 0.010450        | 0.010450        | 0.010450        |
| TOTAL                             | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        | 1.000000        |
| <b>Override Assessments</b>       |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |
| Patterson U - 1996                | 0.016664        | 0.011640        | 0.010596        | 0.010415        | 0.009953        | 0.009910        | 0.008517        | 0.007773        | 0.007773        | 0.000000        |
| Patterson U - 01A                 | 0.069589        | 0.045680        | 0.043932        | 0.043952        | 0.042364        | 0.042913        | 0.037489        | 0.034404        | 0.034404        | 0.030812        |
| Patterson U - 01B                 | 0.011402        | 0.008691        | 0.007974        | 0.007850        | 0.000000        | 0.000000        | 0.009804        | 0.007718        | 0.007718        | 0.007859        |
| Patterson U - 2008A               | 0.001938        | 0.004985        | 0.007691        | 0.010456        | 0.010179        | 0.011078        | 0.009759        | 0.009435        | 0.009435        | 0.009993        |
| Patterson U - 2016 GO Ref         | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.018261        | 0.016809        | 0.005718        | 0.006936        | 0.006936        | 0.006695        |
| Patterson U - 2018A               | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.046179        | 0.047588        | 0.047588        | 0.046326        |
| YCCD 2005 A                       | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        |
| YCCD 2007 C                       | 0.019024        | 0.015663        | 0.011618        | 0.009190        | 0.007585        | 0.009093        | 0.008839        | 0.008883        | 0.008883        | 0.009875        |
| YCCD 2010 D                       | 0.000390        | 0.000334        | 0.000467        | 0.000459        | 0.000359        | 0.000410        | 0.000405        | 0.000425        | 0.000425        | 0.000000        |
| YCCD 2012 Ref                     | 0.007567        | 0.005826        | 0.008285        | 0.008500        | 0.008753        | 0.007962        | 0.007286        | 0.006554        | 0.006554        | 0.000000        |
| YCCD 2015 Ref                     | 0.000000        | 0.000000        | 0.006550        | 0.004885        | 0.007371        | 0.008509        | 0.007250        | 0.006916        | 0.006916        | 0.000000        |
| Yosemite 2020 GOB Series A        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        |
| Yosemite 2020 GOB Series B        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.006848        |
| Yosemite 2022 GOB Refunding       | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.000000        | 0.006694        |
| TOTAL                             | 0.126574        | 0.092819        | 0.097113        | 0.095707        | 0.104825        | 0.106684        | 0.141246        | 0.136632        | 0.136632        | 0.125102        |
| <b>TOTAL TAX RATE</b>             | <b>1.126574</b> | <b>1.092819</b> | <b>1.097113</b> | <b>1.095707</b> | <b>1.104825</b> | <b>1.106684</b> | <b>1.141246</b> | <b>1.136632</b> | <b>1.136632</b> | <b>1.125102</b> |

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics  
 TRA 5-001 is represented for this report

\*In 1978, California voters enacted Proposition 13 which held property taxes to 1% of the assessed value. Taxing entity's do not impose mileage rates but instead receive a share of the total 1% tax.

**City of Patterson**  
**Table 9**  
**Principal Property Tax Payers**  
**Last Fiscal Year and Nine Years Ago**

| Taxpayer                                | 2022-23              |   | 2013-14              |   |
|---|----------------------|---|----------------------|---|
|   | Taxable Value (\$)   | Percent of Total City Taxable Value (%) | Taxable Value (\$)   | Percent of Total City Taxable Value (%) |
| WR Griffin Patterson LLC                | 109,581,278          | 4.09%                                   |                      |   |
| W W Grainger Inc                        | 88,198,930           | 3.29%                                   | 91,714,790           | 7.36%                                   |
| Bit Holdings Seventy-Seven Inc          | 82,548,402           | 3.08%                                   |                      |   |
| Longs Drug Stores California Inc        | 63,569,242           | 2.37%                                   | 49,824,060           | 4.00%                                   |
| Westcore Alpha Patterson LLC            | 59,915,115           | 2.24%                                   |                      |   |
| Kohls Department Stores Inc             | 40,527,730           | 1.51%                                   | 41,972,490           | 3.37%                                   |
| LBA RV-Company XVII LP                  | 31,694,679           | 1.18%                                   |                      |   |
| Amazoncom Services Inc                  | 29,468,770           | 1.10%                                   |                      |   |
| Wal Mart Real Estate Business Trust     | 25,642,471           | 0.96%                                   | 17,647,408           | 1.42%                                   |
| Sierra Pacific Refrig Serv LTD          | 14,483,786           | 0.54%                                   | 11,560,906           | 0.93%                                   |
| Ramos John J & Brenda J                 | 13,859,998           | 0.52%                                   | 7,156,593            | 0.57%                                   |
| Restoration Hardware                    | 13,703,080           | 0.51%                                   |                      |   |
| Pilot Travel Centers LLC                | 12,209,235           | 0.46%                                   |                      |   |
| Buzz Oates LLC                          | 10,748,015           | 0.40%                                   | 2,548,980            | 0.20%                                   |
| Gill Hospitality LLC                    | 10,475,053           | 0.39%                                   |                      |   |
| Sai Shiva LLC                           | 9,406,740            | 0.35%                                   |                      |   |
| KB Home Sacramento Inc                  | 14,929,985           | 0.56%                                   |                      |   |
| Patterson Marketplace LLC               | 7,881,394            | 0.29%                                   | 6,783,462            | 0.54%                                   |
| Save Mart Portfolio Owner Fund V Ca LLC | 9,324,200            | 0.35%                                   | 4,991,735            | 0.40%                                   |
| Traina Pacific LLC                      | 7,646,697            | 0.29%                                   | 8,256,170            | 0.66%                                   |
| El Centro Corner Petroleum LLC          | 7,116,319            | 0.27%                                   |                      |   |
| Three D Patterson LLC                   | 7,098,914            | 0.26%                                   | 5,040,000            | 0.40%                                   |
| Eagle Valley Investments                | 10,271,017           | 0.38%                                   |                      |   |
| Baldwin Ranch Land Co LLC               | 10,243,288           | 0.38%                                   |                      |   |
| Boersma Properties LLC                  | -                    | 0.00%                                   | 5,281,632            | 0.42%                                   |
| Patterson Industrial Center LLC         |                      |   | 32,787,877           | 2.63%                                   |
| US Real Estate Limited Partnership LP   |                      |   | 6,964,560            | 0.56%                                   |
| Gea Mechanical Equipment Us In          |                      |   | 4,379,520            | 0.35%                                   |
| Ormond Peter M                          |                      |   | 4,301,802            | 0.35%                                   |
| Snider Paul H                           |                      |   | 3,973,848            | 0.32%                                   |
| Proto LLC                               | 8,140,129            | 0.30%                                   | 3,921,000            | 0.31%                                   |
| Karen Judd                              |                      |   | 3,546,010            | 0.28%                                   |
| Keystone Flex II Associates LLC         |                      |   | 3,442,543            | 0.28%                                   |
| Patterson Plaza Associates LLC          |                      |   | 3,280,097            | 0.26%                                   |
| Westside Property Management            |                      |   | 3,076,851            | 0.25%                                   |
| Hensley Investment Co LLC               |                      |   | 2,494,200            | 0.20%                                   |
| Teg Investments                         |                      |   | 2,444,961            | 0.20%                                   |
| Grewal Re Holdings LLC                  |                      |   | 2,462,354            | 0.20%                                   |
| <b>Total Top 25 Taxpayers</b>           | <b>698,684,467</b>   | <b>26.06%</b>                           | <b>329,853,849</b>   | <b>26.47%</b>                           |
| <b>Total Taxable Value</b>              | <b>2,680,584,676</b> | <b>100.00%</b>                          | <b>1,246,351,671</b> | <b>100.00%</b>                          |

Source: County Assessor data, MuniServices, LLC / Avenue Insights & Analytics

**City of Patterson**  
**Table 10**  
**Principal Sales Tax Producers**  
**Last Fiscal Year and Nine Years Ago**

| 2022-23                    |                              | 2013-14               |                              |
|----------------------------|------------------------------|-----------------------|------------------------------|
| Taxpayer                   | Business Type                | Taxpayer              | Business Type                |
| 76 Service Stations        | Service Stations             | 76 Service Stations   | Service Stations             |
| 76 Service Stations        | Service Stations             | 76 Service Stations   | Service Stations             |
| Amazon Com Services        | Fulfillment Centers          | AutoZone              | Automotive Supply Stores     |
| Amazon MFA                 | Fulfillment Centers          | Carls Jr              | Quick-Service Restaurants    |
| Arco AM PM                 | Service Stations             | Chevron Patterson     | Service Stations             |
| Cali Kosher                | Cannabis Dispensaries        | CVS Pharmacy          | Drug Stores                  |
| Chevron Patterson          | Service Stations             | Del Don Chemical      | Garden/Agricultural Supplies |
| Del Don Fertilizer Company | Garden/Agricultural Supplies | Denny's               | Casual Dining                |
| Flying J Travel Plaza      | Service Stations             | Dollar Tree           | Variety Stores               |
| G's Food Mart              | Service Stations             | G's Food Mart         | Service Stations             |
| Grab N Go Patterson        | Service Stations             | Jack in the Box       | Quick-Service Restaurants    |
| JM Equipment               | Warehouse/Farm/Const. Equip. | Jesses Used Cars      | Used Automotive Dealers      |
| Kwik Serv Gas              | Service Stations             | JM Equipment          | Warehse/Farm/Const. Equip.   |
| Lowry Cardlock Fuel        | Petroleum Prod/Equipment     | Kwik Serv Gas         | Service Stations             |
| McAuley Ford               | New Motor Vehicle Dealers    | Lowry Cardlock Fuel   | Petroleum Prod/Equipment     |
| McDonalds                  | Quick-Service Restaurants    | McAuley Ford          | New Motor Vehicle Dealers    |
| Patterson Lumber Company   | Building Materials           | McDonalds             | Quick-Service Restaurants    |
| Patterson Mobil Mart       | Service Stations             | Exxon Liquor & Food   | Service Stations             |
| Phillin Station            | Service Stations             | San Joaquin Equipment | Warehse/Farm/Const. Equip.   |
| San Joaquin Equipment      | Warehse/Farm/Const. Equip.   | Save Mart Supermarket | Grocery Stores               |
| Save Mart Supermarket      | Grocery Stores               | Storeroom Solutions   | Light Industrial/Printers    |
| Thompson Chevrolet Buick   | New Motor Vehicle Dealers    | Taco Bell             | Quick-Service Restaurants    |
| Walmart Supercenter        | Retailer                     | True Value Hardware   | Building Materials           |
| WW Grainger                | Electrical Equipment         | Walgreens             | Drug Stores                  |

Source: HdL Companies

**City of Patterson**  
**Table 11**  
**Historical Sales Tax Amounts by Benchmark Year**  
**Last Ten Fiscal Years**

| <b>CATEGORY NAME</b> | <b>2014 Q1</b> |                | <b>2015 Q1</b> |                | <b>2016 Q1</b> |                  | <b>2017 Q1</b> |                  | <b>2018 Q1</b> |                  |
|----------------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|------------------|----------------|------------------|
| All Other Outlets    | \$             | 339,350        | \$             | 389,253        | \$             | 592,368          | \$             | 597,886          | \$             | 567,498          |
| Apparel Stores       |                | 233            |                | 799            |                | 597              |                | 774              |                | 526              |
| Auto Dealers & Auto  |                | 89,599         |                | 107,648        |                | 104,804          |                | 123,336          |                | 123,204          |
| Bldg. Matrl. & Farm  |                | 59,860         |                | 102,671        |                | 62,643           |                | 60,911           |                | 32,749           |
| Drug Stores          |                | 9,079          |                | 9,002          |                | 8,922            |                | 9,318            |                | 4,655            |
| Eating & Drinking Pl |                | 51,559         |                | 53,868         |                | 58,015           |                | 56,766           |                | 56,023           |
| Food Stores          |                | 14,677         |                | 18,922         |                | 16,884           |                | 14,235           |                | 13,203           |
| Home Furnishings & A |                | 4,366          |                | 5,519          |                | 9,228            |                | 12,564           |                | 10,601           |
| General Merchandise  |                | 91,259         |                | 72,612         |                | 79,659           |                | 80,118           |                | 83,482           |
| Other Retail Stores  |                | 1,655          |                | 3,149          |                | 3,345            |                | 3,495            |                | 5,543            |
| Packaged Liquor Stor |                | 1,209          |                | 689            |                | 997              |                | 8,353            |                | 4,945            |
| Service Station      |                | 80,038         |                | 73,795         |                | 63,428           |                | 142,584          |                | 174,114          |
| <b>TOTAL</b>         | <b>\$</b>      | <b>742,884</b> | <b>\$</b>      | <b>837,927</b> | <b>\$</b>      | <b>1,000,890</b> | <b>\$</b>      | <b>1,110,340</b> | <b>\$</b>      | <b>1,076,543</b> |

Source: HdL Companies

\* HdL combined business type Packaged Liquor Stores with Convenience Stores in 4Q16 thus causing a spike in 1Q17 and forward.

**City of Patterson**  
**Table 11**  
**Historical Sales Tax Amounts by Benchmark Year (Continued)**  
**Last Ten Fiscal Years**

| <b>CATEGORY NAME</b>  | <b>2019 Q1</b> |                  | <b>2020 Q1</b> |                  | <b>2021 Q1</b> |                  | <b>2022 Q1</b> |                  | <b>2023 Q1</b> |                  |
|-----------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|----------------|------------------|
| All Other Outlets     | \$             | 536,620          | \$             | 934,427          | \$             | 1,802,510        | \$             | 1,556,150        | \$             | 1,623,385        |
| Apparel Stores        |                | 1,116            |                | 894              |                | 30               |                | 222              |                | 379              |
| Auto Dealers & Auto   |                | 111,997          |                | 113,273          |                | 171,906          |                | 153,886          |                | 169,261          |
| Bldg. Matrl. & Farm   |                | 69,889           |                | 94,280           |                | 145,119          |                | 112,958          |                | 92,400           |
| Drug Stores           |                | 23,628           |                | 17,646           |                | 35,512           |                | 33,705           |                | 27,710           |
| Eating & Drinking Pl  |                | 74,473           |                | 51,621           |                | 84,011           |                | 89,794           |                | 93,097           |
| Food Stores           |                | 13,447           |                | 11,203           |                | 18,345           |                | 19,660           |                | 18,691           |
| Home Furnishings & A  |                | 9,814            |                | 12,462           |                | 11,105           |                | 11,550           |                | 11,693           |
| General Merchandise   |                | 84,760           |                | 86,678           |                | 98,236           |                | 93,077           |                | 91,890           |
| Other Retail Stores   |                | 4,237            |                | -2,373           |                | 5,287            |                | 5,704            |                | 5,281            |
| Packaged Liquor Store |                | 2,877            |                | 6,607            |                | 7,165            |                | 6,372            |                | 6,126            |
| Service Station       |                | 202,665          |                | 188,080          |                | 292,674          |                | 345,035          |                | 405,712          |
| <b>TOTAL</b>          | <b>\$</b>      | <b>1,135,523</b> | <b>\$</b>      | <b>1,514,798</b> | <b>\$</b>      | <b>2,671,900</b> | <b>\$</b>      | <b>2,428,113</b> | <b>\$</b>      | <b>2,545,625</b> |

Source: HdL Companies

\* HdL combined business type Packaged Liquor Stores with Convenience Stores in 4Q16 thus causing a spike in 1Q17 and forward.

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**City of Patterson**  
**Table 12**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

| <b>Fiscal Year</b> | <b>City Population<br/>(1)</b> | <b>Personal Income<br/>(2)</b> | <b>Per Capita<br/>Personal Income<br/>(2)</b> | <b>Median Age<br/>(4)</b> | <b>**Public School<br/>Enrollment</b> | <b>County<br/>Unemployment<br/>Rate (%) (3)</b> | <b>City<br/>Unemployment<br/>Rate (%) (3)</b> | <b>County<br/>Population (1)</b> |
|--------------------|--------------------------------|--------------------------------|---|---------------------------|---------------------------------------|---|---|----------------------------------|
| 2013-14            | 20,922                         | \$ 398,375,802                 | \$ 19,041                                     | 30.4                      | 6,023                                 | 13.0%   | 17.8%   | 526,042                          |
| 2014-15            | 21,094                         | \$ 402,136,016                 | \$ 19,064                                     | 30.5                      | 6,024                                 | 9.8%  | 9.3%  | 532,297                          |
| 2015-16            | 22,590                         | \$ 436,077,360                 | \$ 19,304                                     | 30.5                      | 6,031                                 | 9.5%  | 9.0%  | 540,214                          |
| 2016-17            | 22,730                         | \$ 459,580,598                 | \$ 20,219                                     | 30.5                      | 6,083                                 | 8.5%  | 8.1%  | 548,057                          |
| 2017-18            | 23,414                         | \$ 503,526,733                 | \$ 21,505                                     | 30.6                      | 6,103                                 | 7.1%  | 7.2%  | 555,624                          |
| 2018-19            | 23,764                         | \$ 539,051,882                 | \$ 22,684                                     | 30.8                      | 6,077                                 | 5.6%  | 5.5%  | 558,972                          |
| 2019-20            | 23,074                         | \$ 544,361,808                 | \$ 23,592                                     | 31.3                      | 6,179                                 | 16.1%   | 14.9%   | 557,709                          |
| 2020-21            | 23,304                         | \$ 593,436,826                 | \$ 25,465                                     | 31.1                      | 6,012                                 | 10.7%   | 10.0%   | 555,968                          |
| 2021-22            | 24,370                         | \$ 660,385,084                 | \$ 27,098                                     | 31.5                      | 6,214                                 | 4.5%  | 4.6%  | 549,466                          |
| 2022-23            | 24,317                         | \$ 768,597,389                 | \$ 31,607                                     | 39.0                      | 6,177                                 | 6.4%  | 5.4%  | 545,939                          |

Source: MuniServices, LLC / Avenu Insights & Analytics, U.S. Census Bureau, 2015 American Community Survey.

(-) indicates data not available

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2015 American Community Survey.
- 3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.
- 4.) Median Age reflects the U.S. Census data estimation table.

\*\*Student Enrollment reflects the total number of students enrolled in Patterson Joint Unified.

**City of Patterson**  
**Table 13**  
**Principal Employers**  
**Last Fiscal Year and Six Years Ago**

| <b>Business Name</b>                      | <b>2022-23</b>             |  | <b>2016-17</b>             |  |
|---|----------------------------|--|----------------------------|--|
|   | <b>Number of Employees</b> | <b>Percent of Total Employment (%)</b> | <b>Number of Employees</b> | <b>Percent of Total Employment (%)</b> |
| Patterson Joint Unified School District   | 817                        | 7.50%                                  | 662                        | 5.26%                                  |
| Amazon Fulfillment Center                 | 582                        | 5.34%                                  | 850                        | 9.24%                                  |
| CVS Caremark Distribution Center          | 514                        | 4.72%                                  | 484                        | 3.78%                                  |
| Grainger Distribution Center              | 490                        | 4.50%                                  | 348                        | 2.62%                                  |
| Walmart Supercenter                       | 330                        | 3.03%                                  | 241                        | 2.26%                                  |
| City of Patterson*                        | 261                        | 2.39%                                  | 208                        | 1.09%                                  |
| Traina Foods                              | 157                        | 1.44%                                  |                            |  |
| King's Roofing                            | 141                        | 1.29%                                  | 100                        | 1.09%                                  |
| Restoration Hardware Distribution Center  | 139                        | 1.28%                                  | 122                        | 1.33%                                  |
| Advanced Linen Service                    | 84                         | 0.77%                                  | 75                         | 0.82%                                  |
| Save Mart                                 |                            |  | 73                         | 0.79%                                  |
| Brake Parts Inc (BPI) Distribution Center |                            |  |                            |  |
| <b>Total Top 10 Employers</b>             | <b>3,515</b>               | <b>32.25%</b>                          | <b>3163</b>                | <b>28.27%</b>                          |
| <br>                                      |                            |  |                            |  |
| Total City Labor Force (1)                | 10,900                     |  | 9,200                      |  |

Source: MuniServices, LLC / Avenu Insights & Analytics

2015-16 is the city's first ACFR publication, therefore prior year data availability is limited.

Results based on direct correspondence with city's local businesses.

(1) Total City Labor Force provided by EDD Labor Force Data.

\*Includes full and part time

**City of Patterson**  
**Table 14**  
**Direct and Overlapping Governmental Activities Debt**

**Total 2022-23 Assessed Valuation: \$2,698,714,667**

| <u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>                 | <b>Total Debt<br/>6/30/2023</b> | <b>% Applicable (1)</b> | <b>City's Share of Debt<br/>6/30/2023</b> |
|---|---------------------------------|-------------------------|---|
| Yosemite Community College District                                   | \$ 253,266,478.0                | 3.239%                  | \$ 8,203,301                              |
| Patterson Joint Unified School District                               | 63,185,189                      | 71.120%                 | 44,937,306                                |
| City of Patterson Community Facilities District No. 2005-1            | 15,825,000                      | 100%                    | 15,825,000                                |
| City of Patterson Community Facilities District No. 2015-1            | 4,610,000                       | 100%                    | 4,610,000                                 |
| City of Patterson Community Facilities District No. 2018-1            | 4,415,000                       | 100%                    | 4,415,000                                 |
| <b>City of Patterson PFA Revenue Bonds (Less Bond Discount)</b>       | <b>59,463,452</b>               | <b>100%</b>             | <b>59,463,452</b>                         |
| <b>TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</b>           | <b>\$ 400,765,119.0</b>         |                         | <b>\$ 137,454,059</b>                     |
| <br><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>                   |                                 |                         |   |
| Stanislaus County Certificates of Participation                       | \$ 4,500,000                    | 4.378%                  | \$ 197,010.00                             |
| Stanislaus County Office of Education Certificates of Participation   | 785,000                         | 4.378%                  | 34,367                                    |
| Patterson Joint Unified School District General Fund Obligations      | 10,315,000                      | 71.120%                 | 7,336,028                                 |
| <b>City of Patterson Lease Revenue Bonds</b>                          | <b>1,753,961</b>                | <b>100%</b>             | <b>1,753,961</b>                          |
| Turlock Mosquito and Vector Control District Pension Obligation Bonds | 1,396,626                       | 10.724%                 | 149,774                                   |
| <b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>                 | <b>\$ 18,750,587.0</b>          |                         | <b>\$ 9,471,140.0</b>                     |
| <b>TOTAL DIRECT DEBT</b>  |                                 |                         | <b>\$ 61,217,413</b>                      |
| <b>TOTAL OVERLAPPING DEBT</b>   |                                 |                         | <b>\$ 85,707,786</b>                      |
| <b>COMBINED TOTAL DEBT</b>  |                                 |                         | <b>\$ 146,925,199</b>                     |

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded lease obligations.

Ratios to 2022-23 Assessed Valuation:

|  |              |
|--|--------------|
| <b>Direct Debt (\$59,463,452)</b>                    | <b>2.20%</b> |
| Total Direct and Overlapping Tax and Assessment Debt | 5.09%        |
| <b>Total Direct Debt (\$61,217,413)</b>              | <b>2.27%</b> |
| Combined Total Debt                                  | 5.44%        |

Source: Avenu Insights & Analytics

**City of Patterson**  
**Table 15**  
**Full-Time Equivalent City Government Employees**  
**By Function/Program/Department**  
**Last Five Fiscal Years**

|   | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 18-19                | 19-20                | 20-21                | 21-22                | 22-23                |
| <b>Administration:</b>                          |                      |                      |                      |                      |                      |
| City Manager                                    | 1                    | 1                    | 1                    | 1                    | 1                    |
| Program Manager                                 | 0                    | 0                    | 0                    | 0                    | 1                    |
| Human Resources Director                        | 1                    | 1                    | 1                    | 1                    | 1                    |
| City Clerk                                      | 1                    | 1                    | 1                    | 1                    | 1                    |
| HR Analyst                                      | 1                    | 1                    | 1                    | 1                    | 2                    |
| Executive Administrative Assistant Confidential | 1                    | 1                    | 1                    | 1                    | 1                    |
| Deputy City Clerk                               | 0                    | 1                    | 1                    | 1                    | 1                    |
| Administrative Assistant                        | 1                    | 0                    | 0                    | 0                    | 0                    |
| IT Manager                                      | 0                    | 1                    | 1                    | 1                    | 1                    |
| IT Technician II                                | 0                    | 1                    | 1                    | 1                    | 1                    |
|   | <b>6</b>             | <b>8</b>             | <b>8</b>             | <b>8</b>             | <b>10</b>            |
| <b>Finance:</b>                                 |                      |                      |                      |                      |                      |
| Finance Director                                | 1                    | 1                    | 1                    | 1                    | 1                    |
| Accounting Manager                              | 0                    | 0                    | 0                    | 0                    | 1                    |
| Revenue & Utility Billing Manager               | 1                    | 1                    | 1                    | 1                    | 1                    |
| Supervising Accountant                          | 1                    | 1                    | 1                    | 1                    | 1                    |
| Accountant                                      | 1                    | 1                    | 2                    | 2                    | 2                    |
| Accounting Technician                           | 1                    | 1                    | 1                    | 1                    | 1                    |
| Account Clerk, Senior                           | 3                    | 3                    | 3                    | 4                    | 4                    |
| Account Clerk                                   | 3                    | 3                    | 2                    | 1                    | 2                    |
|   | <b>11</b>            | <b>11</b>            | <b>11</b>            | <b>11</b>            | <b>13</b>            |
| <b>Recreation &amp; Community Services:</b>     |                      |                      |                      |                      |                      |
| Recreation & Community Services Director        | 1                    | 1                    | 1                    | 1                    | 1                    |
| Recreation & Community Services Manager         | 1                    | 1                    | 1                    | 1                    | 1                    |
| Recreation & Community Services Supervisor      | 1                    | 4                    | 4                    | 4                    | 4                    |
| Recreation Coordinator I                        | 1                    | 0                    | 0                    | 0                    | 0                    |
| Recreation Coordinator II                       | 3                    | 0                    | 0                    | 0                    | 0                    |
| Account Clerk                                   | 2                    | 2                    | 2                    | 2                    | 2                    |
| Administrative Assistant II                     | 0                    | 0                    | 0                    | 1                    | 1                    |
| Facilities & Maintenance Supervisor             | 1                    | 1                    | 1                    | 0                    | 0                    |
| Facilities Superintendent                       | 0                    | 0                    | 0                    | 1                    | 1                    |
| Maintenance Worker I                            | 1                    | 1                    | 0                    | 0                    | 1                    |
| Maintenance Worker II                           | 0                    | 0                    | 1                    | 1                    | 1                    |
| Maintenance Worker III                          | 1                    | 1                    | 1                    | 1                    | 1                    |
|   | <b>12</b>            | <b>11</b>            | <b>11</b>            | <b>12</b>            | <b>13</b>            |
| <b>Fire:</b>                                    |                      |                      |                      |                      |                      |
| Chief   | 1                    | 1                    | 1                    | 1                    | 1                    |
| Division Chief                                  | 2                    | 2                    | 2                    | 3                    | 3                    |
| Fire Captain - Paramedic                        | 2                    | 2                    | 2                    | 2                    | 3                    |
| Fire Captain                                    | 4                    | 4                    | 4                    | 4                    | 4                    |
| Fire Engineer - Paramedic                       | 1                    | 1                    | 1                    | 1                    | 1                    |
| Fire Engineer                                   | 5                    | 5                    | 5                    | 5                    | 5                    |
| Fire Fighters - Paramedic                       | 6                    | 6                    | 6                    | 6                    | 9                    |
| Fire Prevention Specialist                      | 1                    | 1                    | 1                    | 1                    | 1                    |
| Administrative Manager                          | 1                    | 1                    | 1                    | 1                    | 1                    |
| Administrative Assistant II/Secretary II        | 1                    | 1                    | 1                    | 1                    | 1                    |
|   | <b>24</b>            | <b>24</b>            | <b>24</b>            | <b>25</b>            | <b>29</b>            |

**City of Patterson**  
**Table 15**  
**Full-Time Equivalent City Government Employees (Continued)**  
**By Function/Program/Department**  
**Last Five Fiscal Years**

|  | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | <u>18-19</u>         | <u>19-20</u>         | <u>20-21</u>         | <u>21-22</u>         | <u>22-23</u>         |
| <b>Community Development:</b>                        |                      |                      |                      |                      |                      |
| Community Development Director                       | 1                    | 1                    | 1                    | 1                    | 1                    |
| Code Enforcement Officer I                           | 1                    | 1                    | 1                    | 1                    | 1                    |
| Code Enforcement Officer II                          | 1                    | 1                    | 1                    | 1                    | 2                    |
|  | <u>3</u>             | <u>3</u>             | <u>3</u>             | <u>3</u>             | <u>4</u>             |
| <b>Planning:</b>                                     |                      |                      |                      |                      |                      |
| Planner  | 1                    | 1                    | 1                    | 1                    | 1                    |
| Associate Planner                                    | 1                    | 1                    | 1                    | 1                    | 1                    |
| Planning Technician II                               | 2                    | 2                    | 2                    | 2                    | 2                    |
|  | <u>4</u>             | <u>4</u>             | <u>4</u>             | <u>4</u>             | <u>4</u>             |
| <b>Engineering, Building &amp; Capital Projects:</b> |                      |                      |                      |                      |                      |
| Director of Engineering                              | 1                    | 1                    | 1                    | 1                    | 1                    |
| Associate Engineer                                   | 1                    | 1                    | 1                    | 1                    | 1                    |
| Assistant Engineer                                   | 1                    | 1                    | 1                    | 1                    | 1                    |
| Secretary I  | 1                    | 1                    | 1                    | 1                    | 1                    |
|  | <u>4</u>             | <u>4</u>             | <u>4</u>             | <u>4</u>             | <u>4</u>             |
| <b>Capital Projects:</b>                             |                      |                      |                      |                      |                      |
| Capital Project Manager                              | 1                    | 1                    | 1                    | 1                    | 1                    |
| <b>Building &amp; Permits:</b>                       |                      |                      |                      |                      |                      |
| Permit Technician I                                  | 0                    | 0                    | 2                    | 2                    | 2                    |
| Permit Technician II                                 | 1                    | 1                    | 1                    | 1                    | 1                    |
|  | <u>1</u>             | <u>1</u>             | <u>3</u>             | <u>3</u>             | <u>3</u>             |
| <b>Public Works:</b>                                 |                      |                      |                      |                      |                      |
| Director of Public Works                             | 1                    | 1                    | 1                    | 1                    | 1                    |
| Deputy Director of Public Works Ops & Maint          | 1                    | 1                    | 1                    | 1                    | 2                    |
| Sr. Administrative Manager                           | 1                    | 1                    | 1                    | 1                    | 1                    |
| Public Works Inspector I                             | 1                    | 0                    | 0                    | 0                    | 0                    |
| Public Works Inspector II                            | 0                    | 1                    | 1                    | 1                    | 2                    |
| Public Works Inspector III                           | 1                    | 1                    | 1                    | 1                    | 1                    |
| Management Analyst                                   | 3                    | 3                    | 3                    | 3                    | 3                    |
| Administrative Assistant II/Secretary II             | 2                    | 2                    | 2                    | 2                    | 2                    |
| Environmental Compliance Specialist                  |                      |                      |                      | 1                    | 3                    |
| Maintenance Worker I                                 | 1                    | 1                    | 1                    | 1                    | 1                    |
|  | <u>11</u>            | <u>11</u>            | <u>11</u>            | <u>12</u>            | <u>16</u>            |
| <b>Equipment Mechanic:</b>                           |                      |                      |                      |                      |                      |
| Mechanic - Crew Leader                               | 1                    | 1                    | 1                    | 1                    | 1                    |
| Mechanic I   | 0                    | 0                    | 0                    | 0                    | 0                    |
| Mechanic II  | 1                    | 1                    | 1                    | 1                    | 2                    |
|  | <u>2</u>             | <u>2</u>             | <u>2</u>             | <u>2</u>             | <u>3</u>             |
| <b>Building Maintenance:</b>                         |                      |                      |                      |                      |                      |
| Maintenance Worker I                                 | 1                    | 1                    | 2                    | 2                    | 2                    |
| Maintenance Worker II                                | 1                    | 1                    | 0                    | 1                    | 0                    |
|  | <u>1</u>             | <u>1</u>             | <u>0</u>             | <u>1</u>             | <u>2</u>             |
| <b>Parks:</b>  |                      |                      |                      |                      |                      |
| Parks Supervisor                                     | 1                    | 1                    | 1                    | 1                    | 1                    |
| Maintenance Worker III                               | 4                    | 5                    | 4                    | 4                    | 4                    |
| Maintenance Worker II                                | 3                    | 3                    | 3                    | 4                    | 4                    |
| Maintenance Worker I                                 | 3                    | 1                    | 2                    | 1                    | 3                    |
|  | <u>11</u>            | <u>10</u>            | <u>10</u>            | <u>10</u>            | <u>12</u>            |
| <b>Streets:</b>                                      |                      |                      |                      |                      |                      |
| Public Works Supervisor - Streets                    | 0.5                  | 0.5                  | 0.5                  | 0.5                  | 0.5                  |
| Maintenance Worker III                               |                      |                      |                      | 1                    | 1                    |
| Maintenance Worker II                                | 1                    | 2                    | 2                    | 1                    | 1                    |
| Maintenance Worker I                                 | 1                    | 0                    | 1                    | 1                    | 2                    |
|  | <u>2.5</u>           | <u>2.5</u>           | <u>3.5</u>           | <u>3.5</u>           | <u>4.5</u>           |

**City of Patterson**  
**Table 15**  
**Full-Time Equivalent City Government Employees (Continued)**  
**By Function/Program/Department**  
**Last Five Fiscal Years**

|                                       | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized | Number<br>Authorized |
|---------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                       | <u>18-19</u>         | <u>19-20</u>         | <u>20-21</u>         | <u>21-22</u>         | <u>22-23</u>         |
| <b>Urban Forestry:</b>                |                      |                      |                      |                      |                      |
| Public Works Supervisor - Tree        | 1                    | 1                    | 1                    | 1                    | 1                    |
| Maintenance Worker III                | 1                    | 1                    | 0                    | 0                    | 0                    |
| Maintenance Worker II                 | 1                    | 1                    | 1                    | 4                    | 5                    |
| Maintenance Worker I                  | 2                    | 2                    | 3                    | 0                    | 0                    |
|                                       | <u>5</u>             | <u>5</u>             | <u>5</u>             | <u>5</u>             | <u>6</u>             |
| <b>Water:</b>                         |                      |                      |                      |                      |                      |
| Public Works Supervisor - Water       | 1                    | 1                    | 1                    | 1                    | 1                    |
| Water Operator III                    | 4                    | 4                    | 4                    | 3                    | 3                    |
| Water Operator II                     | 0                    | 1                    | 1                    | 0                    | 0                    |
| Water Operator I                      | 1                    | 0                    | 0                    | 0                    | 0                    |
| Maintenance Worker III                |                      |                      |                      | 1                    | 1                    |
| Maintenance Worker II                 |                      |                      |                      | 1                    | 1                    |
| Electrical & Instrumentation Manager  | 0.5                  | 0.5                  | 0.5                  | 0.5                  | 0.5                  |
| Electrician - Crew Leader             | 0                    | 0                    | 0                    | 0                    | 0                    |
| Electrician Technician II             | 0.5                  | 0.5                  | 0.5                  | 1                    | 0.5                  |
|                                       | <u>7</u>             | <u>7</u>             | <u>7</u>             | <u>7.5</u>           | <u>7</u>             |
| <b>Sewer:</b>                         |                      |                      |                      |                      |                      |
| Wastewater Manager                    | 1                    | 1                    | 1                    | 1                    | 1                    |
| Chief Waste Water Operator            | 1                    | 1                    | 1                    | 1                    | 1                    |
| Wastewater Operator III               | 2                    | 1                    | 2                    | 1                    | 1                    |
| Wastewater Operator II                | 1                    | 2                    | 1                    | 1                    | 2                    |
| Wastewater Operator I                 | 1                    | 0                    | 1                    | 0                    | 0                    |
| Wasterwater Operator in Training      |                      |                      |                      | 2                    | 2                    |
| Electrical & Instrumentation Manager  | 0.5                  | 0                    | 0.5                  | 0.5                  | 0.5                  |
| Electrician - Crew Leader             | 0                    | 0                    | 0                    | 0                    | 0                    |
| Electrician Technician II             | 0.5                  | 0                    | 0.5                  | 1                    | 0.5                  |
| Maintenance Worker I                  | 0                    | 1                    | 0                    | 1                    | 3                    |
|                                       | <u>7</u>             | <u>6</u>             | <u>7</u>             | <u>9</u>             | <u>11</u>            |
| <b>Collection:</b>                    |                      |                      |                      |                      |                      |
| Public Works Supervisor - Collections | 0.5                  | 0.5                  | 0.5                  | 0.5                  | 0.5                  |
| Maintenance Worker III                | 3                    | 2                    | 3                    | 4                    | 4                    |
| Maintenance Worker II                 | 0                    | 1                    | 0                    | 0                    | 0                    |
| Maintenance Worker I                  | 0                    | 1                    | 1                    | 0                    | 0                    |
|                                       | <u>3.5</u>           | <u>4.5</u>           | <u>4.5</u>           | <u>4.5</u>           | <u>4.5</u>           |
| <b>Total Allocated Positions</b>      | <u><u>116</u></u>    | <u><u>116</u></u>    | <u><u>119</u></u>    | <u><u>125</u></u>    | <u><u>147</u></u>    |

**Incentives Available: Specified by MOU**

Source: City of Patterson Finance Department

**City of Patterson**  
**Table 16**  
**Ratio of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

| <b>Governmental Activities</b>  |                                     |  |  |                           |  |              |
|---------------------------------|-------------------------------------|--|--|---------------------------|--|--------------|
| <b>Fiscal Year</b>              | <b>Loans Payable</b>                | <b>Lease Revenue<br/>Bonds</b>           | <b>Revenue Bonds</b>                       | <b>Settlement Payable</b> | <b>Finance Purchase<br/>Obligations and<br/>Leases</b> | <b>Total</b> |
| 2014                            | 2,291,826                           | -  | -  | 1,300,000                 | 23,888   | 3,615,714    |
| 2015                            | -                                   | -  | 76,200,410                                 | 988,000                   | -  | 77,188,410   |
| 2016                            | -                                   | -  | 75,999,122                                 | 676,000                   | -  | 76,675,122   |
| 2017                            | -                                   | -  | 74,197,073                                 | 364,000                   | 128,967  | 74,690,040   |
| 2018                            | -                                   | 2,429,000                                | 70,840,652                                 | 364,000                   | 97,979   | 73,731,631   |
| 2019                            | -                                   | 2,303,118                                | 68,801,769                                 | 364,000                   | 66,170   | 71,535,057   |
| 2020                            | -                                   | 2,172,830                                | 66,516,789                                 | 364,000                   | 33,518   | 69,087,137   |
| 2021                            | -                                   | 2,037,982                                | 64,286,264                                 | 364,000                   | -  | 66,688,246   |
| 2022                            | -                                   | 1,898,414                                | 61,856,080                                 | 364,000                   | 72,094   | 64,190,588   |
| 2023                            | -                                   | 1,753,961                                | 59,259,986                                 | 1,697,355                 | 478,542  | 63,189,844   |
| <b>Business-Type Activities</b> |                                     |  |  |                           |  |              |
| <b>Fiscal Year</b>              | <b>Loans Payable</b>                | <b>Public Offering<br/>Revenue Bonds</b> | <b>Private Placement<br/>Revenue Bonds</b> | <b>Settlement Payable</b> | <b>Finance Purchase<br/>Obligations and<br/>Leases</b> | <b>Total</b> |
| 2014                            | 4,939,647                           | 12,205,000                               | -  | -                         | 35,452   | 17,180,099   |
| 2015                            | 5,297,539                           | 11,860,000                               | -  | -                         | -  | 17,157,539   |
| 2016                            | 4,926,020                           | 11,585,000                               | -  | -                         | -  | 16,511,020   |
| 2017                            | 4,538,540                           | 11,300,000                               | -  | -                         | -  | 15,838,540   |
| 2018                            | 4,134,079                           | 9,865,000                                | 2,658,300                                  | -                         | -  | 16,657,379   |
| 2019                            | 3,889,225                           | 8,565,000                                | 2,630,800                                  | -                         | -  | 15,085,025   |
| 2020                            | 3,627,227                           | 17,609,352                               | 2,602,300                                  | -                         | -  | 23,838,879   |
| 2021                            | 3,040,868                           | 17,176,312                               | 2,572,900                                  | -                         | -  | 22,790,080   |
| 2022                            | 3,046,581                           | 16,728,271                               | 2,542,500                                  | -                         | -  | 22,317,352   |
| 2023                            | 3,388,219                           | 16,265,229                               | 2,511,000                                  | 1,123,211                 | -  | 23,287,659   |
| <b>Fiscal Year</b>              | <b>Total Primary<br/>Government</b> | <b>Percentage of<br/>Personal Income</b> | <b>Per Capita</b>                          |                           |  |              |
| 2014                            | 20,795,813                          | 5.32%                                    | 998  |                           |  |              |
| 2015                            | 94,345,949                          | 23.46%                                   | 4,473                                      |                           |  |              |
| 2016                            | 93,186,142                          | 21.37%                                   | 4,125                                      |                           |  |              |
| 2017                            | 90,528,580                          | 19.70%                                   | 3,983                                      |                           |  |              |
| 2018                            | 90,389,010                          | 17.95%                                   | 3,860                                      |                           |  |              |
| 2019                            | 86,620,082                          | 16.07%                                   | 3,645                                      |                           |  |              |
| 2020                            | 92,926,016                          | 17.07%                                   | 4,027                                      |                           |  |              |
| 2021                            | 89,478,326                          | 15.08%                                   | 3,840                                      |                           |  |              |
| 2022                            | 86,507,940                          | 13.10%                                   | 3,550                                      |                           |  |              |
| 2023                            | 86,477,503                          | 11.25%                                   | 3,556                                      |                           |  |              |

See Demographic and Economic Statistics for personal income and population data.  
Additional information can be found in Note 8 to the basic financial statements.  
Revenue Bond information for FY2021 and FY2022 have been corrected compared to past filings.

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