



CITY OF PATTERSON, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2024



CITY OF PATTERSON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED JUNE 30, 2024
CITY OF PATTERSON, CALIFORNIA**

Prepared and Issued by
Finance Department

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For the Year Ended June 30, 2024
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City of Patterson

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

March 14, 2025

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, 2024. 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, Public Information Officer, 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, Building and Planning.

Engineering includes Capital Projects, and Engineering Services.

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. 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 Love’s Travel Center, Valero Gas Station, Grocery Outlet, Popeyes Chicken, Dutch Bros Coffee and other interested businesses.

The City’s water, sewer, and garbage rates were approved in the past 3-4 years and will need to adjust new rates accordingly to 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 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 Love’s 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 in Spring 2025. The Villages of Patterson Project have installed streets and underground facilities and have built numerous homes. To date approximately 750 new homes have been sold. Patterson Ranch has built approximately 250 affordable homes that fit into the middle-income affordable category.

The City received American Rescue Plan Act (ARPA) Funding in the amount of \$5.3 million total in FY 2022 that helped City fund some of the operation and maintenance costs related to COVID-19 prevention, stimulate our economy and public safety related costs. It was also utilized for various community incentives, such as, the Homeless Shelter assistance, IT upgrades, cyber security, aid to non-profit organizations, and aid to local small businesses mostly centered in our historic downtown.

Staff will continue providing services at current staffing levels and will most likely keep staff levels as they are currently but may consider adding key new positions if the budget allows for it.

The city sales tax revenues have experienced a decreased in FY 2024 from the previous years. Some key tax revenues are coming from 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 2023-2024 budget process:

- Approved City's Strategic Plan December 2024.
- 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 2023-2024 included the following:

- I-5 Interchange PS&E design and construction
- Rogers Road Bridge Replacement
- Patterson Public Safety Center
- Wastewater Treatment Phase-3A Expansion
- Salado Creek Bike Trail Project
- Ward Avenue Overlay
- New Potable Well #14

New Commercial/Industrial Development includes:

- Delta Market Place Commercial Park
- New McDonald's Restaurant
- Old Water Office Restaurant
- Popeye's Restaurant
- Safavieh Warehouse
- Oak Harbor Freight Warehouse
- Locktec Warehouse
- Patterson Veterinary Office

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 420 homes over the next 5 years.
- The Zacharias Annexation was approved in April 2024 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,



Fernando Ulloa
City Manager



CITY OF PATTERSON
Annual Comprehensive Financial Report
FISCAL YEAR
2023 – 2024

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

Jeffrey Frye, 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

Ashley Weaver, Recreation & Community Services Director

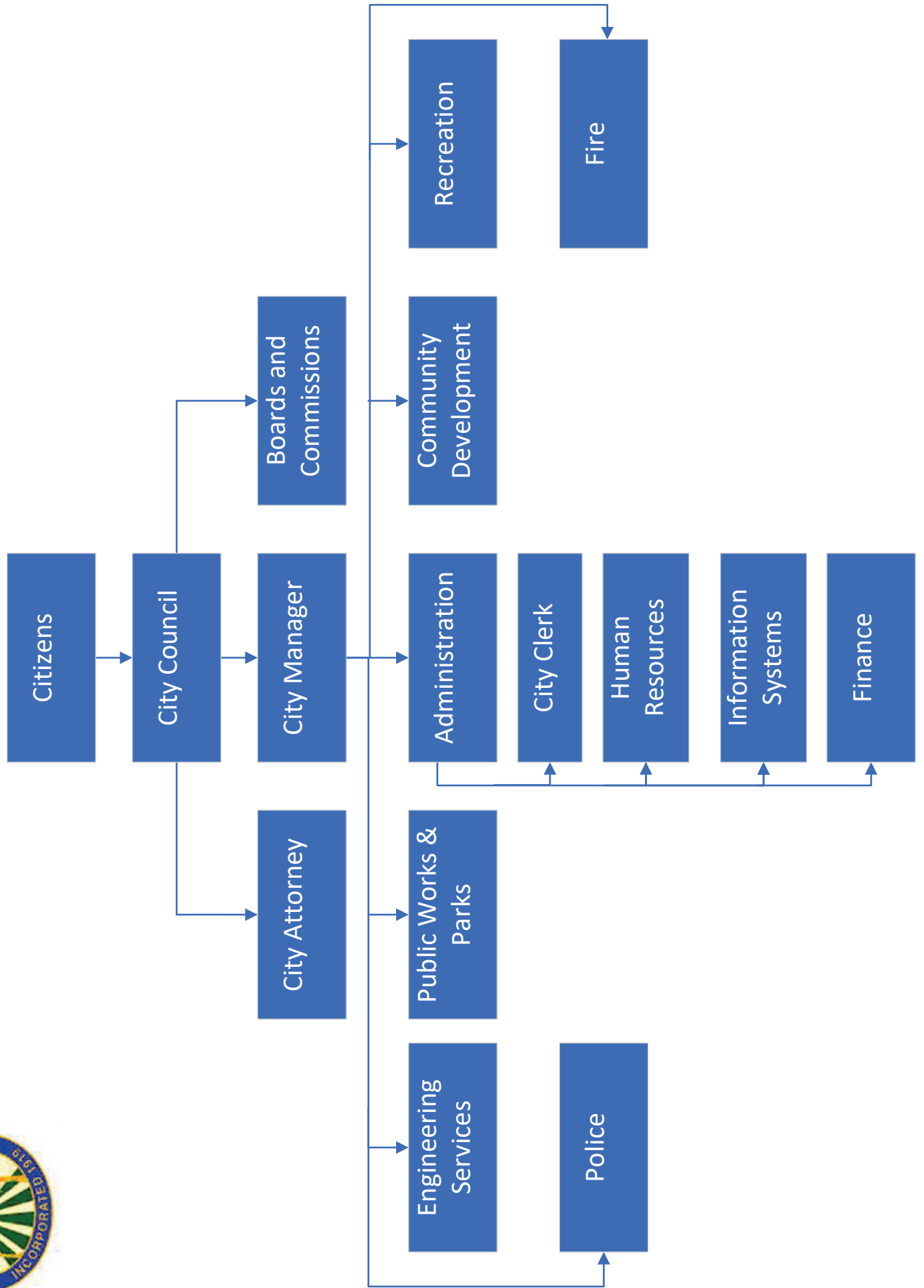
Bryan Stice, Community Development Director

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, 2023

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, 2024, 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, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2025, 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 14, 2025

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City of Patterson
Management’s Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2024

As management of the City of Patterson, California, (the “City”) we offer readers of the City’s Annual Comprehensive Financial Report (ACFR) this narrative overview and analysis of the financial performance of the City for the year ended June 30, 2024. 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 ACFR, which follows this discussion.

Financial Highlights

- **Changes in Net Position:** At the end of the fiscal year, Governmental Activities increased by \$15,691,457 and Business-type Activities decreased by \$462,284 resulting in the government’s total net position of \$15,529,173 or an 11.04% increase from prior year. The increase in total net position is primarily due to an increase in charges for service, operating grants, tax revenues, investment earnings, and a decrease in expenditures that led to a positive change in Net Position.
- **Governmental Activities:** As of June 30, 2024, the City’s Governmental Activities reported an ending net position of \$105,143,380, an increase of 18% primarily due to an increase in charges for services in the amount of \$3,784,298 and \$2,424,744 in taxes.
- **Business-Type Activities:** As of June 30, 2024, the City’s total ending net position of \$48,012,963, a decrease of 1% primarily due to a decrease in capital grants and contributions in the amount of \$5,181,105. The annual rate increases of 2% for Water and 6% for Sewer that took effect in July of 2023 and January of 2024 have generated a 10% increase in service revenues.
- **General Fund:** As of June 30, 2024, committed, assigned and unassigned fund balances of the general fund were \$23,393,334. \$18,208,762 of these funds have been committed and/or assigned for specific purposes in accordance with City policies and budgetary guidelines. The remaining balance of \$5,184,572 is unassigned.

Overview of the Financial Statements

This discussion and analysis is 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’s finances, in a manner like a private sector business.

The *statement of net position* presents information on all the City’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 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, 2024

Both government-wide financial statements distinguish functions of the City 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 include general government, public safety, community development, public works, and parks and recreation.

The government-wide financial statements include the City and a component unit, the Patterson Public Financing Authority (PPFA). 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 group of related accounts used to maintain control over resources that have been segregated or assigned for specific activities or objectives. The City, like states and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the City are classified 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 short-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 short-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 currently maintains thirty-nine governmental funds. Fund information for the three major governmental funds 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 thirty-six 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 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 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 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, 2024

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’s own programs. The accounting used for fiduciary funds is similar to 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 – 98 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’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 – 109 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 115 – 130 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, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$153,156,343 at June 30, 2024. The table below presents the Net Position of the City:

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 129,386,816	\$ 110,675,930	\$ 19,882,001	\$ 18,898,741	\$ 149,268,817	\$ 129,574,671
Capital assets	72,638,447	69,922,501	60,439,184	60,319,398	133,077,631	130,241,899
Total assets	<u>202,025,263</u>	<u>180,598,431</u>	<u>80,321,185</u>	<u>79,218,139</u>	<u>282,346,448</u>	<u>259,816,570</u>
Deferred outflows of resources	<u>6,427,990</u>	<u>6,266,891</u>	<u>2,914,011</u>	<u>2,879,905</u>	<u>9,342,001</u>	<u>9,146,796</u>
Long-term liabilities	81,707,182	73,433,842	29,997,064	27,575,758	111,704,246	101,009,600
Other liabilities	16,438,409	18,164,247	2,269,995	2,603,301	18,708,404	20,767,548
Total liabilities	<u>98,145,591</u>	<u>91,598,089</u>	<u>32,267,059</u>	<u>30,179,059</u>	<u>130,412,650</u>	<u>121,777,148</u>
Deferred inflows of resources	<u>5,164,282</u>	<u>6,115,310</u>	<u>2,955,174</u>	<u>3,443,738</u>	<u>8,119,456</u>	<u>9,559,048</u>
Net Position:						
Net investment in capital assets	67,129,360	67,981,454	48,241,694	48,865,099	115,371,054	116,846,553
Restricted	28,261,493	14,864,418	3,219,807	3,137,525	31,481,300	18,001,943
Unrestricted	9,752,527	6,606,051	(3,448,538)	(3,527,377)	6,303,989	3,078,674
Total net position	<u>\$ 105,143,380</u>	<u>\$ 89,451,923</u>	<u>\$ 48,012,963</u>	<u>\$ 48,475,247</u>	<u>\$ 153,156,343</u>	<u>\$ 137,927,170</u>

By far, the largest portion of the City’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 \$115,371,054 or 75.33% of the total net position. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investments 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, 2024

A portion of the City's net position totaling \$31,481,300 or 20.56% represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$6,303,989 is unrestricted and may be used to meet the government's ongoing obligation to citizens and creditors. However, these unrestricted funds are subject to designation for specific City programs. The negative \$3.4 Million in Unrestricted Net Position for the Business-type Activities is primarily the result of the use of cash for capital and related expenses.

At the end of the current fiscal year, the City is able to report positive balances in all categories of net position for governmental activities. The table below presents the changes in Net Position of the City:

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 10,934,845	\$ 7,150,547	\$ 18,570,675	\$ 16,829,284	\$ 29,505,520	\$ 23,979,831
Operating grants and contributions	5,561,697	3,200,329	-	-	5,561,697	3,200,329
Capital grants and contributions	4,449,223	9,699,274	975,414	6,156,519	5,424,637	15,855,793
Total program revenues	20,945,765	20,050,150	19,546,089	22,985,803	40,491,854	43,035,953
General revenues:						
Taxes	23,204,502	20,779,758	-	-	23,204,502	20,779,758
Investment earnings	4,647,090	4,004,069	797,750	462,486	5,444,840	4,466,555
Other and transfers	5,951,681	4,292,921	(2,527,856)	(1,417,295)	3,423,825	2,875,626
Total general revenues	33,803,273	29,076,748	(1,730,106)	(954,809)	32,073,167	28,121,939
Total revenues	54,749,038	49,126,898	17,815,983	22,030,994	72,565,021	71,157,892
Expenses:						
General government	7,749,472	10,196,494	-	-	7,749,472	10,196,494
Police	7,117,215	6,739,695	-	-	7,117,215	6,739,695
Fire	7,115,407	6,294,195	-	-	7,115,407	6,294,195
Community development and planning	2,314,006	2,329,664	-	-	2,314,006	2,329,664
Public works	6,537,838	8,127,788	-	-	6,537,838	8,127,788
Parks and recreation	4,312,372	3,959,583	-	-	4,312,372	3,959,583
Interest and fiscal charges	3,611,271	3,962,077	-	-	3,611,271	3,962,077
Water	-	-	6,643,380	7,594,552	6,643,380	7,594,552
Sewer	-	-	7,518,474	7,506,130	7,518,474	7,506,130
Garbage	-	-	4,116,413	3,422,477	4,116,413	3,422,477
Total expenses	38,757,581	41,609,496	18,278,267	18,523,159	57,035,848	60,132,655
Changes in net position	\$ 15,991,457	\$ 7,517,402	\$ (462,284)	\$ 3,507,835	\$ 15,529,173	\$ 11,025,237
Net Position:						
Beginning of year	89,151,923	81,634,521	48,475,247	44,967,412	137,627,170	126,601,933
End of year	\$ 105,143,380	\$ 89,151,923	\$ 48,012,963	\$ 48,475,247	\$ 153,156,343	\$ 137,627,170

Additional information on the change in net position can be found on page 20 – 21 of this report.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Governmental Activities. Overall, governmental revenues increased by \$5.6 million, an 11% increase from the prior year. Key elements of the change are as follows:

- Total taxes increased by \$2.4 million, a 12% increase in taxes, from prior fiscal year. The City has received \$761,145 in Property Tax and \$1,706,618 in Sales Tax more than the prior fiscal year. These increases resulted from residential and commercial developments, increase in property values, and a correction made by the State of California for prior fiscal years Sales Tax paid in FY 2024.
- Charges for services increased incrementally by \$3.7 million as a result of increasing participation in activities where fees are charged.
- Operating grants and contributions increased by \$2.3 million largely from one-time funding received during the year.
- Capital grants and contributions decreased by \$5.2 million because of a reduction in capital contributions related to donated infrastructure.
- Other and transfer revenues increased by \$1.6 million largely related to capital projects fund transfers from Enterprise Funds.

Overall, expenses in the governmental activities decreased by \$2,851,915, a 7% decrease compared to the prior year.

Additional information on activities and changes in net position can be found on pages 30 – 31 of this report.

Business-type Activities. Overall, Business-type Revenues decreased by \$4,215,011, a 19% decrease from the prior year. Key elements of the change are as follows:

- Water operating revenue increased by \$680,487, and expenses increased by \$354,623 in fiscal year 2024, resulting in operating income of \$1.5 million. The increase in revenue primarily generated from the increase in newly adopted water rates in January 2024.
- Sewer operating revenue increased by \$748,197 and expenses increased by \$12,344 in fiscal year 2024, resulting in an operating deficit of \$960,971. The increase in operating revenue primarily generated from the increase in newly adopted sewer rate in July 2023.
- Garbage operating revenue increased by \$323,369 in fiscal year 2024. This increase in revenue resulted from an increase in garbage rates of 4.9% and increase in the number of customers. Garbage operating expenses increased by \$693,936 primarily resulted from increasing operating costs related new customers and increasing public outreach in compliance with 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, 2024

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the City'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'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's governmental funds reported combined ending fund balances of \$115,731,725, an increase of \$19,356,313 from prior year. The City's governmental funds ending fund balances of \$33,361,273 or 28.83% 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 \$82,370,452 is either non-spendable or restricted for purposes imposed by creditors, grantors, contributors, laws, or regulations of other governments or through enabling legislation.

CFD 2003-1 Public Safety/Fire Protection Services Special Revenue Fund

The CFD 2003-1 Public Safety/Fire Protection Services Special Revenue Fund had revenues of \$1,607,502, expenditures of \$2,993,524, and other financing sources of \$1,245,000. The ending fund balance decreased from \$4,118,174 million at June 30, 2023 to \$4,295,196 million at June 30, 2024.

Patterson Public Financing Authority Debt Service Fund

The Patterson Public Financing Authority Debt Service Fund had revenues of \$5,271,117, expenditures of \$62,952,774, and other financing sources of \$60,987,848. The ending fund balance increased from \$58,371,376 million at June 30, 2023 to \$61,677,567 million at June 30, 2024.

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

At the end of the year, the Enterprise Funds reported a deficit of \$2,325,327 of Unrestricted net position, a decrease of \$1,202,050 from the prior year. This change is primarily the result of decreasing investment in capital assets. Other factors concerning the finance of these funds have already been addressed in the discussion of the City's Business-type Activities.

General Fund Financial Highlights

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, General Fund reported a total fund balance of \$24,266,693, an increase of \$6.1 million compared to the prior year. \$23,393,334 of the total were committed, assigned and unassigned. 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 77% 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 \$5.2 million or a 19% increase. Tax related revenues contributed an increase of \$2,467,763 resulted from increasing real estate value, new residential and commercial developments in FY 2024, and Sales Tax revenue true-up payment from the State of California. In addition, Intergovernmental revenues also increased by \$195,046. Licenses, permits, and fees also increased by \$599,743 in fiscal year 2024.

City of Patterson
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

- Overall, General Fund expenditures (including transfers out) increased by \$2.9 million or a 11% increase over the prior year. General government and capital outlay expenditures showed an increase of \$2.4 million which was a combined 83% of the increase in fiscal year 2024.

General Fund Budgetary Highlights

For the fiscal year ended June 30, 2024, the General Fund’s revenue final amended budget increased over the original budget by \$2.6 million and the actual revenues were \$149,342 lower than the final amended budget of \$29,912,125. The final amended expenditure budget increased by \$865 thousand over the original budget and the actual expenditures were \$5.2 million lower than the final amended budget. The related factors are summarized as follows:

- The actual revenues were lower than the final budget mainly due to less actual licenses, permits, and fees received.
- The expenditure final budget was higher than the original budget by \$865 thousand due to Council approved budget increases primarily for capital outlay and public safety.
- General fund actual expenditure is lower than the final budget by \$5.2 million primarily due to unspent ARPA funds at the end of FY 2024 in the amount of \$2.6 million. In addition, capital outlay expenditures in the amount of \$3.6 million were not completed during the fiscal year.

Capital Asset and Long-Term Liabilities Administration

Capital assets. The City’s total capital assets for its governmental and Business-type Activities as of June 30, 2024 amounts to \$133,077,631, an increase of \$2.8 million or 2% 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 and amortization)					
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 5,459,235	\$ 5,459,235	\$ 7,455,922	\$ 7,455,922	\$ 12,915,157	\$ 12,915,157
Construction in progress	6,315,503	9,739,792	8,673,915	12,211,807	14,989,418	21,951,599
Depreciable/amortizable capital assets, net	60,863,709	54,723,474	44,309,347	40,651,669	105,173,056	95,375,143
Total assets	<u>72,638,447</u>	<u>69,922,501</u>	<u>60,439,184</u>	<u>60,319,398</u>	<u>133,077,631</u>	<u>130,241,899</u>

Additional information on the City’s capital assets can be found in Note 7 to the basic financial statements.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

Long-Term Liabilities. At the end of the current fiscal year, the City's total long-term debt and compensated absences outstanding increased by \$7,553,943 an increase mainly attributable to the issuance of the PPFA 2023 series bonds to refund the PPFA 2013 Series A&B bonds, and the assumption of leases to acquire fire apparatuses.

	2024	2023
Governmental Activities:		
PPFA 2013 Heartland Ranch Revenue Bonds	\$ 914,788	\$ 1,385,747
PPFA 2013 Series A Revenue Bonds	-	53,265,000
Less: Bond Discount	-	(568,849)
PPFA 2013 Series B Revenue Bonds	-	5,235,000
PPFA 2023 Series A Sp. Tax Revenue Bonds	54,360,000	-
Add: Bond Premium	6,397,253	-
2019 Lease Revenue Bonds	1,604,451	1,753,961
Finance purchase agreements	3,517,975	-
Lease liability	365,973	420,639
Subscription liability	4,519	57,903
Keystone Corporation Settlement	364,000	364,000
Settlement payable	1,333,355	1,333,355
Compensated Absences	711,362	667,297
	\$ 69,573,676	\$ 63,914,053
Business-type Activities:		
Water Fund:		
2021 State Revolving Fund Loan	\$ 1,975,932	\$ 41,000
2019A Water Revenue Bonds	8,895,000	8,965,000
Add: Bond Premium	497,934	517,461
2019B Water Revenue Refunding Bonds	5,660,000	5,930,000
Add: Bond Premium	734,254	762,768
Compensated Absences	158,735	137,690
	17,921,855	16,353,919
Sewer Fund:		
2009 Sewer Revenue Bonds	-	90,000
2017 Sewer Refunding Revenue Bonds	2,478,400	2,511,000
2008 State Revolving Fund loan	311,135	358,490
2021 State Revolving Fund loan	1,397,532	621,907
Banc of America loan	1,128,267	1,221,057
CEC loan	942,116	1,145,765
Patterson Ranch Development Settlement	1,123,211	1,123,211
Compensated Absences	190,396	177,944
	7,571,057	7,249,374
Garbage Fund:		
Compensated Absences	51,659	46,958
	51,659	46,958
Total business-type activities	\$ 25,544,571	\$ 23,650,251

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

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

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 remains focused on several new businesses interested in the City's 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 Love's Travel Center, Valero Gas Station, Grocery Outlet, and other interested business.

The City's new water, sewer, and garbage rates approved in the last few years will provide stable enterprise funding for infrastructure maintenance in these areas.

Our budget provides for a continuation of high levels of services, capital improvement projects, and continued funds to further improve the City and maintain public safety staffing, and develop new programs to enhance community quality of life for our residents.

Next Year's Budget

The following factors were taken into consideration during the preparation of the City's budget for the fiscal year 2024-2025:

- The increase in unemployment rate in our local economy. Although the fourth year of the pandemic has shown signs of recovery in our local economy, the unemployment rate in Stanislaus County was at 6.8%, according to California EDD's new release, as of December 2024, a .1% higher than a year ago.
- The continued rising costs of consumer goods across the nation. According to the US Bureau of Labor Statistics, the annual inflation rate, as measured by the Consumer Price Index (CPI), increased by 3.0 percent for the last 12 months ending December 2024 across all sectors, before seasonal adjustment. The all items less food and energy index rose 3.3 percent over the last 12 months. The food and energy increased by 2.5 percent and 3.3 percent for the 12 months, respectively.
- The expected increase in commercial and residential developments, which will contribute to increases in major revenue sources such as building permits, property tax and sales tax.
- The availability of both Federal and State grants and State Revolving Fund Loan (SRF).
- The remaining American Rescue Plan Act (ARPA) spending plan which will help the City to respond, rebuild and recover from the pandemic and focus on economic recovery, stabilizing the government, and uplifting our communities.
- The increase of California's minimum wage to \$16 per hour for all employers starting on January 1, 2024.
- The accumulation of Measure L revenue received provides the funding source for street projects that are being carefully planned to begin upon the completion of various underground capital pipeline projects.
- During the water rate study, the City has incorporated the 5-year long range Capital Improvement Plan. The City will begin replacing the water mains and service lines on the southside of the old town (WM-6B) and the water mains and service lines in the downtown commercial area (WM-6A) to enhance and improve the quality of our community's sewer infrastructure and continue with Water Meter replacement project (WM-19B) of changing out 6,500 meters and 1,000 meter boxes which is nearly complete.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2024

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 of the 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, 2024

ASSETS	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Current assets:			
Cash and investments	\$ 53,250,193	\$ 5,796,647	\$ 59,046,840
Restricted cash and investments	3,620,607	408,615	4,029,222
Accounts receivable	376,479	2,272,511	2,648,990
Intergovernmental receivable	3,957,962	28,028	3,985,990
Interest receivable	449,358	60,471	509,829
Lease receivable - current	18,756	16,091	34,847
Internal balances	-	-	-
Due from Fiduciary Funds	4,552,336	-	4,552,336
Prepaid items	501,210	16,770	517,980
Total current assets	66,726,901	8,599,133	75,326,034
Noncurrent assets:			
Cash and investments with fiscal agents	5,023,043	11,279,966	16,303,009
Investments held in trust	55,869,678	-	55,869,678
Lease receivable - noncurrent	154,559	2,902	157,461
Notes and loans receivable	1,612,635	-	1,612,635
Capital assets:			
Non-depreciable	11,774,738	16,129,837	27,904,575
Depreciable and amortizable, net	60,863,709	44,309,347	105,173,056
Capital assets, net	72,638,447	60,439,184	133,077,631
Total noncurrent assets	135,298,362	71,722,052	207,020,414
Total assets	202,025,263	80,321,185	282,346,448
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	287,983	287,983
OPEB-related deferred outflows of resources	1,403,127	650,271	2,053,398
Pension-related deferred outflows of resources	5,024,863	1,975,757	7,000,620
Total deferred outflows of resources	6,427,990	2,914,011	9,342,001

City of Patterson
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	1,548,768	649,100	2,197,868
Accrued liabilities	398,149	7,382	405,531
Accrued interest payable	1,092,327	72,777	1,165,104
Unearned revenue	4,554,340	114,432	4,668,772
Deposits payable	5,313,481	112,071	5,425,552
Compensated absences - due within one year	711,362	400,790	1,112,152
Long-term debt - due within one year	2,819,982	913,443	3,733,425
Total current liabilities	16,438,409	2,269,995	18,708,404
Noncurrent liabilities:			
Long-term debt - due in more than one year	66,042,332	24,230,338	90,272,670
Net OPEB liability	5,994,307	2,023,173	8,017,480
Aggregate net pension liability	9,670,543	3,743,553	13,414,096
Total noncurrent liabilities	81,707,182	29,997,064	111,704,246
Total liabilities	98,145,591	32,267,059	130,412,650
DEFERRED INFLOWS OF RESOURCES			
Lease-related deferred inflows of resources	173,314	18,993	192,307
OPEB-related deferred inflows of resources	4,976,963	2,936,181	7,913,144
Pension-related deferred inflows of resources	14,005	-	14,005
Total deferred inflows of resources	5,164,282	2,955,174	8,119,456
NET POSITION			
Net investment in capital assets	67,129,360	48,241,694	115,371,054
Restricted for:			
Special programs	28,261,493	-	28,261,493
Capital projects	-	2,620,013	2,620,013
Debt service	-	599,794	599,794
Total restricted	28,261,493	3,219,807	31,481,300
Unrestricted (deficit)	9,752,527	(3,448,538)	6,303,989
Total net position	\$ 105,143,380	\$ 48,012,963	\$ 153,156,343

City of Patterson
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 7,749,472	\$ 369,569	\$ 837,465	\$ -
Police	7,117,215	163,852	186,159	-
Fire	7,115,407	2,944,815	614,717	-
Community development and planning	2,314,006	2,815,452	1,947,353	-
Public works	6,537,838	3,189,913	1,847,919	3,905,516
Parks and recreation	4,312,372	1,451,244	128,084	543,707
Interest and fiscal charges	3,611,271	-	-	-
Total governmental activities	<u>38,757,581</u>	<u>10,934,845</u>	<u>5,561,697</u>	<u>4,449,223</u>
Business-type Activities:				
Water	6,643,380	7,671,454	-	305,916
Sewer	7,518,474	6,335,105	-	572,351
Garbage	4,116,413	4,564,116	-	97,147
Total business-type activities	<u>18,278,267</u>	<u>18,570,675</u>	<u>-</u>	<u>975,414</u>
Total primary government	<u>\$ 57,035,848</u>	<u>\$ 29,505,520</u>	<u>\$ 5,561,697</u>	<u>\$ 5,424,637</u>

City of Patterson
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (6,542,438)	\$ -	\$ (6,542,438)
Police	(6,767,204)	-	(6,767,204)
Fire	(3,555,875)	-	(3,555,875)
Community development and planning	2,448,799	-	2,448,799
Public works	2,405,510	-	2,405,510
Parks and recreation	(2,189,337)	-	(2,189,337)
Interest and fiscal charges	(3,611,271)	-	(3,611,271)
Total governmental activities	(17,811,816)	-	(17,811,816)
Business-type Activities:			
Water	-	1,333,990	1,333,990
Sewer	-	(611,018)	(611,018)
Garbage	-	544,850	544,850
Total business-type activities	-	1,267,822	1,267,822
Total primary government	(17,811,816)	1,267,822	(16,543,994)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes	8,141,486	-	8,141,486
Sales taxes	14,549,483	-	14,549,483
Franchise taxes	241,771	-	241,771
Other taxes	271,762	-	271,762
Total taxes	23,204,502	-	23,204,502
Investment earnings	4,647,090	797,750	5,444,840
Revenue from Fiduciary Fund	2,409,468	135,683	2,545,151
Miscellaneous	818,875	59,799	878,674
Transfers	2,723,338	(2,723,338)	-
Total general revenues and transfers	33,803,273	(1,730,106)	32,073,167
Changes in net position	15,991,457	(462,284)	15,529,173
Net Position:			
Beginning of year	89,151,923	48,475,247	137,627,170
End of year	\$ 105,143,380	\$ 48,012,963	\$ 153,156,343

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

**City of Patterson
Balance Sheet
Governmental Funds
June 30, 2024**

	Major Funds		
	General Fund	CFD 2003-1 Public Safety/ Fire Protection Services Fund	Patterson Public Financing Authority
ASSETS			
Cash and investments	\$ 17,574,179	\$ -	\$ 928,197
Restricted cash and investments	3,620,607	-	-
Cash and investments with fiscal agents	-	-	5,023,043
Investments held in trust	-	-	55,869,678
Receivables:			
Accounts	376,479	-	-
Intergovernmental	3,291,994	51,698	-
Interest	106,075	-	4,581
Notes and loans	16,632	-	-
Lease	170,660	-	-
Due from other funds	4,864,853	-	-
Due from Fiduciary Funds	4,552,336	-	-
Prepaid items	249,161	4,623	247,426
Total assets	\$ 34,822,976	\$ 56,321	\$ 62,072,925
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES:			
Accounts payable	\$ 1,309,274	\$ 9,795	\$ 10,301
Accrued liabilities	378,650	19,499	-
Due to other funds	-	4,286,223	385,057
Unearned revenue	3,418,654	-	-
Deposit and other liabilities	5,239,631	-	-
Total liabilities	10,346,209	4,315,517	395,358
DEFERRED INFLOWS OF RESOURCES:			
Lease-related deferred inflows of resources	170,660	-	-
Unavailable revenue	39,414	-	-
Total deferred inflows of resources	210,074	-	-
FUND BALANCES:			
Nonspendable	249,161	4,623	247,426
Restricted	624,198	-	61,430,141
Committed	10,759,106	-	-
Assigned	7,449,656	-	-
Unassigned (deficit)	5,184,572	(4,263,819)	-
Total fund balances (deficit)	24,266,693	(4,259,196)	61,677,567
Total liabilities, deferred inflows of resource, and fund balances	\$ 34,822,976	\$ 56,321	\$ 62,072,925

City of Patterson
Balance Sheet (Continued)
Governmental Funds
June 30, 2024

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 34,747,817	\$ 53,250,193
Restricted cash and investments	-	3,620,607
Cash and investments with fiscal agents	-	5,023,043
Investments held in trust	-	55,869,678
Receivables:		
Accounts	-	376,479
Intergovernmental	614,270	3,957,962
Interest	338,702	449,358
Notes and loans	1,596,003	1,612,635
Lease	2,655	173,315
Due from other funds	-	4,864,853
Due from Fiduciary Funds	-	4,552,336
Prepaid items	-	501,210
Total assets	\$ 37,299,447	\$ 134,251,669
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ 219,398	\$ 1,548,768
Accrued liabilities	-	398,149
Due to other funds	193,573	4,864,853
Unearned revenue	1,135,686	4,554,340
Deposit and other liabilities	73,850	5,313,481
Total liabilities	1,622,507	16,679,591
DEFERRED INFLOWS OF RESOURCES:		
Lease-related deferred inflows of resources	2,654	173,314
Unavailable revenue	1,627,625	1,667,039
Total deferred inflows of resources	1,630,279	1,840,353
FUND BALANCES:		
Nonspendable	-	501,210
Restricted	19,814,903	81,869,242
Committed	14,550,061	25,309,167
Assigned	-	7,449,656
Unassigned (deficit)	(318,303)	602,450
Total fund balances (deficit)	34,046,661	115,731,725
Total liabilities, deferred inflows of resource, and fund balances	\$ 37,299,447	\$ 134,251,669

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City of Patterson
Reconciliation of the Governmental Funds
Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2024

Total fund balances of governmental funds	\$ 115,731,725
 Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds.	72,638,447
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	5,024,863
Pension-related deferred inflows of resources	(14,005)
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	1,403,127
OPEB-related deferred inflows of resources	(4,976,963)
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.	(1,092,327)
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.	1,667,039
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	(68,862,314)
Compensated absences	(711,362)
Net OPEB liability	(5,994,307)
Aggregated net pension liability	(9,670,543)
Net position of governmental activities	\$ 105,143,380

City of Patterson
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds		
	General Fund	CFD 2003-1 Public Safety/ Fire Protection Services Fund	Patterson Public Financing Authority
REVENUES:			
Taxes:			
Property	\$ 8,141,486	\$ -	\$ -
Sales	14,549,483	-	-
Franchise	241,771	-	-
Motor vehicle in lieu	-	-	-
Other	271,762	-	-
Licenses, permits, and fees	1,838,710	-	-
Charges for services	1,229,790	1,582,090	-
Intergovernmental:			
Federal grant and subsidies	746,742	-	-
Other governmental	914,096	-	-
Fines, forfeitures and penalties	236,381	-	-
Investment income (loss)	775,210	-	3,168,392
Revenue from Fiduciary Fund	230,000	-	2,102,725
Miscellaneous	587,352	25,412	-
Total revenues	29,762,783	1,607,502	5,271,117
EXPENDITURES:			
Current:			
General government	5,652,942	4,766	753,047
Police	7,054,677	-	-
Fire	3,692,370	2,916,060	-
Community development and planning	2,259,863	-	-
Public works	4,146,556	-	-
Park and recreation	3,488,259	-	-
Capital outlay	3,656,635	72,698	-
Debt service:			
Principal	335,531	-	58,980,959
Interest and fiscal charges	65,888	-	3,218,768
Total expenditures	30,352,721	2,993,524	62,952,774
REVENUES OVER (UNDER) EXPENDITURES	(589,938)	(1,386,022)	(57,681,657)
OTHER FINANCING SOURCES (USES):			
Proceeds from bond issuance	-	-	54,370,000
Bond premium received	-	-	6,617,848
Inception of lease liability	77,971	-	-
Inception of finance purchase agreement	2,857,975	660,000	-
Transfers in	3,837,525	585,000	-
Transfers out	(80,003)	-	-
Total financing sources (uses)	6,693,468	1,245,000	60,987,848
Net change in fund balances	6,103,530	(141,022)	3,306,191
FUND BALANCES (DEFICIT):			
Beginning of year	18,163,163	(4,118,174)	58,371,376
End of year	<u>\$ 24,266,693</u>	<u>\$ (4,259,196)</u>	<u>\$ 61,677,567</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, 2024

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES:		
Taxes:		
Property	\$ -	\$ 8,141,486
Sales	-	14,549,483
Franchise	-	241,771
Motor vehicle in lieu	-	-
Other	-	271,762
Licenses, permits, and fees	6,015,231	7,853,941
Charges for services	4,084,194	6,896,074
Intergovernmental:		
Federal grant and subsidies	278,599	1,025,341
Other governmental	3,589,365	4,503,461
Fines, forfeitures and penalties	-	236,381
Investment income (loss)	965,295	4,908,897
Revenue from Fiduciary Fund	76,743	2,409,468
Miscellaneous	18,739	631,503
Total revenues	<u>15,028,166</u>	<u>51,669,568</u>
EXPENDITURES:		
Current:		
General government	642,464	7,053,219
Police	-	7,054,677
Fire	6,980	6,615,410
Community development and planning	3,529	2,263,392
Public works	208,448	4,355,004
Park and recreation	-	3,488,259
Capital outlay	2,459,947	6,189,280
Debt service:		
Principal	-	59,316,490
Interest and fiscal charges	-	3,284,656
Total expenditures	<u>3,321,368</u>	<u>99,620,387</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>11,706,798</u>	<u>(47,950,819)</u>
OTHER FINANCING SOURCES (USES):		
Proceeds from bond issuance	-	54,370,000
Bond premium received	-	6,617,848
Inception of lease liability	-	77,971
Inception of finance purchase agreement	-	3,517,975
Transfers in	803,049	5,225,574
Transfers out	(2,422,233)	(2,502,236)
Total financing sources (uses)	<u>(1,619,184)</u>	<u>67,307,132</u>
Net change in fund balances	10,087,614	19,356,313
FUND BALANCES (DEFICIT):		
Beginning of year	23,959,047	96,375,412
End of year	<u>\$ 34,046,661</u>	<u>\$ 115,731,725</u>

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, 2024

Net change in fund balances - total governmental funds	\$ 19,356,313
 Amounts reported for governmental activities in the Statement of Activities are different because:	
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. (\$11,575 of the governmental fund capital outlay balance were for repairs and maintenance expenditures).	6,177,705
In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution.	568,563
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.	(3,965,177)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(65,145)
Issuance of long-term liabilities does not provide current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Bonds payable	(54,370,000)
Bond premium	(6,617,848)
Lease liability	(77,971)
Finance purchase agreement	(3,517,975)
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	59,316,490
Amortization of bond discount	(348,254)
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.	21,639
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.	(44,065)
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.	(212,431)
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	237,124
Changes in net pension liabilities	(1,075,554)
Changes in pension related deferred inflows of resources	278,309
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	(76,025)
Changes in net OPEB liabilities	(246,958)
Changes in OPEB related deferred inflows of resources	652,717
 Change in net position of governmental activities	 <u><u>\$ 15,991,457</u></u>

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Patterson
Statement of Net Position
Proprietary Funds
June 30, 2024

ASSETS	Major Funds			Total
	Water	Sewer	Garbage	
Current assets:				
Cash and investments	\$ 3,684,181	\$ 547,488	\$ 1,564,978	\$ 5,796,647
Restricted cash and investments	-	408,615	-	408,615
Accounts receivable	917,272	845,489	509,750	2,272,511
Intergovernmental receivable	110	5,813	22,105	28,028
Interest receivable	40,357	7,146	12,968	60,471
Lease receivable - current	-	16,091	-	16,091
Advances from other funds - current	146,438	-	-	146,438
Prepaid items	7,143	7,593	2,034	16,770
Total current assets	4,795,501	1,838,235	2,111,835	8,745,571
Noncurrent assets:				
Cash and investments with fiscal agents	11,126,482	153,484	-	11,279,966
Lease receivable - noncurrent	-	2,902	-	2,902
Advances from other funds - noncurrent	1,310,434	-	-	1,310,434
Capital assets:				
Non-depreciable	10,346,207	5,783,630	-	16,129,837
Depreciable/amortizable, net	19,835,347	24,171,045	302,955	44,309,347
Capital assets, net	30,181,554	29,954,675	302,955	60,439,184
Total noncurrent assets	42,618,470	30,111,061	302,955	73,032,486
Total assets	47,413,971	31,949,296	2,414,790	81,778,057
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	140,219	147,764	-	287,983
OPEB-related deferred outflows of resources	272,189	304,123	73,959	650,271
Pension-related deferred outflows of resources	822,861	819,114	333,782	1,975,757
Total deferred outflows of resources	1,235,269	1,271,001	407,741	2,914,011
LIABILITIES				
Current liabilities:				
Accounts payable	264,216	203,064	181,820	649,100
Accrued liabilities	4,891	2,337	154	7,382
Deposits payable	112,071	-	-	112,071
Unearned revenue	-	739	113,693	114,432
Accrued interest	53,856	18,921	-	72,777
Compensated absences - due within one year	158,735	190,396	51,659	400,790
Advances to other funds - due within one year	-	146,438	-	146,438
Long-term liabilities - due within one year	355,000	558,443	-	913,443
Total current liabilities	948,769	1,120,338	347,326	2,416,433
Noncurrent liabilities:				
Advances to other funds - due in more than one year	-	1,310,434	-	1,310,434
Long-term liabilities - due in more than one year	17,408,120	6,822,218	-	24,230,338
Net OPEB liability	1,010,635	871,002	141,536	2,023,173
Aggregate net pension liability	1,559,111	1,552,011	632,431	3,743,553
Total noncurrent liabilities	19,977,866	10,555,665	773,967	31,307,498
Total liabilities	20,926,635	11,676,003	1,121,293	33,723,931
DEFERRED INFLOWS OF RESOURCES				
Lease-related deferred inflows of resources	-	18,993	-	18,993
OPEB-related deferred inflows of resources	1,200,330	1,419,645	316,206	2,936,181
Total deferred inflows of resources	1,200,330	1,438,638	316,206	2,955,174
NET POSITION				
Net investment in capital assets	23,685,135	23,130,393	302,955	47,118,483
Restricted:				
Capital projects	2,620,013	-	-	2,620,013
Debt service	446,310	153,484	-	599,794
Total restricted	3,066,323	153,484	-	3,219,807
Unrestricted (deficit)	(229,183)	(3,178,221)	1,082,077	(2,325,327)
Total net position	\$ 26,522,275	\$ 20,105,656	\$ 1,385,032	\$ 48,012,963

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, 2024

	Major Funds			Total
	Water	Sewer	Garbage	
OPERATING REVENUES:				
Charges for services	\$ 7,387,299	\$ 6,189,753	\$ 4,402,978	\$ 17,980,030
Fees, fines, and penalties	284,155	145,352	161,138	590,645
Miscellaneous	33,925	25,874	-	59,799
Total operating revenues	7,705,379	6,360,979	4,564,116	18,630,474
OPERATING EXPENSES:				
Salaries and benefits	3,027,886	3,266,184	1,323,796	7,617,866
Contractual and professional services	207,482	481,542	2,326,217	3,015,241
Supplies and operating costs	1,676,413	1,521,645	415,594	3,613,652
Depreciation	1,210,702	2,052,579	50,806	3,314,087
Total operating expenses	6,122,483	7,321,950	4,116,413	17,560,846
OPERATING INCOME (LOSS)	1,582,896	(960,971)	447,703	1,069,628
NONOPERATING REVENUES (EXPENSES):				
Revenue from Fiduciary Fund	-	135,683	-	135,683
Capital grants and contributions	305,916	572,351	97,147	975,414
Investment income	716,550	36,648	44,552	797,750
Interest expense	(520,897)	(196,524)	-	(717,421)
Total nonoperating revenues (expenses)	501,569	548,158	141,699	1,191,426
INCOME (LOSS) BEFORE TRANSFERS	2,084,465	(412,813)	589,402	2,261,054
TRANSFERS				
Transfers in	181	172,808	-	172,989
Transfers out	(1,219,859)	(887,262)	(789,206)	(2,896,327)
Total Transfers	(1,219,678)	(714,454)	(789,206)	(2,723,338)
CHANGES IN NET POSITION	864,787	(1,127,267)	(199,804)	(462,284)
NET POSITION:				
Beginning of year	25,657,488	21,232,923	1,584,836	48,475,247
End of year	<u>\$ 26,522,275</u>	<u>\$ 20,105,656</u>	<u>\$ 1,385,032</u>	<u>\$ 48,012,963</u>

City of Patterson
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Major Funds			Total
	Water	Sewer	Garbage	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 7,580,890	\$ 6,305,067	\$ 4,630,430	\$ 18,516,387
Cash paid to suppliers	(2,325,196)	(2,051,793)	(2,763,662)	(7,140,651)
Cash paid to employees	(2,968,805)	(3,241,939)	(1,290,802)	(7,501,546)
Other	33,925	25,874	-	59,799
Net cash provided by operating activities	2,320,814	1,037,209	575,966	3,933,989
Cash Flows from Noncapital Financing Activities:				
Advances between funds	143,128	(143,128)	-	-
Revenue from Fiduciary Fund	-	135,683	-	135,683
Transfers in	181	172,808	-	172,989
Transfers out	(1,219,859)	(887,262)	(789,206)	(2,896,327)
Net cash provided by (used in) noncapital financing activities	(1,076,550)	(721,899)	(789,206)	(2,587,655)
Cash Flows from Capital and Related Financing Activities:				
Capital grants	-	-	97,147	97,147
Capital contributions from developers and others	305,916	572,351	-	878,267
Acquisition and construction of capital assets	(3,638,717)	(1,233,834)	(190,338)	(5,062,889)
Proceeds from issuance of debt	1,934,932	775,625	-	2,710,557
Principal paid on revenue bonds and loan	(340,000)	(466,394)	-	(806,394)
Interest paid on capital debt	(520,997)	(188,618)	-	(709,615)
Net cash provided by (used in) capital and related financing activities	(2,258,866)	(540,870)	(93,191)	(2,892,927)
Cash Flows from Investing Activities:				
Interest	690,362	34,100	34,593	759,055
Net cash provided by investing activities	690,362	34,100	34,593	759,055
Net increase (decrease) in cash and cash equivalents	(324,240)	(191,460)	(271,838)	(787,538)
Cash and Cash Equivalents:				
Beginning of year	15,134,903	1,301,047	1,836,816	18,272,766
End of year	<u>\$ 14,810,663</u>	<u>\$ 1,109,587</u>	<u>\$ 1,564,978</u>	<u>\$ 17,485,228</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:				
Cash and investment	\$ 3,684,181	\$ 547,488	\$ 1,564,978	\$ 5,796,647
Restricted cash and investments	-	408,615	-	408,615
Cash and investments with fiscal agent	11,126,482	153,484	-	11,279,966
Total cash and investment	<u>\$ 14,810,663</u>	<u>\$ 1,109,587</u>	<u>\$ 1,564,978</u>	<u>\$ 17,485,228</u>

City of Patterson
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Major Funds			Total
	Water	Sewer	Garbage	
Reconciliation of Operating Income (Loss) to				
Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 1,582,896	\$ (960,971)	\$ 447,703	\$ 1,069,628
Adjustments to reconcile operating income (loss) to				
net cash provided by operating activities:				
Depreciation expense	1,210,702	2,052,579	50,806	3,314,087
Change in assets and liabilities:				
Accounts receivable	(79,810)	(24,225)	(34,672)	(138,707)
Intergovernmental receivable	46	(5,813)	(12,707)	(18,474)
Lease receivable	-	24,420	-	24,420
Prepaid items	2,275	(1,194)	(424)	657
OPEB-related deferred outflows of resources	18,494	19,786	9,715	47,995
Pension-related deferred outflows of resources	(40,457)	(15,388)	(46,856)	(102,701)
Accounts payable	(443,576)	(47,412)	(21,427)	(512,415)
Accrued liabilities	1,694	1,289	(964)	2,019
Deposits payable	(10,800)	-	-	(10,800)
Unearned revenue	-	-	113,693	113,693
Compensated absences	21,045	12,452	4,701	38,198
Net OPEB liability	60,077	64,272	31,559	155,908
Aggregate net pension liability	178,767	134,051	126,227	439,045
Lease-related deferred inflows of resources	-	(24,420)	-	(24,420)
OPEB-related deferred inflows of resources	(158,785)	(169,870)	(399,616)	(728,271)
Pension-related deferred inflows of resources	(21,754)	(22,347)	308,228	264,127
Total adjustments	737,918	1,998,180	128,263	2,864,361
Net cash provided by (used in) operating activities	\$ 2,320,814	\$ 1,037,209	\$ 575,966	\$ 3,933,989

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FIDUCIARY FUNDS FINANCIAL STATEMENTS

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City of Patterson
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds
ASSETS	
Cash and investments	\$ 8,401,756
Restricted cash and investments	186,219
Cash and investments with fiscal agents	25,117,034
Intergovernmental receivable	262,118
Interest receivable	103,748
Notes receivable	956,413
Total assets	35,027,288
LIABILITIES	
Accounts payable	10,009
Due to City	4,552,336
Total liabilities	4,562,345
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	30,464,943
Total net position	\$ 30,464,943

City of Patterson
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds
ADDITIONS:	
Special assessments for other governments	\$ 7,984,246
Investment income	1,115,547
Proceeds from issuance of bonds	10,958,090
Total additions	20,057,883
DEDUCTIONS:	
Administration	6,072,987
Payments on conduit bonds - principal	2,126,812
Payments on conduit bonds - interest	4,696,721
Projects payments	73,353
Contributions to City	2,545,150
Total deductions	15,515,023
Change in net position	4,542,860
NET POSITION:	
Beginning of year	25,922,083
End of period	\$ 30,464,943

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Patterson
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For the Year Ended June 30, 2024

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City of Patterson
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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. Fiduciary fund types are accounted for according to the nature of the fund. Fiduciary fund types are accounted for according to the nature of the fund. 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. They are also used to account 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. 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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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. For the governmental activities, net pension liability is generally liquidated by the General Fund.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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. For the governmental activities, net OPEB liability is generally liquidated by the General Fund.

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, 2024

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, 2024

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, 2024

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2024. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

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. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2024.

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. 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*. This Statement requires a government 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. Additionally, this Statement 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.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. Application of this statement is effective for the City’s fiscal year ending June 30, 2026.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2024:

	<u>Primary Government</u>		<u>Fiduciary</u>	<u>Total</u>
	<u>Governmental</u>	<u>Business-type</u>		
	<u>Activities</u>	<u>Activities</u>	<u>Funds</u>	
Cash and investments	\$ 53,250,193	\$ 5,796,647	\$ 8,401,756	\$ 67,448,596
Restricted cash and investments	3,620,607	408,615	186,219	4,215,441
Cash and investments with fiscal agents	5,023,043	11,279,966	25,117,034	41,420,043
Investments held in trust	55,869,678	-	-	55,869,678
Total cash and investments	<u>\$ 117,763,521</u>	<u>\$ 17,485,228</u>	<u>\$ 33,705,009</u>	<u>\$ 168,953,758</u>

Cash, cash equivalents, and investments, consisted of the following at June 30, 2024:

Cash and cash equivalents:	
Cash on hand	\$ 1,245
Deposits with financial institutions	4,874,672
Total cash and cash equivalents	<u>4,875,917</u>
Investments:	
Local obligation bonds	55,869,678
Money market mutual funds	41,415,832
Central San Joaquin Valley Risk Authority	3,992,340
Investments Held in Section 115 Trust	3,620,607
Local Agency Investment Fund (LAIF)	59,179,384
Total investments	<u>164,077,841</u>
Total cash and investments	<u>\$ 168,953,758</u>

A. Cash Deposits

The carrying amounts of the City's demand deposits were \$4,874,672 at June 30, 2024. 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.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

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.

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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

C. 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, 2024:

	Fair Value	Maturity			Thereafter
		12 Months or Less	1-5 Years	6-10 Years	
Investments:					
Local obligation bonds	\$ 55,869,678	\$ 256,784	\$ 622,556	\$ -	\$ 54,990,338
Money market mutual funds	41,415,832	41,415,832	-	-	-
Central San Joaquin Valley Risk Authority	3,992,340	3,992,340	-	-	-
Investments Held in Section 115 Trust	3,620,607	3,620,607	-	-	-
Local Agency Investment Fund (LAIF)	59,179,384	59,179,384	-	-	-
Total investments	\$ 164,077,841	\$ 108,464,947	\$ 622,556	\$ -	\$ 54,990,338

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 Rating	S&P	Moody's
Investments:				
Local obligation bonds	\$ 55,869,678	N/A	Not rated	Not rated
Money market mutual funds	41,415,832	N/A	AAAm	Aaa-mf
Central San Joaquin Valley Risk Authority	3,992,340	N/A	Not rated	Not rated
Investments Held in Section 115 Trust	3,620,607	N/A	Not rated	Not rated
Local Agency Investment Fund (LAIF)	59,179,384	N/A	Not rated	Not rated
Total investments	\$ 164,077,841			

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, 2024:

Issuer	Investment Type	Amount
West Patterson Financing Authority	Local obligation bonds	\$ 55,869,678

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

C. 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.

D. Fair Value Measurement

The City’s investments at June 30, 2024, categorized within the fair value hierarchy as described in Notre 1C are as follows:

Investments measured by fair value level:	June 30, 2024	Level 1	Level 2	Level 3
Central San Joaquin Valley Risk Authority (CSJVRMA)	\$ 3,992,340	\$ -	\$ 3,992,340	\$ -
Total investments by fair value level	<u>3,992,340</u>	<u>\$ -</u>	<u>\$ 3,992,340</u>	<u>\$ -</u>
Investments not subject to the fair value hierarchy:				
Local obligation bonds	55,869,678			
Investments Held in Section 115 Trust	3,620,607			
Local Agency Investment Funds (LAIF)	59,179,384			
Money market mutual funds	<u>41,415,832</u>			
Total investments not subject to the fair value hierarchy	<u>160,085,501</u>			
Total investments	<u>\$ 164,077,841</u>			

E. 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, 2024 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, 2024, the City had \$59,179,384 invested in LAIF, which had invested 1.40% 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, 2024, 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, 2024.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Cash and Investments (Continued)

F. 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, 2024, this account was valued at \$3,992,340. The City received an average yield of 0.01% for the fiscal year ended June 30, 2024 on this investment. The City’s investment in CSJVRMA is reported at amortized cost.

G. Investments Held in Public Agencies Retirement Services (PARS) Trust

During the year ended June 30, 2022, the City established an irrevocable trust with PARS for the purpose of accumulating additional resources restricted for retirement benefits. PARS is the trust administrator while the City, as the plan administrator, is responsible to provide direction on the usage and distribution of the funds held in the PARS Trust. At June 30, 2024, the total amount accumulated in the Section 115 Trust was \$3,620,607.

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, 2024, the City recognized \$20,002 in lease revenue and \$3,453 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

	Balance			Balance June 30, 2024	Classification	
	July 1, 2023	Additions	Deletions		Due within One Year	Due in More Than One Year
Leases receivable	\$ 193,317	\$ -	\$ (20,002)	\$ 173,315	\$ 18,756	\$ 154,559

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Lease Receivable (Continued)

A. Governmental Activities (Continued)

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
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	19,334	1,750	21,084
2030-2032	82,805	2,948	85,753
Total	\$ 173,315	\$ 15,089	\$ 188,404

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2025	\$ 18,756
2026	16,407
2027	17,037
2028	18,976
2029	19,334
2030-2032	82,804
Total	\$ 173,314

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, 2024, the City recognized \$24,420 in lease revenue and \$605 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

	Balance			Balance	Classification	
	July 1, 2023			Additions	Deletions	June 30, 2024
Leases receivable	\$ 43,413	\$ -	\$ (24,420)	\$ 18,993	\$ 16,091	\$ 2,902

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 16,091	\$ 162	\$ 16,253
2026	1,735	40	1,775
2027	1,167	7	1,174
Total	\$ 18,993	\$ 209	\$ 19,202

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Lease Receivable (Continued)

B. Business-Type Activities (Continued)

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2025	\$ 16,091
2026	1,735
2027	1,167
Total	\$ 18,993

Note 4 – Loans 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 2024.

Summary of changes in loans and notes receivable for the year ended June 30, 2024 is as follows:

	Loans and Notes Receivable			Loans and Notes	Unavailable
	Balance			Receivable	Revenue
	July 1, 2023	Additions	Deletions	Balance June 30, 2024	Balance June 30, 2024
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	464,884	-	(42,249)	422,635	422,635
Total loans and notes receivable	\$ 1,654,884	\$ -	\$ (42,249)	\$ 1,612,635	\$ 1,612,635

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, 2024

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, 2024 was \$422,635. The balance of these loans have been offset by deferred inflows of resources in the amount of \$422,635 in the financial statements.

B. Fiduciary Fund

Notes receivable as of June 30, 2024, was as follows:

	Balance	Additions	Deletions	Balance
	July 1, 2023			June 30, 2024
Darron Silva Promissory Note	\$ 975,361	\$ -	\$ (18,948)	\$ 956,413
Total notes receivable	\$ 975,361	\$ -	\$ (18,948)	\$ 956,413

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, 2024 was \$956,413.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Interfund Transactions

A. Due From and To Other Funds

Due from and to other funds as of June 30, 2024, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	CFD 2003-1 Public Safety/Fire Protection Services Special Revenue Fund	\$ 4,286,223	Overdrawn Cash
General Fund	Patterson Public Financing Authority Debt Service Fund	385,057	Overdrawn Cash
General Fund	Federal CDBG Grant Special Revenue Fund	193,573	Overdrawn Cash
	Total	\$ 4,864,853	

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, 2024, the outstanding balance of the agreement was \$1,456,872.

The annual requirements to amortize the loan are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	161,558	18,786	180,344
2030-2033	686,834	34,543	721,377
Total	\$ 1,456,872	\$ 166,226	\$ 1,623,098

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Interfund Transactions (Continued)

C. Transfers In and Out

Transfers in and out for the year ended June 30, 2024, 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	1,123,430	Administration
General Fund	Benefit Assessment Districts Special Revenue Fund	27,132	Administration
General Fund	Community Facility Impact Fee Capital Projects Fund	4,000	Indirect overhead
General Fund	Water Enterprise Fund	806,495	Indirect overhead
General Fund	Sewer Enterprise Fund	887,262	Indirect overhead
General Fund	Garbage Enterprise Fund	689,206	Indirect overhead
	Subtotal	<u>3,837,525</u>	
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
	Subtotal	<u>585,000</u>	
Street Project Capital Projects Fund	General Fund	3,792	Capital projects
Street Project Capital Projects Fund	Measure L Special Revenue Fund	133,188	Capital projects
	Local Transportation Fund Non Motorized Special Revenue Fund	200	Capital projects
Street Project Capital Projects Fund	Local Transportation Fund Special Revenue Fund	20,000	Capital projects
Street Project Capital Projects Fund	Gas Tax Special Revenue Fund	55,762	Capital projects
Street Project Capital Projects Fund	Street Improvement Impact Fee Capital Projects Fund	76,743	Capital projects
Street Project Capital Projects Fund	Garbage Enterprise Fund	100,000	Capital projects
	Subtotal	<u>389,685</u>	
Sewer Enterprise Fund	General Fund	76,211	Debt service
Sewer Enterprise Fund	Benefit Assessment Districts Special Revenue Fund	86,597	Administration
Sewer Enterprise Fund	CFD 2013-1 Special Revenue Fund	10,000	Capital projects
	Subtotal	<u>172,808</u>	
Water Fund	Measure L Special Revenue Fund	181	Indirect overhead
Measure L Special Revenue Fund	Water Fund	413,364	Indirect overhead
	Total	<u>\$ 5,398,563</u>	

Note 6 – Due from Fiduciary Funds

Due from fiduciary funds as of June 30, 2024, 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	\$ 47,815	Overdrawn Cash
General Fund	CFD 2018-1 VOP Infrastructure Custodial Fund	4,504,521	Overdrawn Cash
	Total	<u>\$ 4,552,336</u>	

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2024
Capital assets, not being depreciated					
Land	\$ 5,459,235	\$ -	\$ -	\$ -	\$ 5,459,235
Construction in progress	9,739,792	4,531,491	(65,145)	(7,890,635)	6,315,503
Total capital assets, not being depreciated	<u>15,199,027</u>	<u>4,531,491</u>	<u>(65,145)</u>	<u>(7,890,635)</u>	<u>11,774,738</u>
Capital assets being depreciated/amortized:					
Building	24,538,184	-	-	-	24,538,184
Improvements	16,991,017	409,972	-	2,200	17,403,189
Infrastructure	42,179,177	563,563	-	6,261,278	49,004,018
Equipment	7,381,092	1,163,270	(408,137)	1,627,157	9,763,382
Lease assets - buildings and improvements	550,753	77,972	-	-	628,725
Subscription assets	110,022	-	-	-	110,022
Total capital assets being depreciated/amortized	<u>91,750,245</u>	<u>2,214,777</u>	<u>(408,137)</u>	<u>7,890,635</u>	<u>101,447,520</u>
Less accumulated depreciation/amortization for:					
Building	(8,508,244)	(613,840)	-	-	(9,122,084)
Improvements	(10,598,593)	(851,762)	-	-	(11,450,355)
Infrastructure	(11,459,957)	(1,707,376)	-	-	(13,167,333)
Equipment	(6,367,747)	(569,846)	408,137	-	(6,529,456)
Lease assets - buildings and improvements	(39,420)	(169,543)	-	-	(208,963)
Subscription assets	(52,810)	(52,810)	-	-	(105,620)
Total accumulated depreciation/amortization	<u>(37,026,771)</u>	<u>(3,965,177)</u>	<u>408,137</u>	<u>-</u>	<u>(40,583,811)</u>
Total capital assets, being depreciated/amortized, net	<u>54,723,474</u>	<u>(1,750,400)</u>	<u>-</u>	<u>7,890,635</u>	<u>60,863,709</u>
Total capital assets, net	<u>\$ 69,922,501</u>	<u>\$ 2,781,091</u>	<u>\$ (65,145)</u>	<u>\$ -</u>	<u>\$ 72,638,447</u>

Governmental activities depreciation and amortization expenses for capital assets for the year ended June 30, 2024 are as follows:

General government	\$ 578,854
Fire	460,457
Public works	2,173,768
Park and recreation	752,098
Total depreciation/amortization	<u>\$ 3,965,177</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2024
Capital assets, not being depreciated					
Land	\$ 7,455,922	\$ -	\$ -	\$ -	\$ 7,455,922
Construction in progress	12,211,807	2,150,560	-	(5,688,452)	8,673,915
Total capital assets, not being depreciated	19,667,729	2,150,560	-	(5,688,452)	16,129,837
Capital assets, being depreciated					
Building	-	-	-	3,608,900	3,608,900
Infrastructure	76,596,776	357,901	-	1,866,919	78,821,596
Equipment	7,729,204	925,412	-	212,633	8,867,249
Subtotal	84,325,980	1,283,313	-	5,688,452	91,297,745
Less: accumulated depreciation					
Building	-	(30,074)	-	-	(30,074)
Infrastructure	(38,370,744)	(2,830,006)	-	-	(41,200,750)
Equipment	(5,303,567)	(454,007)	-	-	(5,757,574)
Subtotal	(43,674,311)	(3,314,087)	-	-	(46,988,398)
Total capital assets, being depreciated, net	40,651,669	(2,030,774)	-	5,688,452	44,309,347
Total capital assets, net	\$ 60,319,398	\$ 119,786	\$ -	\$ -	\$ 60,439,184

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2024 are as follows:

Water	\$ 1,210,702
Sewer	2,052,579
Garbage	<u>50,806</u>
Total depreciation	<u>\$ 3,314,087</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024 is as follows:

	Original Issuance	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due In More Than One Year
Private Placement:							
PPFA 2013 Heartland Ranch Revenue Bonds	\$ 4,963,568	\$ 1,385,747	\$ -	\$ (470,959)	\$ 914,788	\$ 273,775	\$ 641,013
PPFA 2013 Series A Revenue Bonds	67,190,000	53,265,000	-	(53,265,000)	-	-	-
Less: Bond Discount	(853,389)	(568,849)	-	568,849	-	-	-
PPFA 2013 Series B Revenue Bonds	6,465,000	5,235,000	-	(5,235,000)	-	-	-
PPFA 2023 Series A Special Tax							
Special Revenue Refunding Bonds	54,370,000	-	54,370,000	(10,000)	54,360,000	2,110,000	52,250,000
Less: Bond Premium	6,617,848	-	6,617,848	(220,595)	6,397,253	-	6,397,253
2018 Lease Revenue Bonds	2,429,000	1,753,961	-	(149,510)	1,604,451	154,743	1,449,708
Direct Borrowing:							
Finance purchase agreements	3,517,975	-	3,517,975	-	3,517,975	148,672	3,369,303
Lease liability	498,610	420,639	77,971	(132,637)	365,973	128,273	237,700
Subscription liability	110,020	57,903	-	(53,384)	4,519	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
Total long-term debt	\$147,941,987	\$ 63,246,756	\$ 64,583,794	\$ (58,968,236)	\$ 68,862,314	\$ 2,819,982	\$ 66,042,332

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, 2024, the outstanding balance of the 2013 Heartland Ranch Revenue bonds was \$914,788.

The annual debt service requirements are as follows:

	Year Ending			
	June 30,	Principal	Interest	Total
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	\$	914,788	\$ 61,043	\$ 975,831

PPFA 2013 Series A Revenue 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. The PPFA 2013 Series A Revenue Bonds were refunded with the issuance of the PPFA 2023 Series A Special Tax Revenue Refunding Bonds.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

PPFA 2013 Series B Revenue 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. The PPFA 2013 Series B Revenue Bonds were refunded with the issuance of the PPFA 2023 Series A Special Tax Revenue Refunding Bonds.

PPFA 2023 Series A Special Tax Revenue Refunding Bonds

On August 1, 2023, the Patterson Public Financing Authority issued \$54,370,000 of special tax revenue refunding bonds (Series 2023 A) to refund the 2013 PPFA Series A Bonds and the 2013 PPFA Series B Bonds which had outstanding balances of \$53,265,000 and \$5,235,000, respectively. The bonds were sold with a net original issue premium of \$6,617,848 and costs of issuance of \$1,029,942 (including the underwriter’s discount, the fee for bond insurance and a surety fee for the reserve fund).

Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2024, beginning on March 1, 2024. The interest rates on the bonds range from 2.790 to 3.890 percent. Principal payments are due annually beginning on September 1, 2024. 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, 2024, the outstanding balance of the PPFA 2023 Series A Special Tax Revenue Refunding Bonds was \$54,360,000.

The annual debt service requirements are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2025	\$ 2,110,000	\$ 2,665,250	\$ 4,775,250
2026	2,395,000	2,552,625	4,947,625
2027	2,550,000	2,429,000	4,979,000
2028	2,685,000	2,298,125	4,983,125
2029	2,810,000	2,160,750	4,970,750
2030-2034	16,250,000	8,488,250	24,738,250
2035-2039	20,455,000	3,997,875	24,452,875
2040	5,105,000	127,625	5,232,625
Total	\$ 54,360,000	\$ 24,719,500	\$ 79,079,500

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

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, 2024, the outstanding balance of the 2018 Lease Revenue Bonds was \$1,604,451.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	177,571	31,515	209,086
2030-2033	774,649	61,694	836,343
Total	<u>\$ 1,604,451</u>	<u>\$ 277,322</u>	<u>\$ 1,881,773</u>

Finance Purchase Agreements

The City has entered into various finance purchase agreements for various fire equipment purchases. These lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The finance purchase agreements carry annual interest rates from 5.23 to 6.76 percent with principal and interest payments due bi-annually. The asset acquired under the finance purchase agreement is classified as machinery, equipment and vehicles. The gross value of equipment acquired under finance purchase agreements at June 30, 2024, was \$3,517,975, with an accumulated amortization of \$203,395. The outstanding balance at June 30, 2024, was \$3,517,975.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 148,672	\$ 212,920	\$ 361,592
2026	156,448	205,144	361,592
2027	278,346	196,962	475,308
2028	294,644	180,664	475,308
2029	311,911	163,397	475,308
2030-2034	1,593,807	510,928	2,104,735
2035-2037	734,147	109,089	843,236
Total	<u>\$ 3,517,975</u>	<u>\$ 1,579,104</u>	<u>\$ 5,097,079</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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%. As of June 30, 2024, the capitalized right-to-use assets related to leases were \$550,753 and the total lease liability was \$365,973, of which \$128,273 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements are as follows:

Year Ending	Principal	Interest	Total
June 30,			
2025	\$ 128,273	\$ 4,691	\$ 132,964
2026	129,609	2,196	131,805
2027	73,633	705	74,338
2028	15,483	336	15,819
2029	18,975	102	19,077
Total	<u>\$ 365,973</u>	<u>\$ 8,030</u>	<u>\$ 374,003</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, 2024, the capitalized right-to-use assets related to SBITAs were \$110,022 and the total subscription liability was \$4,519, of which \$4,519 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	Principal	Interest	Total
June 30,			
2025	<u>\$ 4,519</u>	<u>\$ 11</u>	<u>\$ 4,530</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, 2024

Note 8 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Keystone Corporation Settlement (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, 2024, 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, 2024, 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, 2024 is as follows:

	Original Issuance	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year	Due In More Than One Year
Water Fund:							
Public Offering:							
2019A Water Revenue Bonds	\$ 9,215,000	\$ 8,965,000	\$ -	\$ (70,000)	\$ 8,895,000	\$ 75,000	\$ 8,820,000
Add: Bond Premium	-	517,461	-	(19,527)	497,934	-	497,934
2019B Water Revenue Refunding Bonds	7,015,000	5,930,000	-	(270,000)	5,660,000	280,000	5,380,000
Add: Bond Premium	-	762,768	-	(28,514)	734,254	-	734,254
Direct Borrowing:							
2021 State Revolving Fund Loan	4,000,000	41,000	1,934,932	-	1,975,932	-	1,975,932
Total water fund	20,230,000	16,216,229	1,934,932	(388,041)	17,763,120	355,000	17,408,120
Sewer Fund:							
Public Offering:							
2009 Sewer Revenue Bonds	3,195,000	90,000	-	(90,000)	-	-	-
Private Placement:							
2017 Sewer Refunding Revenue Bonds	2,712,200	2,511,000	-	(32,600)	2,478,400	128,700	2,349,700
Direct Borrowing:							
2008 State Revolving Fund loan	774,790	358,490	-	(47,355)	311,135	48,586	262,549
2021 State Revolving Fund Loan	2,084,000	621,907	775,625	-	1,397,532	61,816	1,335,716
Banc of America loan	951,540	1,221,057	-	(92,790)	1,128,267	113,620	1,014,647
CEC loan	2,876,172	1,145,765	-	(203,649)	942,116	205,721	736,395
Patterson Ranch Development Settlement	2,723,211	1,123,211	-	-	1,123,211	-	1,123,211
Total sewer fund	15,316,913	7,071,430	775,625	(466,394)	7,380,661	558,443	6,822,218
Total business-type activities	\$ 35,546,913	\$ 23,287,659	\$ 2,710,557	\$ (854,435)	\$ 25,143,781	\$ 913,443	\$ 24,230,338

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the outstanding balance of the 2019A Water Revenue Bonds was \$8,895,000.

The annual debt service requirements are as follows:

Year Ending				
June 30	Principal	Interest	Total	
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	85,000	298,544		383,544
2030-2034	460,000	1,440,719		1,900,719
2035-2039	555,000	1,345,456		1,900,456
2040-2044	3,415,000	1,032,800		4,447,800
2045-2049	4,080,000	374,400		4,454,400
Total	<u>\$ 8,895,000</u>	<u>\$ 5,716,495</u>	<u>\$</u>	<u>14,611,495</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, 2024

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, 2024, the outstanding balance of the 2019B Sewer Refunding Revenue Bonds was \$5,660,000.

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
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	330,000	178,600	508,600
2030-2034	1,865,000	683,200	2,548,200
2035-2039	2,270,000	279,600	2,549,600
Total	<u>\$ 5,660,000</u>	<u>\$ 1,965,200</u>	<u>\$ 7,625,200</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. 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 2050. At June 30, 2024, the outstanding balance of the State Revolving Fund Loan was \$1,975,932.

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ -	\$ 10,354	\$ 10,354
2026	88,004	23,711	111,715
2027	89,060	22,655	111,715
2028	90,128	21,586	111,714
2029	91,210	20,505	111,715
2030-2034	472,732	85,842	558,574
2035-2039	501,785	56,789	558,574
2040-2044	532,623	25,950	558,573
2050	110,390	1,325	111,715
Total	<u>\$ 1,975,932</u>	<u>\$ 268,717</u>	<u>\$ 2,244,649</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the 2009 Sewer Revenue Bonds were paid in full.

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. At June 30, 2024, the outstanding balance of the 2017 Sewer Refunding Revenue Bonds was \$2,478,400.

The annual debt service requirements are as follows:

Year Ending	Principal	Interest	Total
June 30			
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	149,300	65,770	215,070
2030-2034	815,300	249,907	1,065,207
2035-2039	969,800	101,028	1,070,828
Total	<u>\$ 2,478,400</u>	<u>\$ 726,959</u>	<u>\$ 3,205,359</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the outstanding balance of the State Revolving Fund Loan was \$311,135.

The annual debt service requirements are as follows:

Year Ending				
June 30	Principal	Interest	Total	
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	53,840	2,836	56,676	
2030	55,240	1,436	56,676	
Total	<u>\$ 311,135</u>	<u>\$ 28,917</u>	<u>\$ 340,052</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 (of which \$520,367 was forgiven). 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 2044. At June 30, 2024, the outstanding balance of the State Revolving Fund Loan was \$1,397,532.

The annual debt service requirements are as follows:

Year Ending				
June 30	Principal	Interest	Total	
2024	\$ 61,816	\$ 18,221	\$ 80,037	
2025	62,620	17,417	80,037	
2026	63,434	16,603	80,037	
2027	64,259	15,779	80,038	
2028	65,094	14,943	80,037	
2029-2033	338,386	61,801	400,187	
2034-2038	360,960	39,226	400,186	
2039-2044	380,963	11,068	392,031	
Total	<u>\$ 1,397,532</u>	<u>\$ 195,058</u>	<u>\$ 1,592,590</u>	

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the outstanding balance of the Banc of America Public Capital Loan was \$1,128,267.

Year Ending June 30	Principal	Interest	Total
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>\$ 1,128,267</u>	<u>\$ 130,379</u>	<u>\$ 1,258,646</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, 2024, the outstanding balance of the CEC loan was \$942,116.

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
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	106,782	535	107,317
Total	<u>\$ 942,116</u>	<u>\$ 23,722</u>	<u>\$ 965,838</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, 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, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due Within One Year	Due In More Than One Year
Governmental Activities	\$ 667,297	\$ 625,326	\$ (581,261)	\$ 711,362	\$ 711,362	\$ -

B. Business-Type Activities

Summary of changes in compensated absences for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification	
					Due Within One Year	Due In More Than One Year
Business-Type Activities:						
Water Fund	\$ 137,690	\$ 140,979	\$ (119,934)	\$ 158,735	\$ 158,735	\$ -
Sewer Fund	177,944	156,343	(143,891)	190,396	190,396	-
Garbage Fund	46,958	49,722	(45,021)	51,659	51,659	-
Total business-type activities	\$ 362,592	\$ 347,044	\$ (308,846)	\$ 400,790	\$ 400,790	\$ -

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024 was as follows:

Heartland Ranch Authority Bonds	\$ 879,341
Community Facilities District No. 2013-A1 Special Tax Bonds	28,675,982
Community Facilities District No. 2013-A2 Special Tax Bonds	22,959,348
Community Facilities District No. 2013-B Special Tax Bonds	3,355,009
Community Facilities District No. 2005-1 Business Park Special Tax Bonds	8,920,000
Community Facilities District No. 2015-1 Special Tax Bonds	4,560,000
Community Facilities District No. 2018-1 Special Tax Bonds, Series 2021	4,385,000
Community Facilities District No. 2005-1 Special Tax Bonds, Series 2021	6,770,000
Community Facilities District No. 2018-1 2024 Bonds	<u>10,905,000</u>
Total	<u><u>\$ 91,409,680</u></u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 11 – Fund Balances

At June 30, 2024, fund balances classification is as follows:

	General Fund	CFD 2003-1 Public Safety/ Fire Protection Services Fund	Patterson Public Financing Authority	Other Governmental Funds	Total
Nonspendable:					
Prepaid items	\$ 249,161	\$ 4,623	\$ 247,426	\$ -	\$ 501,210
Total nonspendable	249,161	4,623	247,426	-	501,210
Restricted:					
Debt service	506,268	-	61,430,141	-	61,936,409
Assessment Districts	-	-	-	4,775,782	4,775,782
Grants	117,930	-	-	701,381	819,311
Streets and roads	-	-	-	4,936,092	4,936,092
Measure L	-	-	-	4,238,655	4,238,655
Developer housing in-lieu	-	-	-	2,911,499	2,911,499
Community Facilities Districts	-	-	-	1,051,606	1,051,606
Impact fee	-	-	-	1,199,888	1,199,888
Total restricted	624,198	-	61,430,141	19,814,903	81,869,242
Committed:					
Contingencies	10,759,106	-	-	-	10,759,106
Capital projects	-	-	-	14,550,061	14,550,061
Total committed	10,759,106	-	-	14,550,061	25,309,167
Assigned:					
General government operations	1,118,770	-	-	-	1,118,770
Fund deficits	4,259,197	-	-	-	4,259,197
Encumbrances	1,651,415	-	-	-	1,651,415
OPEB	71,713	-	-	-	71,713
Capital projects	348,561	-	-	-	348,561
Total assigned	7,449,656	-	-	-	7,449,656
Unassigned (deficit)	5,184,572	(4,263,819)	-	(318,303)	602,450
Total	\$ 24,266,693	\$ (4,259,196)	\$ 61,677,567	\$ 34,046,661	\$ 115,731,725

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, 2024

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, 2024, is as follows:

Total Assets	\$ 179,635,612
Total Liabilities	\$ 144,400,470
Net Position	\$ 35,235,142
Operating Revenues	\$ 89,306,501
Operating Expenses	\$ 94,324,180
Nonoperating Revenues (Expenses)	\$ 6,290,415
Change in Net Position	\$ 1,272,736

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, 2024, the City contributed \$2,223,765 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, 2024

Note 13 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution after measurement date:			
Miscellaneous	\$ 1,036,238	\$ 732,745	\$ 1,768,983
Safety	835,739	-	835,739
Change in assumptions:			
Miscellaneous	319,627	226,015	545,642
Safety	255,417	-	255,417
Difference between expected and actual experience:			
Miscellaneous	228,497	161,575	390,072
Safety	293,806	-	293,806
Differences between City's contributions and proportionate share of contributions			
Miscellaneous	67,166	47,495	114,661
Adjustments due to differences in proportions			
Miscellaneous	285,398	201,813	487,211
Safety	246,898	-	246,898
Differences between projected and actual investment investment earnings			
Miscellaneous	857,159	606,114	1,463,273
Safety	598,918	-	598,918
Total deferred outflows of resources	\$ 5,024,863	\$ 1,975,757	\$ 7,000,620
Net pension liabilities:			
Miscellaneous	\$ 5,294,075	\$ 3,743,553	\$ 9,037,628
Safety	4,376,468	-	4,376,468
Total net pension liabilities	\$ 9,670,543	\$ 3,743,553	\$ 13,414,096
Deferred inflows of resources:			
Differences between City's contributions and proportionate share of contributions			
Safety	14,005	-	14,005
Total deferred inflows of resources	\$ 14,005	\$ -	\$ 14,005
Pension expenses:			
Miscellaneous	\$ 1,433,297	\$ 1,005,744	\$ 2,439,041
Safety	1,010,067	-	1,010,067
Total pension expenses	\$ 2,443,364	\$ 1,005,744	\$ 3,449,108

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2023, measurement date, the following employees were covered by the benefit terms:

	<u>Miscellaneous</u>	<u>Miscellaneous PEPRA</u>	<u>Safety</u>	<u>Safety PEPRA</u>
Active employees	49	84	14	7
Transferred and terminated employees	49	33	5	6
Retired employees and beneficiaries	49	2	40	1
Total	<u>147</u>	<u>119</u>	<u>59</u>	<u>14</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 PEPRA</u>	<u>Safety</u>	<u>Safety 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 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	15.170%	7.680%	25.650%	13.540%

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plans (Continued)

B. General Information about Pension Plans (Continued)

Contributions

For the year ended June 30, 2024, the contributions recognized as part of pension expense for each Plan are as follows:

	Miscellaneous	Safety	Total
Contributions - employer	\$ 1,768,983	\$ 835,739	\$ 2,604,722

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:

	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous			
Balance at: 6/30/22 (Valuation date)	\$ 39,403,463	\$ 31,389,666	\$ 8,013,797
Balance at: 6/30/23 (Measurement date)	43,584,775	34,547,147	9,037,628
Net changes during 2022-2023	4,181,312	3,157,481	1,023,831
Safety			
Balance at: 6/30/22 (Valuation date)	\$ 15,902,290	\$ 12,016,589	\$ 3,885,701
Balance at: 6/30/23 (Measurement date)	17,355,375	12,978,907	4,376,468
Net changes during 2022-2023	1,453,085	962,318	490,767

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, 2023, 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, 2022 rolled forward to June 30, 2023 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, 2023 and 2022 were as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2022	0.17126%	0.05655%	0.22781%
Proportion - June 30, 2023	0.18074%	0.05855%	0.23929%
Change - Increase/(Decrease)	0.00948%	0.00200%	0.01148%

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2024, the City recognized pension expense/credit of \$2,439,041 and \$1,010,067, for the Miscellaneous and Safety plans, respectively. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan		
	Deferred outflows of resources	Deferred inflows of resources
Contribution made after the measurement date	\$ 1,768,983	\$ -
Difference between expected and actual experience	390,072	-
Changes of assumptions	545,642	-
Net difference between projected and actual earnings on pension plan investments	1,463,273	-
Employer contributions in excess/(under) proportionate share of contributions	114,661	-
Adjustments due to difference in proportions	487,211	-
Total	<u>\$ 4,769,842</u>	<u>\$ -</u>
Safety Plan		
	Deferred outflows of resources	Deferred inflows of resources
Contribution made after the measurement date	\$ 835,739	\$ -
Difference between expected and actual experience	293,806	-
Changes of assumptions	255,417	-
Net difference between projected and actual earnings on pension plan investments	598,918	-
Employer contributions in excess/(under) proportionate share of contributions	-	14,005
Adjustments due to difference in proportions	246,898	-
Total	<u>\$ 2,230,778</u>	<u>\$ 14,005</u>
Aggregate Total		
	Deferred outflows of resources	Deferred inflows of resources
Contribution made after the measurement date	\$ 2,604,722	\$ -
Difference between expected and actual experience	683,878	-
Changes of assumptions	801,059	-
Net difference between projected and actual earnings on pension plan investments	2,062,191	-
Employer contributions in excess/(under) proportionate share of contributions	114,661	14,005
Adjustments due to difference in proportions	734,109	-
Total	<u>\$ 7,000,620</u>	<u>\$ 14,005</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, \$1,768,983 and \$835,739, 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, 2025. 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 June 30	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2025	\$ 1,029,454	\$ 491,127	\$ 1,520,581
2026	702,936	338,628	1,041,564
2027	1,226,482	534,561	1,761,043
2028	41,987	16,718	58,705
2029	-	-	-
Thereafter	-	-	-
Total	<u>\$ 3,000,859</u>	<u>\$ 1,381,034</u>	<u>\$ 4,381,893</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS’ Membership Data for all Funds.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection. Allowance floor on purchasing power applies, 2.30% thereafter.

⁽¹⁾The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plans (Continued)

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

Change of Assumptions

There were no assumption changes in 2023.

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.

<u>Asset Class¹</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10^{1,2}</u>
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%
	100.00%	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous	\$ 14,932,284	\$ 9,037,628	\$ 4,185,821
Safety	6,757,317	4,376,468	2,429,955
Total	\$ 21,689,601	\$ 13,414,096	\$ 6,615,776

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, 2024, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2024.

Note 14 – Other Postemployment Benefits

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	\$ 389,208	\$ 180,376	\$ 569,584
Net difference between projected and actual earnings on plan investments	11,259	5,218	16,477
Changes in assumptions	1,002,660	464,677	1,467,337
Total deferred outflows of resources	\$ 1,403,127	\$ 650,271	\$ 2,053,398
Net OPEB liability:			
Net OPEB liability	\$ 5,994,307	\$ 2,023,173	\$ 8,017,480
Total OPEB liability	\$ 5,994,307	\$ 2,023,173	\$ 8,017,480
Deferred inflows of Resources:			
Difference between expected and actual experience	\$ 1,600,584	\$ 944,272	\$ 2,544,856
Change in assumption	3,376,379	1,991,909	5,368,288
Total deferred inflows of resources	\$ 4,976,963	\$ 2,936,181	\$ 7,913,144
Net OPEB Expense	\$ 19,524	\$ 12,164	\$ 31,688

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2022, the valuation date:

Active employees	155
Transferred and terminated employees	16
Retired employees and beneficiaries	17
Total	188

Contributions

The obligation of the City to contribute to the Plan is established and may be amended by the City Council. For the 2022-23 fiscal year, measurement period, Payments made outside of the trust were \$169,186. 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, 2023, measurement date, the balance in this trust account was \$1,030,696.

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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, 2022 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 2000-2019 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.

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

	Total OPEB Liability	Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022 (Valuation Date)	\$ 8,342,847	\$ 728,233	\$ 7,614,614
Changes Recognized for the Measurement Period:			
Service Cost	440,278	-	440,278
Interest on the total OPEB liability	477,237	-	477,237
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	464,237	(464,237)
Net investment income	-	54,867	(54,867)
Administrative expenses	-	(4,455)	4,455
Benefit payments	(212,186)	(212,186)	-
Net Changes during July 1, 2022 to June 30, 2023	705,329	302,463	402,866
Balance at June 30, 2023 (Measurement Date)	\$ 9,048,176	\$ 1,030,696	\$ 8,017,480

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

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:

Plan's Net OPEB Liability		
Discount Rate - 1% (4.50%)	Current Discount Rate (5.50%)	Discount Rate + 1% (6.50%)
\$ 9,117,032	\$ 8,017,480	\$ 7,087,091

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:

Plan's Net OPEB Liability		
Healthcare Cost		
-1%	Trend Rates	1%
\$ 7,093,965	\$ 8,017,480	\$ 9,231,840

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$31,688. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ -	\$ 2,544,856
Changes of assumptions	1,467,337	5,368,288
Net difference between projected and actual earnings on plan investments	16,477	-
Employer contributions made subsequent to the measurement date	569,584	-
Total	\$ 2,053,398	\$ 7,913,144

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 10.6 years, which was determined as of July 1, 2022, 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, 2024

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, \$569,584 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2025	\$ (837,095)
2026	(837,095)
2027	(836,097)
2028	(730,038)
2029	(684,728)
Thereafter	(2,504,277)
	<u>\$ (6,429,330)</u>

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, 2024, the following funds had a fund balances (deficit) or unrestricted net position (deficit), which will be eliminated through the reduction in future expenditures and/or the use of new funding sources:

<u>Fund</u>	<u>Fund Type</u>	<u>Deficit</u>
CFD 2003-1 Public Safety/Fire Protection Services Fund	Special Revenue	\$ 4,259,196
Federal CDBG Grant Fund	Special Revenue	193,573
Local Transportation Fund	Special Revenue	124,730

The City plans to eliminate the deficits through the reduction in future expenditures, as well as budgeted transfers from the General Fund in 2025, which will eliminate these deficits.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 16 – Other Required Disclosures (Continued)

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the following funds/functions:

Fund	Function	Excess Expenditures
Landscape Maintenance District Special Revenue Fund	Capital outlay	\$ 10,424
State HCD Rehab Program Special Revenue Fund	General government	5,703
Federal CDBG Grant Special Revenue Fund	General government	16,534
CFD 2013-1 Special Revenue Fund	Public works	498
CFD 2018-2 VOP Maintenance Special Revenue Fund	General government	6,534
CFD 2018-2 VOP Maintenance Special Revenue Fund	Public works	18,955

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, 2024 consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	\$ 11,774,738	\$ 16,129,837
Capital assets, depreciable/amortizable, net	60,863,709	44,309,347
Unspent bond proceeds - Restricted cash and investment	-	408,615
Unspent bond proceeds - Cash with fiscal agent	-	11,126,482
Deferred amount on refunding	-	287,983
Long-term debt:		
Accounts payable (capital-related)	(16,169)	-
Finance purchase agreements	(3,517,975)	-
Lease liability	(365,973)	-
Subscription liability	(4,519)	-
2018 Lease Revenue Bonds	(1,604,451)	-
2019A Water Revenue Bonds	-	(9,392,934)
2019B Water Revenue Refunding Bonds	-	(6,394,254)
2017 Sewer Refunding Revenue Bonds	-	(2,478,400)
2008 State Revolving Fund Loan	-	(311,135)
2021 State Revolving Fund Loan	-	(3,373,464)
Banc of America loan	-	(1,128,267)
CEC loan	-	(942,116)
Total net investment in capital assets	<u>\$ 67,129,360</u>	<u>\$ 48,241,694</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 18 – Net Position (Continued)

B. Restricted Net Position

Restricted Net Position at June 30, 2024 consisted of the following:

	Governmental Activities	Business-Type Activities
Restricted net position:		
Restricted amount on fund statements	\$ 81,869,242	\$ 3,219,807
Unavailable revenue	1,667,039	-
Long-term debt offset by investments held by trust:		
PPFA 2013 Heartland Ranch Revenue Bonds	(914,788)	-
PPFA 2023 Series A Special Tax		
Special Revenue Refunding Bonds	(54,360,000)	-
Total restricted net position	\$ 28,261,493	\$ 3,219,807

Note 19 – 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.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Patterson
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Favorable
				(Unfavorable)
REVENUES:				
Taxes:				
Property	\$ 7,774,111	\$ 7,774,111	\$ 8,141,486	\$ 367,375
Sales	13,161,426	14,542,635	14,549,483	6,848
Franchise	255,000	255,000	241,771	(13,229)
Other	286,451	286,451	271,762	(14,689)
Licenses, permits, and fees	1,963,287	1,963,287	1,838,710	(124,577)
Charges for services	563,946	1,063,946	1,229,790	165,844
Intergovernmental:				
Federal grant and subsidies	-	-	746,742	746,742
Other governmental	2,926,570	2,939,570	914,096	(2,025,474)
Fines, forfeitures and penalties	96,000	96,000	236,381	140,381
Interest	12,937	737,937	775,210	37,273
Miscellaneous	233,089	253,188	587,352	334,164
Total revenues	<u>27,272,817</u>	<u>29,912,125</u>	<u>29,762,783</u>	<u>(149,342)</u>
EXPENDITURES:				
Current:				
General government	8,164,617	7,887,950	5,652,942	2,235,008
Police	7,262,542	7,457,650	7,054,677	402,973
Fire	4,223,482	4,345,658	3,692,370	653,288
Community development and planning	2,598,471	2,624,369	2,259,863	364,506
Public works	4,640,097	4,687,505	4,146,556	540,949
Park and recreation	4,225,482	4,341,263	3,488,259	853,004
Capital outlay	3,339,881	3,704,395	3,656,635	47,760
Debt service:				
Principal	149,510	335,531	335,531	-
Interest and fiscal charges	59,577	144,677	65,888	78,789
Total expenditures	<u>34,663,659</u>	<u>35,528,998</u>	<u>30,352,721</u>	<u>5,176,277</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(7,390,842)</u>	<u>(5,616,873)</u>	<u>(589,938)</u>	<u>5,026,935</u>
OTHER FINANCING SOURCES (USES):				
Inception of lease payable	-	-	77,971	77,971
Inception of finance purchase agreement	-	-	2,857,975	2,857,975
Transfers in	5,541,286	5,722,390	3,837,525	(1,884,865)
Transfers out	(1,649,897)	(1,649,897)	(80,003)	1,569,894
Total other financing sources (uses)	<u>3,891,389</u>	<u>4,072,493</u>	<u>6,693,468</u>	<u>2,620,975</u>
Net change in fund balances	<u>\$ (3,499,453)</u>	<u>\$ (1,544,380)</u>	6,103,530	<u>\$ 7,647,910</u>
FUND BALANCE:				
Beginning of year			18,163,163	
End of year			<u>\$ 24,266,693</u>	

City of Patterson
Budgetary Comparison Schedule
CFD 2003-1 Public Safety/Fire Protection Special Revenue Fund
For the Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 1,346,155	\$ 1,346,155	\$ 1,582,090	\$ 235,935
Miscellaneous	47,000	47,000	25,412	(21,588)
Total revenues	<u>1,393,155</u>	<u>1,393,155</u>	<u>1,607,502</u>	<u>214,347</u>
EXPENDITURES:				
Current:				
General government	23,000	4,800	4,766	34
Fire	2,933,325	3,014,657	2,916,060	98,597
Capital outlay	1,009,200	335,364	72,698	262,666
Total expenditures	<u>3,965,525</u>	<u>3,354,821</u>	<u>2,993,524</u>	<u>361,297</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(2,572,370)</u>	<u>(1,961,666)</u>	<u>(1,386,022)</u>	<u>575,644</u>
OTHER FINANCING SOURCES (USES):				
Inception of finance purchase agreement	-	-	660,000	660,000
Transfers in	585,000	585,000	585,000	-
Total other financing sources (uses)	<u>585,000</u>	<u>585,000</u>	<u>1,245,000</u>	<u>660,000</u>
Net change in fund balances	<u>\$ (1,987,370)</u>	<u>\$ (1,376,666)</u>	<u>(141,022)</u>	<u>\$ 1,235,644</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(4,118,174)</u>	
End of year			<u>\$ (4,259,196)</u>	

City of Patterson
Notes to the Budgetary Comparison Schedule
Budgetary Information
For the Year Ended June 30, 2024

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, 2024 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2024 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, 2024

Miscellaneous Plan					
Measurement period, year ended	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Plan's proportion of the net pension liability (asset)	0.1807375%	0.1712600%	0.1456588%	0.1580126%	0.1530113%
Plan's proportionate share of the net pension liability (asset)	\$ 9,037,628	\$ 8,013,797	\$ 2,765,773	\$ 6,665,091	\$ 6,127,339
Plan's covered payroll	\$ 5,033,063	\$ 4,886,469	\$ 4,744,145	\$ 4,605,966	\$ 4,471,812
Plan's proportionate share of the net pension liability as a percentage of covered payroll	179.57%	164.00%	58.30%	144.71%	137.02%
Plan's fiduciary net position	\$ 34,547,147	\$ 31,389,666	\$ 31,784,954	\$ 24,491,193	\$ 22,526,868
Plan's fiduciary net position as a percentage of the total pension liability	79.26%	79.66%	92.00%	78.61%	78.62%
Plan's proportionate share of aggregate employer contributions	\$ 1,706,925	\$ 1,426,665	\$ 1,291,216	\$ 1,103,312	\$ 1,043,720
Measurement period, year ended	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's proportion of the net pension liability (asset)	0.1496090%	0.1499839%	0.1499839%	0.1557567%	0.1455000%
Plan's proportionate share of the net pension liability (asset)	\$ 5,638,335	\$ 5,912,437	\$ 5,141,345	\$ 4,273,133	\$ 3,638,246
Plan's covered payroll	\$ 4,341,565	\$ 4,215,111	\$ 4,092,341	\$ 3,973,147	\$ 3,857,424
Plan's proportionate share of the net pension liability as a percentage of covered payroll	129.87%	140.27%	125.63%	107.55%	94.32%
Plan's fiduciary net position	\$ 19,926,425	\$ 16,132,739	\$ 13,690,393	\$ 12,687,998	\$ 12,287,961
Plan's fiduciary net position as a percentage of the total pension liability	77.94%	73.18%	72.70%	74.81%	77.16%
Plan's proportionate share of aggregate employer contributions	\$ 900,310	\$ 821,442	\$ 693,115	\$ 748,691	\$ 691,154

City of Patterson
Schedule of Proportionate Share of the Net Pension Liability (Continued)
Last Ten Years
For the Year Ended June 30, 2024

Safety Plan					
Measurement period, year ended	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Plan's proportion of the net pension liability (asset)	0.058549%	0.056550%	0.050366%	0.049523%	0.047853%
Plan's proportionate share of the net pension liability (asset)	\$ 4,376,468	\$ 3,885,701	\$ 1,767,602	\$ 3,299,373	\$ 2,987,220
Plan's covered payroll	\$ 1,452,424	\$ 1,410,121	\$ 1,410,121	\$ 1,369,049	\$ 1,329,174
Plan's proportionate share of the net pension liability as a percentage of covered payroll	301.32%	275.56%	125.35%	241.00%	224.74%
Plan's fiduciary net position	\$ 12,978,907	\$ 12,016,589	\$ 12,315,218	\$ 9,701,523	\$ 9,134,775
Plan's fiduciary net position as a percentage of the total pension liability	74.78%	75.57%	87.45%	74.62%	75.36%
Plan's proportionate share of aggregate employer contributions	\$ 668,931	\$ 571,316	\$ 552,488	\$ 494,902	\$ 457,665
Measurement period, year ended	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's proportion of the net pension liability (asset)	0.046974%	0.045984%	0.046120%	0.046242%	0.026700%
Plan's proportionate share of the net pension liability (asset)	\$ 2,756,215	\$ 2,747,657	\$ 2,388,655	\$ 1,905,383	\$ 1,661,368
Plan's covered payroll	\$ 1,290,460	\$ 1,252,874	\$ 1,216,383	\$ 1,177,974	\$ 1,094,057
Plan's proportionate share of the net pension liability as a percentage of covered payroll	213.58%	219.31%	196.37%	161.75%	151.85%
Plan's fiduciary net position	\$ 8,394,137	\$ 7,539,289	\$ 6,653,977	\$ 6,545,084	\$ 6,325,433
Plan's fiduciary net position as a percentage of the total pension liability	75.28%	73.29%	73.58%	77.45%	79.20%
Plan's proportionate share of aggregate employer contributions	\$ 393,732	\$ 337,685	\$ 312,567	\$ 364,763	\$ 312,579

City of Patterson
Schedule of Plan Contributions – Pension
Last Ten Years
For the Year Ended June 30, 2024

Miscellaneous Plan

Fiscal Year:	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually determined contribution (actuarially determined)	\$ 1,768,983	\$ 1,706,925	\$ 1,426,665	\$ 1,291,216	\$ 1,103,312
Contributions in relation to the actuarially determined contributions	(1,768,983)	(1,706,925)	(1,426,665)	(1,291,216)	(1,103,312)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,184,055	\$ 5,033,063	\$ 4,886,469	\$ 4,744,145	\$ 4,605,966
Contributions as a percentage of covered payroll	34.12%	33.91%	29.20%	27.22%	23.95%
Fiscal Year:	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually determined contribution (actuarially determined)	\$ 1,043,720	\$ 900,310	\$ 821,442	\$ 693,115	\$ 748,691
Contributions in relation to the actuarially determined contributions	(1,043,720)	(900,310)	(821,442)	(693,115)	(748,691)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,471,812	\$ 4,341,565	\$ 4,215,111	\$ 4,092,341	\$ 3,973,147
Contributions as a percentage of covered payroll	23.34%	20.74%	19.49%	16.94%	18.84%

Notes to Schedule

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

City of Patterson
Schedule of Plan Contributions – Pension (Continued)
Last Ten Years
For the Year Ended June 30, 2024

Safety Plan					
Fiscal Year:	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually determined contribution (actuarially determined)	\$ 835,739	\$ 668,931	\$ 571,316	\$ 552,488	\$ 494,902
Contributions in relation to the actuarially determined contributions	(835,739)	(668,931)	(571,316)	(552,488)	(494,902)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,495,997	\$ 1,452,424	\$ 1,410,121	\$ 1,410,121	\$ 1,369,049
Contributions as a percentage of covered payroll	55.87%	46.06%	40.52%	39.18%	36.15%
Fiscal Year:	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually determined contribution (actuarially determined)	\$ 457,665	\$ 393,732	\$ 337,685	\$ 312,567	\$ 364,763
Contributions in relation to the actuarially determined contributions	(457,665)	(393,732)	(337,685)	(312,567)	(364,763)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 1,329,174	\$ 1,290,460	\$ 1,252,874	\$ 1,216,383	\$ 1,177,974
Contributions as a percentage of covered payroll	34.43%	30.51%	26.95%	25.70%	30.97%

Notes to Schedule

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 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, 2024

Measurement period, year ending:	<u>6/30/2023</u>	<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> ¹
Total OPEB liability							
Service cost	\$ 440,278	\$ 1,156,354	\$ 1,088,576	\$ 930,865	\$ 868,965	\$ 951,252	\$ 1,055,000
Interest	477,237	346,275	341,695	413,592	393,931	394,277	327,000
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	(1,129,000)
Benefit payments, including refunds of member contributions	(212,186)	(203,232)	(164,926)	(177,238)	(163,179)	(179,631)	(175,000)
Change in total OPEB liability	705,329	(6,559,776)	1,904,842	710,116	1,590,155	(175,490)	78,000
Total OPEB liability - beginning	8,342,847	14,902,623	12,997,781	12,287,665	10,697,510	10,873,000	10,795,000
Total OPEB liability - ending (a)	\$ 9,048,176	\$ 8,342,847	\$ 14,902,623	\$ 12,997,781	\$ 12,287,665	\$ 10,697,510	\$ 10,873,000
OPEB fiduciary net position							
Contributions - employer	\$ 464,237	\$ 955,100	\$ 164,926	\$ 177,238	\$ 163,179	\$ 179,631	\$ 175,000
Net investment income	54,867	(21,455)	-	-	-	-	-
Benefit payments, including refunds of member contributions	(212,186)	(203,232)	(164,926)	(177,238)	(163,179)	(179,631)	(175,000)
Administrative expense	(4,455)	(2,180)	-	-	-	-	-
Change in plan fiduciary net position	302,463	728,233	-	-	-	-	-
Plan fiduciary net position - beginning	728,233	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	1,030,696	728,233	-	-	-	-	-
Plan net OPEB liability - ending (a) - (b)	\$ 8,017,480	\$ 7,614,614	\$ 14,902,623	\$ 12,997,781	\$ 12,287,665	\$ 10,697,510	\$ 10,873,000
Plan fiduciary net position as a percentage of the total OPEB liability	11.39%	8.73%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 11,827,606	\$ 9,551,738	\$ 8,917,985	\$ 8,559,266	\$ 8,196,189	\$ 7,352,843	\$ 6,620,000
Plan net OPEB liability as a percentage of covered-employee payroll	76.50%	87.34%	167.11%	151.86%	149.92%	145.49%	164.24%

Notes to Schedule

¹ Information only presented from the implementation year.

City of Patterson
Schedule of Plan Contributions – OPEB
Last Ten Years
For the Year Ended June 30, 2024

Fiscal Year:	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2019-20</u>
Contractually determined contribution (actuarially determined)	\$ 1,029,000	\$ 976,000	\$ 955,100	\$ 164,926	\$ 177,238
Contributions in relation to the actuarially determined contributions	(569,584)	(976,000)	(955,100)	(164,926)	(177,238)
Contribution deficiency (excess)	<u>\$ 459,416</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 13,581,283	\$ 11,827,606	\$ 9,551,738	\$ 8,917,985	\$ 8,559,266
Contributions as a percentage of covered-employee payroll	4.19%	8.25%	10.00%	1.85%	2.07%
Fiscal Year:	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17¹</u>		
Contractually determined contribution (actuarially determined)	\$ 163,179	\$ 179,631	\$ 175,000		
Contributions in relation to the actuarially determined contributions	(163,179)	(179,631)	(175,000)		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered-employee payroll	\$ 8,196,189	\$ 7,352,843	\$ 6,620,000		
Contributions as a percentage of covered-employee payroll	1.99%	2.44%	2.64%		

¹ Information only presented from the implementation year.

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year ended June 30, 2024 were as follows:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 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 Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 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

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City of Patterson
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

Special Revenue Funds

	Special Revenue Funds				
	Landscape Maintenance District	Benefit Assessment Districts	CSA #15 Assessment District	CFD 2001-01 Patterson Gardens Public Safety	Beautification Committee
ASSETS					
Cash and investments	\$ 1,380,593	\$ 2,966,090	\$ 6,451	\$ 384,196	\$ 41,233
Receivables:					
Intergovernmental	43,824	10,161	386	7,455	-
Interest	30,438	27,257	57	5,613	365
Notes and loans	-	-	-	-	-
Lease	-	-	-	-	-
Total assets	\$ 1,454,855	\$ 3,003,508	\$ 6,894	\$ 397,264	\$ 41,598
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 80,294	\$ 6,164	\$ 281	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	80,294	6,164	281	-	-
DEFERRED INFLOWS OF RESOURCES:					
Lease-related deferred inflows of resources	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	1,374,561	2,997,344	6,613	397,264	41,598
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	1,374,561	2,997,344	6,613	397,264	41,598
Total liabilities, deferred inflows of resources and fund balances	\$ 1,454,855	\$ 3,003,508	\$ 6,894	\$ 397,264	\$ 41,598

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

Special Revenue Funds

	CDBG HA Loan Fund	State HCD Rehab Program	Federal CDBG Grant	First Time Home Buyers	Federal HOME Funds
ASSETS					
Cash and investments	\$ -	\$ 229,360	\$ -	\$ 206,948	\$ 210,621
Receivables:					
Intergovernmental	-	-	-	-	-
Interest	-	2,030	-	1,915	13,985
Notes and loans	293,489	3,072	-	76,881	192,684
Lease	-	-	-	-	-
Total assets	\$ 293,489	\$ 234,462	\$ -	\$ 285,744	\$ 417,290
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 5,633
Due to other funds	-	-	193,573	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	-	-	193,573	-	5,633
DEFERRED INFLOWS OF RESOURCES:					
Lease-related deferred inflows of resources	-	-	-	-	-
Unavailable revenue	293,489	3,072	-	76,881	201,428
Total deferred inflows of resources	293,489	3,072	-	76,881	201,428
FUND BALANCES (DEFICIT):					
Restricted	-	231,390	-	208,863	210,229
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	(193,573)	-	-
Total fund balances	-	231,390	(193,573)	208,863	210,229
Total liabilities, deferred inflows of resources and fund balances	\$ 293,489	\$ 234,462	\$ -	\$ 285,744	\$ 417,290

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

Special Revenue Funds

	Special Revenue Funds				
	Neighborhood Stabilization Program	Gas Tax	Local Transportation Fund	Local Transportation Fund Non Motorized	Street Project Fund
ASSETS					
Cash and investments	\$ 9,097	\$ 1,497,843	\$ 170,765	\$ 92,861	\$ 3,187,656
Receivables:					
Intergovernmental	-	166,580	-	-	86,430
Interest	190	14,989	1,647	824	26,051
Notes and loans	26,544	-	-	-	-
Lease	-	-	-	-	-
Total assets	\$ 35,831	\$ 1,679,412	\$ 172,412	\$ 93,685	\$ 3,300,137
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ 18,203	\$ -	\$ -	\$ 84,694
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	297,142	11,353	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	-	18,203	297,142	11,353	84,694
DEFERRED INFLOWS OF RESOURCES:					
Lease-related deferred inflows of resources	-	-	-	-	-
Unavailable revenue	26,530	-	-	-	22,892
Total deferred inflows of resources	26,530	-	-	-	22,892
FUND BALANCES (DEFICIT):					
Restricted	9,301	1,661,209	-	82,332	3,192,551
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	(124,730)	-	-
Total fund balances	9,301	1,661,209	(124,730)	82,332	3,192,551
Total liabilities, deferred inflows of resources and fund balances	\$ 35,831	\$ 1,679,412	\$ 172,412	\$ 93,685	\$ 3,300,137

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

Special Revenue Funds

	Measure L Fund	Developer Housing In-Lieu Fee	Police Asset Forfeiture	Westside Drainage Study	CFD 2013-1
ASSETS					
Cash and investments	\$ 4,736,476	\$ 2,885,958	\$ 4,428	\$ 67,585	\$ 1,038,460
Receivables:					
Intergovernmental	291,764	-	-	-	1,724
Interest	38,763	25,541	39	598	9,235
Notes and loans	-	1,003,333	-	-	-
Lease	-	-	-	-	-
Total assets	\$ 5,067,003	\$ 3,914,832	\$ 4,467	\$ 68,183	\$ 1,049,419
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 1,157	\$ -	\$ -	\$ -	\$ 2,280
Due to other funds	-	-	-	-	-
Unearned revenue	827,191	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	828,348	-	-	-	2,280
DEFERRED INFLOWS OF RESOURCES:					
Lease-related deferred inflows of resources	-	-	-	-	-
Unavailable revenue	-	1,003,333	-	-	-
Total deferred inflows of resources	-	1,003,333	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	4,238,655	2,911,499	4,467	-	1,047,139
Committed	-	-	-	68,183	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	4,238,655	2,911,499	4,467	68,183	1,047,139
Total liabilities, deferred inflows of resources and fund balances	\$ 5,067,003	\$ 3,914,832	\$ 4,467	\$ 68,183	\$ 1,049,419

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

	Special Revenue Funds		Capital Projects Funds		
	CFD 2015-2 Public Safety	CFD 2018-2 VOP Maintenance	Downtown Revitalization Impact Fee	Community Facility Impact Fee	General Government Impact Fee
ASSETS					
Cash and investments	\$ 91,936	\$ 1,019,327	\$ 102,756	\$ 1,997,546	\$ 478,608
Receivables:					
Intergovernmental	-	5,946	-	-	-
Interest	1,190	9,021	909	17,679	4,236
Notes and loans	-	-	-	-	-
Lease	-	-	-	-	-
Total assets	\$ 93,126	\$ 1,034,294	\$ 103,665	\$ 2,015,225	\$ 482,844
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ 4,523	\$ -	\$ -	\$ 72
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	26,674	-	-	-
Total liabilities	-	31,197	-	-	72
DEFERRED INFLOWS OF RESOURCES:					
Lease-related deferred inflows of resources	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	93,126	1,003,097	103,665	-	-
Committed	-	-	-	2,015,225	482,772
Unassigned (deficit)	-	-	-	-	-
Total fund balances	93,126	1,003,097	103,665	2,015,225	482,772
Total liabilities, deferred inflows of resources and fund balances	\$ 93,126	\$ 1,034,294	\$ 103,665	\$ 2,015,225	\$ 482,844

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

Capital Projects Funds

	Public Safety Impact Fee	Parkland In-Lieu Fee	Street Improvement Impact Fee	Water Impact Fee	Storm Drain Impact Fee
ASSETS					
Cash and investments	\$ 1,182,990	\$ 62,642	\$ 1,931,888	\$ 6,160,145	\$ 1,237,179
Receivables:					
Intergovernmental	-	-	-	-	-
Interest	10,470	554	17,638	54,459	10,942
Notes and loans	-	-	-	-	-
Lease	-	-	-	-	-
Total assets	\$ 1,193,460	\$ 63,196	\$ 1,949,526	\$ 6,214,604	\$ 1,248,121
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ 89	\$ -	\$ 16,008
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	-	-	89	-	16,008
DEFERRED INFLOWS OF RESOURCES:					
Lease-related deferred inflows of resources	-	-	-	-	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES (DEFICIT):					
Restricted	-	-	-	-	-
Committed	1,193,460	63,196	1,949,437	6,214,604	1,232,113
Unassigned (deficit)	-	-	-	-	-
Total fund balances	1,193,460	63,196	1,949,437	6,214,604	1,232,113
Total liabilities, deferred inflows of resources and fund balances	\$ 1,193,460	\$ 63,196	\$ 1,949,526	\$ 6,214,604	\$ 1,248,121

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

Capital Projects Funds

	Sewer Impact Fee	Delta Mendota Storm Gate	Aquatic Center Construction	Future Water Acquisition	Heartland Ranch Infrastructure
ASSETS					
Cash and investments	\$ 98,130	\$ 179,296	\$ 645,953	\$ 155,695	\$ 47,358
Receivables:					
Intergovernmental	-	-	-	-	-
Interest	844	1,587	5,717	1,378	419
Notes and loans	-	-	-	-	-
Lease	-	-	-	2,655	-
Total assets	\$ 98,974	\$ 180,883	\$ 651,670	\$ 159,728	\$ 47,777
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	47,176
Total liabilities	-	-	-	-	47,176
DEFERRED INFLOWS OF RESOURCES:					
Lease-related deferred inflows of resources	-	-	-	2,654	-
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	2,654	-
FUND BALANCES (DEFICIT):					
Restricted	-	-	-	-	-
Committed	98,974	180,883	651,670	157,074	601
Unassigned (deficit)	-	-	-	-	-
Total fund balances	98,974	180,883	651,670	157,074	601
Total liabilities, deferred inflows of resources and fund balances	\$ 98,974	\$ 180,883	\$ 651,670	\$ 159,728	\$ 47,777

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2024

	Capital Projects Funds	Total Non-major Governmental Funds
	Downtown Assistance Fee	Total Non-major Governmental Funds
ASSETS		
Cash and investments	\$ 239,747	\$ 34,747,817
Receivables:		
Intergovernmental	-	614,270
Interest	2,122	338,702
Notes and loans	-	1,596,003
Lease	-	2,655
Total assets	\$ 241,869	\$ 37,299,447
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ -	\$ 219,398
Due to other funds	-	193,573
Unearned revenue	-	1,135,686
Deposits and other liabilities	-	73,850
Total liabilities	-	1,622,507
DEFERRED INFLOWS OF RESOURCES:		
Lease-related deferred inflows of resources	-	2,654
Unavailable revenue	-	1,627,625
Total deferred inflows of resources	-	1,630,279
FUND BALANCES (DEFICIT):		
Restricted	-	19,814,903
Committed	241,869	14,550,061
Unassigned (deficit)	-	(318,303)
Total fund balances	241,869	34,046,661
Total liabilities, deferred inflows of resources and fund balances	\$ 241,869	\$ 37,299,447

(Concluded)

City of Patterson
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue				
	Landscape Maintenance District	Benefit Assessment Districts	CSA #15 Assessment District	CFD 2001-01 Patterson Gardens Public Safety	Beautification Committee
REVENUES:					
Licenses, permits, and fees	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	2,135,453	530,893	8,521	586,155	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Investment income(loss)	66,942	86,090	108	10,613	1,249
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	2,202,395	616,983	8,629	596,768	1,249
EXPENDITURES:					
Current:					
General government	533,508	-	-	-	-
Fire	-	-	-	6,980	-
Community development and planning	-	-	3,529	-	-
Public works	-	123,970	-	-	-
Capital outlay	10,424	-	-	-	-
Total expenditures	543,932	123,970	3,529	6,980	-
REVENUES OVER (UNDER) EXPENDITURES	1,658,463	493,013	5,100	589,788	1,249
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(1,123,430)	(113,729)	-	(500,000)	-
Total financing sources (uses)	(1,123,430)	(113,729)	-	(500,000)	-
Net change in fund balances	535,033	379,284	5,100	89,788	1,249
FUND BALANCES (DEFICIT):					
Beginning of year	839,528	2,618,060	1,513	307,476	40,349
End of year	\$ 1,374,561	\$ 2,997,344	\$ 6,613	\$ 397,264	\$ 41,598

(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, 2024

Special Revenue Funds

	CDBG HA Loan Fund	State HCD Rehab Program	Federal CDBG Grant	First Time Home Buyers	Federal HOME Funds
REVENUES:					
Licenses, permits, and fees	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	82,170	-	11,651
Other governmental	-	-	-	-	-
Investment income(loss)	-	6,948	-	7,272	14,779
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	5,704	-	1,793	5,633
Total revenues	-	12,652	82,170	9,065	32,063
EXPENDITURES:					
Current:					
General government	-	5,703	16,534	-	5,635
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	26,128	-	-
Total expenditures	-	5,703	42,662	-	5,635
REVENUES OVER (UNDER) EXPENDITURES	-	6,949	39,508	9,065	26,428
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-
Net change in fund balances	-	6,949	39,508	9,065	26,428
FUND BALANCES (DEFICIT):					
Beginning of year	-	224,441	(233,081)	199,798	183,801
End of year	\$ -	\$ 231,390	\$ (193,573)	\$ 208,863	\$ 210,229

(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, 2024

Special Revenue Funds

	Neighborhood Stabilization Program	Gas Tax	Local Transportation Fund	Local Transportation Fund Non Motorized	Street Project Fund
REVENUES:					
Licenses, permits, and fees	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	184,778
Other governmental	-	1,291,851	-	-	444,473
Investment income(loss)	1,392	40,050	5,662	2,819	89,269
Revenue from Fiduciary Fund	-	-	-	-	76,743
Miscellaneous	1,413	-	-	-	-
Total revenues	2,805	1,331,901	5,662	2,819	795,263
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	32,687	-	-	28,876
Capital outlay	-	58,796	-	-	622,458
Total expenditures	-	91,483	-	-	651,334
REVENUES OVER (UNDER) EXPENDITURES	2,805	1,240,418	5,662	2,819	143,929
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	389,685
Transfers out	-	(355,762)	(20,000)	(200)	-
Total financing sources (uses)	-	(355,762)	(20,000)	(200)	389,685
Net change in fund balances	2,805	884,656	(14,338)	2,619	533,614
FUND BALANCES (DEFICIT):					
Beginning of year	6,496	776,553	(110,392)	79,713	2,658,937
End of year	\$ 9,301	\$ 1,661,209	\$ (124,730)	\$ 82,332	\$ 3,192,551

(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, 2024

Special Revenue Funds

	Measure L Fund	Developer Housing In-Lieu Fee	Police Asset Forfeiture	Westside Drainage Study	CFD 2013-1
REVENUES:					
Licenses, permits, and fees	\$ -	\$ 1,787,244	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	272,614
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	1,853,041	-	-	-	-
Investment income(loss)	122,859	62,071	134	2,047	27,518
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	1,975,900	1,849,315	134	2,047	300,132
EXPENDITURES:					
Current:					
General government	-	-	-	-	25,738
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	498
Capital outlay	1,524,734	-	-	-	-
Total expenditures	1,524,734	-	-	-	26,236
REVENUES OVER (UNDER) EXPENDITURES	451,166	1,849,315	134	2,047	273,896
OTHER FINANCING SOURCES (USES):					
Transfers in	413,364	-	-	-	-
Transfers out	(133,369)	-	-	-	(10,000)
Total financing sources (uses)	279,995	-	-	-	(10,000)
Net change in fund balances	731,161	1,849,315	134	2,047	263,896
FUND BALANCES (DEFICIT):					
Beginning of year	3,507,494	1,062,184	4,333	66,136	783,243
End of year	\$ 4,238,655	\$ 2,911,499	\$ 4,467	\$ 68,183	\$ 1,047,139

(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, 2024

	Special Revenue Funds		Capital Projects Funds		
	CFD 2015-2 Public Safety	CFD 2018-2 VOP Maintenance	Downtown Revitalization Impact Fee	Community Facility Impact Fee	General Government Impact Fee
REVENUES:					
Licenses, permits, and fees	\$ -	\$ -	\$ 102,000	\$ 755,226	\$ 375,796
Charges for services	102,176	448,382	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Investment income(loss)	2,734	23,952	1,665	51,822	11,522
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	104,910	472,334	103,665	807,048	387,318
EXPENDITURES:					
Current:					
General government	26	18,217	-	-	37,103
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	22,417	-	-	-
Capital outlay	-	-	-	-	133,937
Total expenditures	26	40,634	-	-	171,040
REVENUES OVER (UNDER) EXPENDITURES	104,884	431,700	103,665	807,048	216,278
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(85,000)	-	-	(4,000)	-
Total financing sources (uses)	(85,000)	-	-	(4,000)	-
Net change in fund balances	19,884	431,700	103,665	803,048	216,278
FUND BALANCES (DEFICIT):					
Beginning of year	73,242	571,397	-	1,212,177	266,494
End of year	\$ 93,126	\$ 1,003,097	\$ 103,665	\$ 2,015,225	\$ 482,772

(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, 2024

Capital Projects Funds

	Public Safety Impact Fee	Parkland In-Lieu Fee	Street Improvement Impact Fee	Water Impact Fee	Storm Drain Impact Fee
REVENUES:					
Licenses, permits, and fees	\$ 525,952	\$ 3,689	\$ 1,197,843	\$ 1,025,464	\$ 3,142
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Investment income(loss)	25,592	1,877	42,782	178,624	38,126
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	551,544	5,566	1,240,625	1,204,088	41,268
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	2,000	3,239	-	78,231
Total expenditures	-	2,000	3,239	-	78,231
REVENUES OVER (UNDER) EXPENDITURES	551,544	3,566	1,237,386	1,204,088	(36,963)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(76,743)	-	-
Total financing sources (uses)	-	-	(76,743)	-	-
Net change in fund balances	551,544	3,566	1,160,643	1,204,088	(36,963)
FUND BALANCES (DEFICIT):					
Beginning of year	641,916	59,630	788,794	5,010,516	1,269,076
End of year	<u>\$ 1,193,460</u>	<u>\$ 63,196</u>	<u>\$ 1,949,437</u>	<u>\$ 6,214,604</u>	<u>\$ 1,232,113</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, 2024

Capital Projects Funds

	Sewer Impact Fee	Delta Mendota Storm Gate	Aquatic Center Construction	Future Water Acquisition	Heartland Ranch Infrastructure
REVENUES:					
Licenses, permits, and fees	\$ -	\$ -	\$ 199,875	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Investment income(loss)	2,890	5,432	17,263	4,768	1,435
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	4,196	-
Total revenues	2,890	5,432	217,138	8,964	1,435
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	2,890	5,432	217,138	8,964	1,435
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-
Net change in fund balances	2,890	5,432	217,138	8,964	1,435
FUND BALANCES (DEFICIT):					
Beginning of year	96,084	175,451	434,532	148,110	(834)
End of year	<u>\$ 98,974</u>	<u>\$ 180,883</u>	<u>\$ 651,670</u>	<u>\$ 157,074</u>	<u>\$ 601</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, 2024

	Capital Projects Funds	Total Non-major Governmental Funds
	Downtown Assistance Fee	
REVENUES:		
Licenses, permits, and fees	\$ 39,000	\$ 6,015,231
Charges for services	-	4,084,194
Intergovernmental:		
Federal grant and subsidies	-	278,599
Other governmental	-	3,589,365
Investment income(loss)	6,989	965,295
Revenue from Fiduciary Fund	-	76,743
Miscellaneous	-	18,739
Total revenues	45,989	15,028,166
EXPENDITURES:		
Current:		
General government	-	642,464
Fire	-	6,980
Community development and planning	-	3,529
Public works	-	208,448
Capital outlay	-	2,459,947
Total expenditures	-	3,321,368
REVENUES OVER (UNDER) EXPENDITURES	45,989	11,706,798
OTHER FINANCING SOURCES (USES):		
Transfers in	-	803,049
Transfers out	-	(2,422,233)
Total financing sources (uses)	-	(1,619,184)
Net change in fund balances	45,989	10,087,614
FUND BALANCES (DEFICIT):		
Beginning of year	195,880	23,959,047
End of year	\$ 241,869	\$ 34,046,661

(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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 3,534,469	\$ 3,210,234	\$ 3,168,392	\$ (41,842)
Revenue from Fiduciary Fund	513,864	54,743,037	2,102,725	(52,640,312)
Total revenues	<u>4,048,333</u>	<u>57,953,271</u>	<u>5,271,117</u>	<u>(52,682,154)</u>
EXPENDITURES:				
Current:				
General government	-	1,029,942	753,047	276,895
Debt service:				
Principal	2,948,467	61,004,333	58,980,959	2,023,374
Interest and fiscal charges	3,340,980	5,199,072	3,218,768	1,980,304
Total expenditures	<u>6,289,447</u>	<u>67,233,347</u>	<u>62,952,774</u>	<u>4,280,573</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(2,241,114)</u>	<u>(9,280,076)</u>	<u>(57,681,657)</u>	<u>(48,401,581)</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from bond issuance	-	54,370,000	54,370,000	-
Bond premium received	-	6,617,848	6,617,848	-
Transfers in	779,180	779,180	-	(779,180)
Total other financing sources (uses)	<u>779,180</u>	<u>61,767,028</u>	<u>60,987,848</u>	<u>(779,180)</u>
Net change in fund balances	<u>\$ (1,461,934)</u>	<u>\$ 52,486,952</u>	3,306,191	<u>\$ (49,180,761)</u>
FUND BALANCE:				
Beginning of year			<u>58,371,376</u>	
End of year			<u>\$ 61,677,567</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 2,132,273	\$ 2,132,273	\$ 2,135,453	\$ 3,180
Investment income (loss)	2,247	-	66,942	66,942
Total revenues	<u>2,134,520</u>	<u>2,132,273</u>	<u>2,202,395</u>	<u>70,122</u>
EXPENDITURES:				
Current:				
General government	1,125,197	1,125,197	533,508	591,689
Public works	15,237	-	-	-
Capital outlay	-	-	10,424	(10,424)
Total expenditures	<u>1,140,434</u>	<u>1,125,197</u>	<u>543,932</u>	<u>581,265</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>994,086</u>	<u>1,007,076</u>	<u>1,658,463</u>	<u>651,387</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,393,125)	(1,391,609)	(1,123,430)	268,179
Total other financing sources (uses)	<u>(1,393,125)</u>	<u>(1,391,609)</u>	<u>(1,123,430)</u>	<u>268,179</u>
Net change in fund balances	<u>\$ (399,039)</u>	<u>\$ (384,533)</u>	535,033	<u>\$ 919,566</u>
FUND BALANCE:				
Beginning of year			<u>839,528</u>	
End of year			<u>\$ 1,374,561</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 530,279	\$ 530,279	\$ 530,893	\$ 614
Investment income (loss)	4,346	4,346	86,090	81,744
Total revenues	<u>534,625</u>	<u>534,625</u>	<u>616,983</u>	<u>82,358</u>
EXPENDITURES:				
Current:				
Public works	1,898,290	374,576	123,970	250,606
Total expenditures	<u>1,898,290</u>	<u>374,576</u>	<u>123,970</u>	<u>250,606</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,363,665)</u>	<u>160,049</u>	<u>493,013</u>	<u>332,964</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(840,728)	(74,320)	(113,729)	(39,409)
Total other financing sources (uses)	<u>(840,728)</u>	<u>(74,320)</u>	<u>(113,729)</u>	<u>(39,409)</u>
Net change in fund balances	<u>\$ (2,204,393)</u>	<u>\$ 85,729</u>	379,284	<u>\$ 293,555</u>
FUND BALANCE:				
Beginning of year			<u>2,618,060</u>	
End of year			<u>\$ 2,997,344</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 8,522	\$ 8,522	\$ 8,521	\$ (1)
Investment income (loss)	-	-	108	108
Total revenues	<u>8,522</u>	<u>8,522</u>	<u>8,629</u>	<u>107</u>
EXPENDITURES:				
Current:				
Community development and planning	12,650	12,650	3,529	9,121
Total expenditures	<u>12,650</u>	<u>12,650</u>	<u>3,529</u>	<u>9,121</u>
Net change in fund balances	<u>\$ (4,128)</u>	<u>\$ (4,128)</u>	5,100	<u>\$ 9,228</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>1,513</u>	
End of year			<u>\$ 6,613</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 553,166	\$ 553,166	\$ 586,155	\$ 32,989
Investment income (loss)	372	372	10,613	10,241
Total revenues	<u>553,538</u>	<u>553,538</u>	<u>596,768</u>	<u>43,230</u>
EXPENDITURES:				
Current:				
Fire	7,092	7,092	6,980	112
Total expenditures	<u>7,092</u>	<u>7,092</u>	<u>6,980</u>	<u>112</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>546,446</u>	<u>546,446</u>	<u>589,788</u>	<u>43,342</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total other financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 46,446</u>	<u>\$ 46,446</u>	89,788	<u>\$ 43,342</u>
FUND BALANCE:				
Beginning of year			<u>307,476</u>	
End of year			<u>\$ 397,264</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 75	\$ 75	\$ 1,249	\$ 1,174
Total revenues	<u>75</u>	<u>75</u>	<u>1,249</u>	<u>1,174</u>
EXPENDITURES:				
Current:				
Public works	300	300	-	300
Total expenditures	<u>300</u>	<u>300</u>	<u>-</u>	<u>300</u>
Net change in fund balances	<u>\$ (225)</u>	<u>\$ (225)</u>	1,249	<u>\$ 1,474</u>
FUND BALANCE:				
Beginning of year			<u>40,349</u>	
End of year			<u>\$ 41,598</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 456	\$ 456	\$ 6,948	\$ 6,492
Miscellaneous	-	-	5,704	5,704
Total revenues	<u>456</u>	<u>456</u>	<u>12,652</u>	<u>12,196</u>
EXPENDITURES:				
Current:				
General government	-	-	5,703	(5,703)
Total expenditures	<u>-</u>	<u>-</u>	<u>5,703</u>	<u>(5,703)</u>
Net change in fund balances	<u>\$ 456</u>	<u>\$ 456</u>	6,949	<u>\$ 6,493</u>
FUND BALANCE:				
Beginning of year			<u>224,441</u>	
End of year			<u>\$ 231,390</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ 150,000	\$ 150,000	\$ 82,170	\$ (67,830)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>82,170</u>	<u>(67,830)</u>
EXPENDITURES:				
Current:				
General government	-	-	16,534	(16,534)
Capital outlay	150,000	150,000	26,128	123,872
Total expenditures	<u>150,000</u>	<u>150,000</u>	<u>42,662</u>	<u>107,338</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	39,508	<u>\$ 39,508</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(233,081)</u>	
End of year			<u>\$ (193,573)</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 852	\$ 852	\$ 7,272	\$ 6,420
Miscellaneous	768	768	1,793	1,025
Total revenues	<u>1,620</u>	<u>1,620</u>	9,065	<u>7,445</u>
Net change in fund balances	<u>\$ 1,620</u>	<u>\$ 1,620</u>	9,065	<u>\$ 7,445</u>
FUND BALANCE:				
Beginning of year			<u>199,798</u>	
End of year			<u>\$ 208,863</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ -	\$ -	\$ 11,651	\$ 11,651
Investment income (loss)	2,075	2,075	14,779	12,704
Miscellaneous	1,874	1,874	5,633	3,759
Total revenues	<u>3,949</u>	<u>3,949</u>	<u>32,063</u>	<u>28,114</u>
EXPENDITURES:				
Current:				
General government	72,000	72,000	5,635	66,365
Total expenditures	<u>72,000</u>	<u>72,000</u>	<u>5,635</u>	<u>66,365</u>
Net change in fund balances	<u>\$ (68,051)</u>	<u>\$ (68,051)</u>	26,428	<u>\$ 94,479</u>
FUND BALANCE:				
Beginning of year			<u>183,801</u>	
End of year			<u>\$ 210,229</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 508	\$ 508	\$ 1,392	\$ 884
Miscellaneous	603	603	1,413	810
Total revenues	<u>1,111</u>	<u>1,111</u>	<u>2,805</u>	<u>1,694</u>
Net change in fund balances	<u>\$ 1,111</u>	<u>\$ 1,111</u>	<u>2,805</u>	<u>\$ 1,694</u>
FUND BALANCE:				
Beginning of year			<u>6,496</u>	
End of year			<u>\$ 9,301</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Other governmental	\$ 1,297,692	\$ 1,297,692	\$ 1,291,851	\$ (5,841)
Investment income (loss)	781	781	40,050	39,269
Total revenues	<u>1,298,473</u>	<u>1,298,473</u>	<u>1,331,901</u>	<u>33,428</u>
EXPENDITURES:				
Current:				
Public works	85,000	85,000	32,687	52,313
Capital outlay	65,843	63,113	58,796	4,317
Total expenditures	<u>150,843</u>	<u>148,113</u>	<u>91,483</u>	<u>56,630</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,147,630</u>	<u>1,150,360</u>	<u>1,240,418</u>	<u>90,058</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(790,230)	(1,379,675)	(355,762)	1,023,913
Total other financing sources (uses)	<u>(790,230)</u>	<u>(1,379,675)</u>	<u>(355,762)</u>	<u>1,023,913</u>
Net change in fund balances	<u>\$ 357,400</u>	<u>\$ (229,315)</u>	884,656	<u>\$ 1,113,971</u>
FUND BALANCE:				
Beginning of year			<u>776,553</u>	
End of year			<u>\$ 1,661,209</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental:				
Other governmental	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Investment income (loss)	319	319	5,662	5,343
Total revenues	<u>2,319</u>	<u>2,319</u>	<u>5,662</u>	<u>3,343</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(20,000)	-	(20,000)	(20,000)
Total other financing sources (uses)	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>
Net change in fund balances	<u>\$ (17,681)</u>	<u>\$ 2,319</u>	(14,338)	<u>\$ (16,657)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(110,392)</u>	
End of year			<u>\$ (124,730)</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 222	\$ 222	\$ 2,819	\$ 2,597
Total revenues	<u>222</u>	<u>222</u>	<u>2,819</u>	<u>2,597</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(105,564)</u>	<u>(83,025)</u>	<u>(200)</u>	<u>82,825</u>
Total other financing sources (uses)	<u>(105,564)</u>	<u>(83,025)</u>	<u>(200)</u>	<u>82,825</u>
Net change in fund balances	<u>\$ (105,342)</u>	<u>\$ (82,803)</u>	2,619	<u>\$ 85,422</u>
FUND BALANCE:				
Beginning of year			<u>79,713</u>	
End of year			<u>\$ 82,332</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ 379,909	\$ 379,909	\$ 184,778	\$ (195,131)
Other governmental	552,361	794,478	444,473	(350,005)
Investment income (loss)	5,911	5,911	89,269	83,358
Revenue from Fiduciary Fund	-	-	76,743	76,743
Total revenues	<u>938,181</u>	<u>1,180,298</u>	<u>795,263</u>	<u>(385,035)</u>
EXPENDITURES:				
Current:				
Public works	65,000	112,180	28,876	83,304
Capital outlay	7,250,937	8,971,509	622,458	8,349,051
Total expenditures	<u>7,315,937</u>	<u>9,083,689</u>	<u>651,334</u>	<u>8,432,355</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(6,377,756)</u>	<u>(7,903,391)</u>	<u>143,929</u>	<u>8,047,320</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,423,934	5,058,403	389,685	(4,668,718)
Total other financing sources (uses)	<u>4,423,934</u>	<u>5,058,403</u>	<u>389,685</u>	<u>(4,668,718)</u>
Net change in fund balances	<u>\$ (1,953,822)</u>	<u>\$ (2,844,988)</u>	533,614	<u>\$ 3,378,602</u>
FUND BALANCE:				
Beginning of year			<u>2,658,937</u>	
End of year			<u>\$ 3,192,551</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Other governmental	\$ 1,124,762	\$ 1,124,762	\$ 1,853,041	\$ 728,279
Investment income (loss)	7,040	7,040	122,859	115,819
Total revenues	<u>1,131,802</u>	<u>1,131,802</u>	<u>1,975,900</u>	<u>844,098</u>
EXPENDITURES:				
Capital outlay	2,072,534	2,068,365	1,524,734	543,631
Total expenditures	<u>2,072,534</u>	<u>2,068,365</u>	<u>1,524,734</u>	<u>543,631</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(940,732)</u>	<u>(936,563)</u>	<u>451,166</u>	<u>1,387,729</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	413,364	413,364
Transfers out	(1,199,944)	(1,508,455)	(133,369)	1,375,086
Total other financing sources (uses)	<u>(1,199,944)</u>	<u>(1,508,455)</u>	<u>279,995</u>	<u>1,788,450</u>
Net change in fund balances	<u>\$ (2,140,676)</u>	<u>\$ (2,445,018)</u>	731,161	<u>\$ 3,176,179</u>
FUND BALANCE:				
Beginning of year			<u>3,507,494</u>	
End of year			<u>\$ 4,238,655</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses, permits, and fees	\$ 198,898	\$ 198,898	\$ 1,787,244	\$ 1,588,346
Investment income (loss)	2,016	2,016	62,071	60,055
Total revenues	<u>200,914</u>	<u>200,914</u>	1,849,315	<u>1,648,401</u>
Net change in fund balances	<u>\$ 200,914</u>	<u>\$ 200,914</u>	1,849,315	<u>\$ 1,648,401</u>
FUND BALANCE:				
Beginning of year			<u>1,062,184</u>	
End of year			<u>\$ 2,911,499</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Investment income (loss)	\$ 8	\$ 8	\$ 134	\$ 126
Total revenues	8	8	134	126
Net change in fund balances	\$ 8	\$ 8	134	\$ 126
FUND BALANCE:				
Beginning of year			4,333	
End of year			\$ 4,467	

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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 126	\$ 126	\$ 2,047	\$ 1,921
Total revenues	<u>126</u>	<u>126</u>	<u>2,047</u>	<u>1,921</u>
Net change in fund balances	<u>\$ 126</u>	<u>\$ 126</u>	<u>2,047</u>	<u>\$ 1,921</u>
FUND BALANCE:				
Beginning of year			<u>66,136</u>	
End of year			<u>\$ 68,183</u>	

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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 219,300	\$ 219,300	\$ 272,614	\$ 53,314
Investment income (loss)	944	944	27,518	26,574
Total revenues	<u>220,244</u>	<u>220,244</u>	<u>300,132</u>	<u>79,888</u>
EXPENDITURES:				
Current:				
General government	33,210	35,210	25,738	9,472
Public works	-	-	498	(498)
Total expenditures	<u>33,210</u>	<u>35,210</u>	<u>26,236</u>	<u>8,974</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>187,034</u>	<u>185,034</u>	<u>273,896</u>	<u>88,862</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(10,000)	(10,000)	(10,000)	-
Total other financing sources (uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 177,034</u>	<u>\$ 175,034</u>	263,896	<u>\$ 88,862</u>
FUND BALANCE:				
Beginning of year			<u>783,243</u>	
End of year			<u>\$ 1,047,139</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 102,726	\$ 102,726	\$ 102,176	\$ (550)
Investment income (loss)	194	194	2,734	2,540
Total revenues	<u>102,920</u>	<u>102,920</u>	<u>104,910</u>	<u>1,990</u>
EXPENDITURES:				
Current:				
General government	26	26	26	-
Total expenditures	<u>26</u>	<u>26</u>	<u>26</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>102,894</u>	<u>102,894</u>	<u>104,884</u>	<u>1,990</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(85,000)	(85,000)	(85,000)	-
Total other financing sources (uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
Net change in fund balances	<u>\$ 17,894</u>	<u>\$ 17,894</u>	19,884	<u>\$ 1,990</u>
FUND BALANCE:				
Beginning of year			<u>73,242</u>	
End of year			<u>\$ 93,126</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 222,286	\$ 222,286	\$ 448,382	\$ 226,096
Investment income (loss)	344	344	23,952	23,608
Total revenues	<u>222,630</u>	<u>222,630</u>	<u>472,334</u>	<u>249,704</u>
EXPENDITURES:				
Current:				
General government	11,683	11,683	18,217	(6,534)
Public works	2,462	3,462	22,417	(18,955)
Total expenditures	<u>14,145</u>	<u>15,145</u>	<u>40,634</u>	<u>(25,489)</u>
Net change in fund balances	<u>\$ 208,485</u>	<u>\$ 207,485</u>	431,700	<u>\$ 224,215</u>
FUND BALANCE:				
Beginning of year			<u>571,397</u>	
End of year			<u>\$ 1,003,097</u>	

CUSTODIAL FUNDS

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City of Patterson
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2024

	CFD 2001-1 West Patterson Financing Authority	CFD 2005-1 West Patterson Business Park	CFD 2015-1 Arambel-KDN	Heartland Ranch 2013	CFD 2018-1 VOP Infrastructure	Total
ASSETS						
Cash and investments	\$ 5,675,328	\$ 2,339,646	\$ -	\$ 386,782	\$ -	\$ 8,401,756
Restricted cash and investments	-	186,219	-	-	-	186,219
Cash and investments with fiscal agents	213,104	8,569,567	429,721	230,691	15,673,951	25,117,034
Accounts receivable	-	-	-	-	-	-
Intergovernmental receivable	86,392	133,576	-	2,175	39,975	262,118
Interest receivable	78,273	22,052	-	3,423	-	103,748
Notes receivable	956,413	-	-	-	-	956,413
Total assets	7,009,510	11,251,060	429,721	623,071	15,713,926	35,027,288
LIABILITIES						
Accounts payable	-	5,050	3,130	-	1,829	10,009
Due to City	-	-	47,815	-	4,504,521	4,552,336
Total liabilities	-	5,050	50,945	-	4,506,350	4,562,345
NET POSITION						
Restricted for:						
Individuals, organizations, and other governments	7,009,510	11,246,010	378,776	623,071	11,207,576	30,464,943
Total net position	\$ 7,009,510	\$ 11,246,010	\$ 378,776	\$ 623,071	\$ 11,207,576	\$ 30,464,943

City of Patterson
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2024

	CFD 2001-1 West Patterson Financing Authority	CFD 2005-1 West Patterson Business Park	CFD 2015-1 Arambel-KDN	Heartland Ranch 2013	CFD 2018-1 VOP Infrastructure	Total
ADDITIONS:						
Special assessments for other governments	\$ 5,466,153	\$ 1,134,574	\$ 299,088	\$ 384,153	\$ 700,278	\$ 7,984,246
Investment income	257,018	479,240	777	6,040	372,472	1,115,547
Proceeds from issuance of bonds	-	-	-	-	10,958,090	10,958,090
Total additions	5,723,171	1,613,814	299,865	390,193	12,030,840	20,057,883
DEDUCTIONS:						
Administration	4,917	11,550	7,985	24,879	6,023,656	6,072,987
Payments on conduit bonds - principal	1,911,812	135,000	50,000	-	30,000	2,126,812
Payments on conduit bonds - interest	3,205,484	657,225	240,338	-	593,674	4,696,721
Projects payments	73,353	-	-	-	-	73,353
Contributions to City	1,792,945	186,312	-	509,779	56,114	2,545,150
Total deductions	6,988,511	990,087	298,323	534,658	6,703,444	15,515,023
Changes in net position	(1,265,340)	623,727	1,542	(144,465)	5,327,396	4,542,860
NET POSITION:						
Beginning of year	8,274,850	10,622,283	377,234	767,536	5,880,180	25,922,083
End of year	\$ 7,009,510	\$ 11,246,010	\$ 378,776	\$ 623,071	\$ 11,207,576	\$ 30,464,943

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>
Financial Trends Information	160
Helps readers understand how the City's financial position and well-being have changed over time.	
Revenue Capacity Information	170
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.	
Debt Capacity Information	184
Helps readers understand and assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	186
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.	
Operating Information	188
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				
	2024	2023	2022	2021	2020
Governmental activities:					
Net investment in capital assets	\$ 67,129,360	\$ 67,681,454	\$ 61,241,920	\$ 59,507,530	\$ 61,274,713
Restricted	28,261,493	14,864,418	15,315,965	14,976,923	10,752,749
Unrestricted net position (deficit)	9,752,527	6,606,051	9,993,088	413,664	(5,182,490)
Total Net Position	\$ 105,143,380	\$ 89,151,923	\$ 86,550,973	\$ 74,898,117	\$ 66,844,972
Business-type activities:					
Net investment in capital assets	\$ 48,241,694	\$ 49,988,310	\$ 36,458,905	\$ 36,978,338	\$ 37,930,411
Restricted	3,219,807	3,137,525	3,133,590	3,133,810	983,202
Unrestricted net position (deficit)	(3,448,538)	(4,650,588)	4,888,385	2,943,625	4,536,071
Total Net Position	\$ 48,012,963	\$ 48,475,247	\$ 44,480,880	\$ 43,055,773	\$ 43,449,684
Primary Government:					
Net investment in capital assets	\$ 115,371,054	\$ 117,669,764	\$ 97,700,825	\$ 96,485,868	\$ 99,205,124
Restricted	31,481,300	18,001,943	18,449,555	18,110,733	11,735,951
Unrestricted net position (deficit)	6,303,989	1,955,463	14,881,473	3,357,289	(646,419)
Total Net Position	\$ 153,156,343	\$ 137,627,170	\$ 131,031,853	\$ 117,953,890	\$ 110,294,656

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				
	2019	2018	2017	2016	2015
Governmental activities:					
Net investment in capital assets	\$ 60,390,350	\$ 60,721,785	\$ 55,621,936	\$ 55,756,984	\$ 50,237,700
Restricted	11,572,138	8,385,204	6,391,176	5,270,127	4,867,200
Unrestricted net position (deficit)	(7,892,944)	(4,612,193)	1,816,668	1,909,873	987,000
Total Net Position	\$ 64,069,544	\$ 64,494,796	\$ 63,829,780	\$ 62,936,984	\$ 56,091,900
Business-type activities:					
Net investment in capital assets	\$ 37,746,179	\$ 37,346,159	\$ 38,857,716	\$ 35,232,028	\$ 34,725,800
Restricted	469,817	469,905	-	4,102,582	5,303,228
Unrestricted net position (deficit)	2,567,625	(77,313)	517,319	1,250,675	1,737,680
Total Net Position	\$ 40,783,621	\$ 37,738,751	\$ 39,375,035	\$ 40,585,285	\$ 41,766,708
Primary Government:					
Net investment in capital assets	\$ 98,136,529	\$ 98,067,944	\$ 94,479,652	\$ 90,989,012	\$ 84,963,500
Restricted	12,041,955	8,855,109	6,391,176	9,372,709	10,170,428
Unrestricted net position (deficit)	(5,325,319)	(4,689,506)	2,333,987	3,160,548	2,724,680
Total Net Position	\$ 104,853,165	\$ 102,233,547	\$ 103,204,815	\$ 103,522,269	\$ 97,858,608

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				
	2024	2023	2022	2021	2020
Expenses					
Governmental activities:					
General government	\$ 7,749,472	\$ 10,196,494	\$ 3,280,417	\$ 4,196,700	\$ 4,514,103
Police	7,117,215	6,739,695	5,909,652	5,859,954	5,838,153
Fire	7,115,407	6,294,195	5,402,965	5,592,559	5,367,429
Community development and planning	2,314,006	2,329,664	1,959,595	1,829,511	2,084,354
Public works	6,537,838	8,127,788	4,270,332	5,414,262	4,687,210
Parks and recreation	4,312,372	3,959,583	2,321,417	2,747,819	4,536,510
Interest and fiscal charges	3,611,271	3,905,165	6,142,450	3,818,561	3,942,429
Total governmental activities	\$ 38,757,581	\$ 41,552,584	\$ 29,286,828	\$ 29,459,366	\$ 30,970,188
Business-type activities:					
Water	\$ 6,643,380	\$ 7,594,552	\$ 4,019,102	\$ 5,056,402	\$ 5,404,924
Sewer	7,518,474	7,506,130	4,709,466	5,532,181	5,533,806
Garbage	4,116,413	3,422,477	3,152,032	2,774,714	2,912,990
Total business-type activities	\$ 18,278,267	\$ 18,523,159	\$ 11,880,600	\$ 13,363,297	\$ 13,851,720
Total expenses	\$ 57,035,848	\$ 60,075,743	\$ 41,167,428	\$ 42,822,663	\$ 44,821,908
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 369,569	\$ 338,534	\$ 274,622	\$ 553,126	\$ 374,895
Police	163,852	87,704	153,959	177,795	86,776
Fire	2,944,815	2,216,509	2,058,970	1,965,540	1,741,172
Community development and planning	2,815,452	780,969	984,408	796,707	810,870
Public works	3,189,913	1,323,138	1,399,256	961,761	968,384
Parks and recreation	1,451,244	2,403,693	2,330,698	2,463,997	1,890,773
Operating grants and contributions	5,561,697	3,200,329	5,918,650	3,564,498	2,040,401
Capital grants and contributions	4,449,223	9,699,274	3,494,698	4,333,162	3,609,391
Total governmental activities	\$ 20,945,765	\$ 20,050,150	\$ 16,615,261	\$ 14,816,586	\$ 11,522,662
Business-type activities:					
Water	\$ 7,671,454	\$ 7,269,812	\$ 6,755,521	\$ 6,336,607	\$ 5,660,058
Sewer	6,335,105	5,431,483	4,716,644	4,440,546	4,610,985
Garbage	4,564,116	4,127,989	3,878,211	3,577,780	3,378,155
Operating grants and contributions	-	-	33,872	-	-
Capital grants and contributions	975,414	6,156,519	81,253	-	8,493
Total business-type Activities	\$ 19,546,089	\$ 22,985,803	\$ 15,465,501	\$ 14,354,933	\$ 13,657,691
Total program revenues	\$ 40,491,854	\$ 43,035,953	\$ 32,080,762	\$ 29,171,519	\$ 25,180,353
Net (Expense) Program Revenues					
Governmental activities	\$ (17,811,816)	\$ (21,502,434)	\$ (12,671,567)	\$ (14,642,780)	\$ (19,447,526)
Business-type activities	1,267,822	4,462,644	3,584,901	991,636	(194,029)
Total Primary Government	\$ (16,543,994)	\$ (17,039,790)	\$ (9,086,666)	\$ (13,651,144)	\$ (19,641,555)

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

	Fiscal Year				
	2019	2018	2017	2016	2015
Expenses					
Governmental activities:					
General government	\$ 3,167,076	\$ 3,328,847	\$ 2,259,261	\$ 2,003,932	\$ 2,650,997
Police	6,711,694	6,880,924	4,458,567	4,156,842	3,298,276
Fire	4,937,738	2,699,018	3,532,864	3,594,435	3,381,961
Community development and planning	2,523,052	1,724,146	3,024,928	1,258,725	1,213,617
Public works	4,455,175	4,790,738	2,631,811	4,652,522	4,043,774
Parks and recreation	4,618,872	4,473,167	3,277,134	2,696,555	2,558,315
Interest and fiscal charges	4,360,669	3,847,304	3,955,958	3,935,590	4,118,232
Total governmental activities	\$ 30,774,276	\$ 27,744,144	\$ 23,140,523	\$ 22,298,601	\$ 21,265,172
Business-type activities:					
Water	\$ 4,561,024	\$ 4,917,985	\$ 4,481,750	\$ 3,567,751	\$ 3,734,709
Sewer	5,287,098	5,297,929	4,893,962	4,221,112	4,091,034
Garbage	2,545,016	2,397,523	2,310,200	2,080,840	2,069,439
Total business-type activities	\$ 12,393,138	\$ 12,613,437	\$ 11,685,912	\$ 9,869,703	\$ 9,895,182
Total expenses	\$ 43,167,414	\$ 40,357,581	\$ 34,826,435	\$ 32,168,304	\$ 31,160,354
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 653,327	\$ 4,797	\$ 678,608	\$ 108,119	\$ 166,427
Police	198,638	300,973	218,337	268,929	392,009
Fire	1,620,028	720,761	587,593	413,973	681,690
Community development and planning	530,975	65,114	645,985	390,721	885,242
Public works	920,656	2,362,593	2,161,045	2,000,190	2,296,599
Parks and recreation	1,763,473	1,690,041	1,481,692	1,804,685	1,780,112
Operating grants and contributions	2,064,434	2,767,848	1,590,404	998,122	1,318,671
Capital grants and contributions	2,262,266	1,877,817	1,112,733	342,867	556,120
Total governmental activities	\$ 10,013,797	\$ 9,789,944	\$ 8,476,397	\$ 6,327,606	\$ 8,076,870
Business-type activities:					
Water	\$ 4,764,097	\$ 4,197,555	\$ 3,680,373	\$ 3,389,473	\$ 3,972,456
Sewer	4,665,525	4,344,858	4,011,227	3,855,492	3,406,079
Garbage	3,228,053	3,079,843	2,921,089	2,800,845	2,667,681
Operating grants and contributions	34,318	68,852	701,283	-	-
Capital grants and contributions	-	-	-	(1,582)	-
Total business-type Activities	\$ 12,691,993	\$ 11,691,108	\$ 11,313,972	\$ 10,044,228	\$ 10,046,216
Total program revenues	\$ 22,705,790	\$ 21,481,052	\$ 19,790,369	\$ 16,371,834	\$ 18,123,086
Net (Expense) Program Revenues					
Governmental activities	\$ (20,760,479)	\$ (17,954,200)	\$ (14,664,126)	\$ (15,970,995)	\$ (13,188,302)
Business-type activities	298,855	(922,329)	(371,940)	174,525	151,034
Total Primary Government	\$ (20,461,624)	\$ (18,876,529)	\$ (15,036,066)	\$ (15,796,470)	\$ (13,037,268)

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

	Fiscal Year				
	2024	2023	2022	2021	2020
General Revenues:					
Governmental activities:					
Taxes:					
Property tax	\$ 8,141,486	\$ 7,381,341	\$ 6,466,296	\$ 6,196,152	\$ 3,621,765
Sales tax	14,549,483	12,842,865	12,317,056	10,029,499	6,840,520
Franchise tax	241,771	247,538	193,226	222,803	211,963
Motor vehicle in lieu	-	-	-	-	2,267,086
Other taxes	271,762	308,014	277,779	248,158	162,436
Use of money and property	-	-	-	-	-
Investment earnings	4,647,090	735,910	(474,168)	3,442,805	4,145,959
Revenue from Fiduciary Fund	2,409,468	4,004,069	-	527,556	2,387,683
Miscellaneous	818,875	-	6,277,085	379,911	896,921
Transfers	2,723,338	617,936	-	1,649,041	1,642,806
Special / Extraordinary item	-	2,939,075	-	-	-
Total governmental activities	\$ 33,803,273	\$ 29,076,748	\$ 25,057,274	\$ 22,695,925	\$ 22,177,139
Business-type activities:					
Investment earnings	\$ 797,750	\$ 462,486	\$ 3,208,319	\$ 43,762	\$ 205,023
Revenue from Fiduciary Fund	135,683	1,472,643	518,052	155,744	1,648,115
Miscellaneous	59,799	49,137	1,366,103	63,988	2,649,760
Transfers	(2,723,338)	(2,939,075)	2,306,094	(1,649,041)	(1,642,806)
Total business-type activities	\$ (1,730,106)	\$ (954,809)	\$ 7,398,568	\$ (1,385,547)	\$ 2,860,092
Total general revenues	\$ 32,073,167	\$ 28,121,939	\$ 32,455,842	\$ 21,310,378	\$ 25,037,231
Change in Net Position					
Governmental activities	\$ 15,991,457	\$ 7,574,314	\$ 6,094,327	\$ 8,053,145	\$ 2,729,613
Business-type activities:	(462,284)	3,507,835	(2,872,483)	(393,911)	2,666,063
Total	\$ 15,529,173	\$ 11,082,149	\$ 3,221,844	\$ 7,659,234	\$ 5,395,676

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

	Fiscal Year				
	2019	2018	2017	2016	2015
General Revenues:					
Governmental activities:					
Taxes:					
Property tax	\$ 3,386,596	\$ 3,417,541	\$ 3,414,365	\$ 3,172,489	\$ 2,657,306
Sales tax	5,837,364	5,027,535	5,502,627	5,045,260	3,732,177
Franchise tax	205,047	206,354	274,792	188,834	179,313
Motor vehicle in lieu	2,089,248	1,947,375	1,844,519	1,693,793	1,596,755
Other taxes	136,047	717,288	137,847	549,654	719,718
Use of money and property	473,114	-	-	4,530,279	4,491,782
Investment earnings	4,179,507	4,515,819	4,312,058	6,075,652	-
Revenue from Fiduciary Fund	1,745,012	1,681,843	-	-	-
Miscellaneous	1,038,772	203,070	633,427	188,402	159,416
Transfers	1,290,335	1,271,753	895,861	1,371,990	2,117,754
Special / Extraordinary item	-	-	-	-	-
Total governmental activities	\$ 20,381,042	\$ 18,988,578	\$ 17,015,496	\$ 22,816,353	\$ 15,654,221
Business-type activities:					
Investment earnings	\$ 171,436	\$ 74,144	\$ 31,002	\$ 14,451	\$ 13,985
Revenue from Fiduciary Fund	3,850,536	500,786	-	-	-
Miscellaneous	14,378	64,483	26,549	-	-
Transfers	(1,290,335)	(1,271,753)	(895,861)	(1,371,990)	(2,117,754)
Total business-type activities	\$ 2,746,015	\$ (632,340)	\$ (838,310)	\$ (1,357,539)	\$ (2,103,769)
Total general revenues	\$ 23,127,057	\$ 18,356,238	\$ 16,177,186	\$ 21,458,814	\$ 13,550,452
Change in Net Position					
Governmental activities	\$ (379,437)	\$ 1,034,378	\$ 2,351,370	\$ 6,845,358	\$ 2,465,919
Business-type activities:	3,044,870	(1,554,669)	(1,210,250)	(1,183,014)	(1,952,735)
Total	\$ 2,665,433	\$ (520,291)	\$ 1,141,120	\$ 5,662,344	\$ 513,184

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

	Fiscal Year				
	2024	2023	2022	2021	2020
FUND BALANCES:					
General Fund					
Nonspendable	\$ 249,161	\$ 138,149	\$ 138,586	\$ 106,172	\$ 104,997
Restricted	624,198	560,761	360,498	360,498	344,809
Committed	10,759,106	9,838,576	3,762,470	3,762,470	3,751,813
Assigned	7,449,656	6,236,338	2,896,296	2,896,296	2,889,800
Unassigned	5,184,572	1,389,339	12,651,739	6,589,826	1,984,909
Total General Fund	\$ 24,266,693	\$ 18,163,163	\$ 19,809,589	\$ 13,715,262	\$ 9,076,328
All Other Governmental Funds					
Nonspendable	\$ 252,049	\$ 6,596	\$ 138,586	\$ 3,338	\$ -
Restricted	81,245,044	72,309,934	75,829,140	75,922,386	75,515,298
Committed	14,550,061	10,364,796	13,042,711	7,173,724	4,986,655
Assigned	-	-	2,935,856	38,865	-
Unassigned (deficit)	(4,582,122)	(4,469,077)	8,607,342	(3,567,982)	(2,935,948)
Total All Other Governmental Funds	\$ 91,465,032	\$ 78,212,249	\$ 100,553,635	\$ 79,570,331	\$ 77,566,005
Total Fund Balance	\$ 115,731,725	\$ 96,375,412	\$ 120,363,224	\$ 93,285,593	\$ 86,642,333

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

	Fiscal Year				
	2019	2018	2017	2016	2015
FUND BALANCES:					
General Fund					
Nonspendable	\$ 84,466	\$ 73,526	\$ 68,630	\$ 78,491	\$ -
Restricted	290,150	146,789	144,229	51,773	40,508
Committed	3,725,949	3,658,050	3,642,337	3,626,143	3,605,039
Assigned	2,879,593	2,883,371	2,879,809	1,879,546	2,051,675
Unassigned	1,192,981	873,038	1,502,483	1,564,376	568,385
Total General Fund	8,173,139	\$ 7,634,774	\$ 8,237,488	\$ 7,200,329	\$ 6,265,607
All Other Governmental Funds					
Nonspendable	\$ -	\$ 2,865	\$ 574	\$ -	\$ -
Restricted	74,293,766	75,770,466	76,995,568	78,162,371	78,664,140
Committed	4,905,500	4,905,500	6,016,084	5,734,508	6,335,270
Assigned	40,109	-	-	38,985	105
Unassigned (deficit)	(2,777,683)	(1,283,973)	(729,053)	(283,235)	(135,283)
Total All Other Governmental Funds	\$ 76,461,692	\$ 79,394,858	\$ 82,283,173	\$ 83,652,629	\$ 84,864,232
Total Fund Balance	\$ 84,634,831	\$ 87,029,632	\$ 90,520,661	\$ 90,852,958	\$ 91,129,839

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Revenues:					
Taxes:					
Property	\$ 8,141,486	\$ 7,380,341	\$ 6,466,296	\$ 6,196,152	\$ 3,621,765
Sales	14,549,483	12,842,865	12,317,056	10,029,499	6,840,520
Franchise	241,771	247,538	193,226	222,803	211,963
Motor vehicle in lieu	-	-	-	-	2,267,086
Other	271,762	308,014	277,779	248,158	162,436
License, permits, and fees	7,853,941	2,564,469	3,760,608	3,872,859	2,135,391
Charges for current services	6,896,074	5,780,377	5,165,200	4,651,557	4,446,008
Intergovernmental	5,528,802	4,868,843	7,400,132	5,943,756	6,225,231
Fines, forfeitures and penalties	236,381	112,090	158,125	339,080	66,683
Investment earnings	4,908,897	4,001,071	2,779,382	3,528,985	4,152,528
Revenue from Fiduciary Fund	2,409,468	735,910	518,052	527,556	2,387,683
Miscellaneous revenues	631,503	714,667	658,984	393,511	981,021
Total Revenues	\$ 51,669,568	\$ 39,556,185	\$ 39,694,840	\$ 35,953,916	33,498,315
Expenditures:					
Current:					
General government	\$ 7,053,219	\$ 4,416,045	\$ 3,280,417	\$ 3,539,563	\$ 3,803,016
Police	7,054,677	6,542,712	5,909,652	5,410,959	5,373,752
Fire	6,615,410	6,037,410	5,402,965	5,289,020	5,057,265
Community development and planning	2,263,392	2,213,335	1,959,595	1,728,594	2,021,174
Public Works	4,355,004	4,920,769	4,270,332	3,899,114	3,323,065
Parks and recreation	3,488,259	3,046,238	2,321,417	1,878,060	3,713,674
Capital outlay	6,189,280	8,309,343	4,513,191	2,964,721	3,417,460
Debt service:					
Principal	59,316,490	2,879,858	2,444,648	2,427,337	2,476,386
Interest and fiscal charges	3,284,656	3,975,707	3,697,802	3,822,329	3,947,827
Total Expenditures	\$ 99,620,387	\$ 42,341,417	\$ 33,800,019	\$ 30,959,697	\$ 33,133,619
Excess (deficiency) of revenue over (under) expenditures	\$ (47,950,819)	\$ (2,785,232)	\$ 5,894,821	\$ 4,994,219	\$ 364,696
Other financing sources (uses)					
Proceeds from loan repayments	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from bond issuance	54,370,000	-	59,040	-	-
Bond premium received	6,617,848	-	-	-	-
Proceeds from leases	77,971	464,205	-	-	-
Inception of finance purchase agreement	3,517,975	-	-	-	-
Transfers in	5,225,574	7,693,815	3,469,860	6,985,786	3,339,258
Transfers out	(2,502,236)	(4,754,740)	(2,155,679)	(5,336,745)	(1,696,452)
Total Other Financing Sources	\$ 67,307,132	\$ 3,403,280	\$ 1,373,221	\$ 1,649,041	\$ 1,642,806
Net Change in Fund Balance	\$ 19,356,313	\$ 618,048	\$ 7,268,042	\$ 6,643,260	\$ 2,007,502
Debt Service as a Percentage of Non-capital Expenditure	67.01%	20.30%	20.97%	22.32%	21.62%

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				
	2019	2018	2017	2016	2015
Revenues:					
Taxes:					
Property	\$ 3,386,596	\$ 3,417,541	\$ 3,414,365	\$ 3,172,489	\$ 2,657,306
Sales	5,837,364	5,027,535	5,502,627	5,045,260	3,732,177
Franchise	205,047	206,354	274,792	188,834	179,313
Motor vehicle in lieu	2,089,248	1,947,375	1,844,519	1,693,793	1,596,755
Other	136,047	131,701	137,847	549,654	719,718
License, permits, and fees	1,360,937	2,055,853	1,791,391	983,115	2,016,921
Charges for current services	4,369,186	5,519,738	3,849,087	3,763,566	4,021,749
Intergovernmental	3,483,936	2,028,281	1,989,969	1,340,990	1,844,850
Fines, forfeitures and penalties	181,044	146,100	157,307	239,936	193,350
Investment earnings	4,198,697	4,535,040	4,312,058	4,530,279	4,577,761
Revenue from Fiduciary Fund	1,745,012	1,681,843	-	-	-
Miscellaneous revenues	1,189,088	355,285	612,457	188,402	1,565,122
Total Revenues	\$ 28,182,202	\$ 27,052,646	\$ 23,886,419	\$ 21,696,318	\$ 23,105,022
Expenditures:					
Current:					
General government	\$ 2,899,263	\$ 2,656,904	\$ 2,507,830	\$ 2,704,512	\$ 2,744,062
Police	5,374,098	6,377,259	4,218,306	4,290,965	4,039,064
Fire	4,696,647	2,437,226	3,574,689	3,274,834	3,069,601
Community development and planning	2,545,955	1,654,039	1,485,366	1,240,042	1,374,632
Public Works	3,267,381	3,707,312	2,874,435	2,691,886	2,746,358
Parks and recreation	4,014,566	3,719,906	2,466,882	1,940,339	1,841,033
Capital outlay	2,776,974	7,237,219	2,080,160	1,432,210	1,873,381
Debt service:					
Principal	2,225,040	2,250,465	2,060,273	1,765,836	3,105,901
Interest and fiscal charges	4,067,414	4,204,098	3,954,933	4,016,686	4,123,116
Total Expenditures	\$ 31,867,338	\$ 34,244,428	\$ 25,222,874	\$ 23,357,310	\$ 24,917,148
Excess (deficiency) of revenue over (under) expenditures	\$ (3,685,136)	\$ (7,191,782)	\$ (1,336,455)	\$ (1,660,992)	\$ (1,812,126)
Other financing sources (uses)					
Proceeds from loan repayments	\$ -	\$ -	\$ -	\$ 12,116	\$ 760
Proceeds from bond issuance	-	2,429,000	-	-	-
Bond premium received	-	-	-	-	-
Proceeds from leases	-	-	161,990	-	-
Inception of finance purchase agreement	-	-	-	-	-
Transfers in	3,818,998	4,107,492	3,012,930	4,711,665	4,655,106
Transfers out	(2,528,663)	(2,835,739)	(2,117,069)	(3,339,675)	(3,223,826)
Total Other Financing Sources	\$ 1,290,335	\$ 3,700,753	\$ 1,057,851	\$ 1,384,106	\$ 1,432,040
Net Change in Fund Balance	\$ (2,394,801)	\$ (3,491,029)	\$ (278,604)	\$ (276,886)	\$ (380,086)
Debt Service as a Percentage of Non-capital Expenditure	21.63%	23.90%	25.99%	26.37%	31.37%

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2024	2023	2022	2021	2020
Revenues:					
Taxes:					
Property	\$ 8,141,486	\$ 7,381,341	\$ 6,466,296	\$ 6,196,152	\$ 3,621,765
Sales	14,549,483	12,842,865	12,317,056	10,029,499	6,840,520
Franchise	241,771	247,538	193,226	222,803	211,963
Motor vehicle in lieu	-	-	-	-	2,267,086
Other	271,762	308,014	277,779	248,158	162,436
Total Taxes	\$ 23,204,502	\$ 20,779,758	\$ 19,254,357	\$ 16,696,612	\$ 13,103,770

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2019	2018	2017	2016	2015
Revenues:					
Taxes:					
Property	\$ 3,386,596	\$ 3,417,541	\$ 2,931,682	\$ 3,172,489	\$ 2,657,306
Sales	5,837,364	5,027,535	5,502,627	5,045,260	3,732,177
Franchise	205,047	206,534	274,792	188,834	179,313
Motor vehicle in lieu	2,089,248	1,947,375	1,844,519	1,693,793	1,596,755
Other	136,047	131,701	137,847	549,654	719,718
Total Taxes	\$ 11,654,302	\$ 10,730,686	\$ 10,691,467	\$ 10,650,030	\$ 8,885,269

Source: City of Patterson Finance Department

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

	Fiscal Year					
	2024	2023	2022	2021	2020	2019
Type of Customer						
Residential*	1,023,340	1,020,933	1,065,086	1,146,893	1,095,305	1,018,052
Commercial/Industrial*	168,410	160,824	135,263	132,374	165,164	151,297
Irrigation*	403,161	321,211	411,831	450,848	444,466	334,844
Total*	<u>1,594,911</u>	<u>1,502,968</u>	<u>1,612,180</u>	<u>1,730,115</u>	<u>1,704,935</u>	<u>1,504,193</u>

Source: City of Patterson Finance Department

* Amounts in Cubic Feet

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	
2024	\$ 17.46	\$ 3.38	\$ 59.49	
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	

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				
	2014-15	2015-16*	2016-17	2017-18	2018-19
Residential Property	\$ -	\$ 1,067,738,189	\$ 1,125,435,937	\$ 1,221,805,158	\$ 1,336,735,402
Commercial Property	-	106,365,150	134,692,261	141,903,335	162,332,795
Industrial Property	-	278,228,208	461,416,004	460,796,304	464,865,277
Other Property	1,490,319,496	187,566,714	62,594,490	66,537,768	73,659,817
Unsecured Property	69,354,774	81,491,675	87,592,650	84,553,479	82,368,182
Less: Tax-Exempt Property	18,375,785	35,591,679	36,416,220	38,086,325	38,436,037
Taxable Assessed Value	\$ 1,541,298,485	\$ 1,685,798,257	\$ 1,835,315,122	\$ 1,937,329,719	\$ 2,081,525,436
Total Direct Tax Rate (1)	1.092819	1.097113	1.095707	1.104825	1.106684
Estimated Actual Taxable Value (2)	\$ 1,541,298,485	\$ 2,474,212,386	\$ 2,515,245,600	\$ 2,880,528,379	\$ 3,191,213,893
Factor of Taxable Assessed Value (2)	1.000000	1.467680	1.370471	1.486855	1.533113

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				
	2019-20	2020-21	2021-22	2022-23	2023-24
Residential Property	\$ 1,420,672,172	\$ 1,472,464,677	\$ 1,572,562,406	\$ 1,727,967,560	\$ 1,902,837,372
Commercial Property	175,943,468	201,385,521	213,310,784	236,429,368	245,997,504
Industrial Property	470,160,844	537,164,362	535,210,557	541,200,991	558,911,277
Other Property	141,632,148	113,983,444	126,040,766	150,812,186	223,032,283
Unsecured Property	87,689,106	83,230,002	82,516,633	82,171,485	97,076,853
Less: Tax-Exempt Property	42,869,663	44,893,026	57,029,494	57,996,914	64,414,026
Taxable Assessed Value	\$ 2,253,228,075	\$ 2,363,334,980	\$ 2,472,611,652	\$ 2,680,584,676	\$ 2,963,441,263
Total Direct Tax Rate (1)	1.141246	1.136632	1.131314	1.125102	1.164085
Estimated Actual Taxable Value (2)	\$ 3,457,556,850	\$ 2,968,433,744	\$ 4,764,749,852	\$ 4,558,931,744	\$ 6,494,406,767
Factor of Taxable Assessed Value (2)	1.534490	1.256036	1.927011	1.700723	2.191509

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 Eight Fiscal Years

Category	Fiscal Year			
	2015-16	2016-17	2017-18	2018-19
Residential	\$ 1,067,738,189	\$ 1,125,435,937	\$ 1,221,805,158	\$ 1,336,735,402
Industrial	278,228,208	461,416,004	460,796,304	464,865,277
Commercial	106,365,150	134,692,261	141,903,335	162,332,795
Vacant	34,897,566	41,941,904	49,709,923	59,900,775
Agriculture	138,855,433	5,164,703	1,245,101	1,096,217
Unknown	13,022,637	14,009,788	14,548,636	11,793,401
Rural	739,952	1,337,947	712,923	727,181
Unitary	51,126	51,905	52,942	54,000
Miscellaneous	476,983	88,243	88,243	88,243
Institution	-	-	-	-
Gross Secured Value	\$ 1,640,375,244	\$ 1,784,138,692	\$ 1,890,862,565	\$ 2,037,593,291
Unsecured	\$ 81,014,692	\$ 87,592,650	\$ 84,553,479	\$ 82,368,182
Exemptions	35,591,649	36,416,220	38,086,325	38,436,037
Net Taxable Value	\$ 1,685,798,287	\$ 1,835,315,122	\$ 1,937,329,719	\$ 2,081,525,436

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.

City of Patterson
Table 7
Taxable Property by Use Code, City-Wide (Continued)
Last Eight Fiscal Years

Category	Fiscal Year				
	2019-20	2020-21	2021-22	2022-23	2023-24
Residential	\$ 1,420,672,172	\$ 1,472,464,677	\$ 1,572,562,406	\$ 1,727,967,560	\$ 1,902,837,372
Industrial	470,160,844	537,164,362	535,210,557	541,200,991	558,911,277
Commercial	175,943,468	201,385,521	213,310,784	236,429,368	245,997,504
Vacant	111,593,169	79,088,199	91,050,322	116,283,431	186,921,093
Agriculture	9,299,298	18,838,976	19,138,532	12,713,957	13,300,143
Unknown	14,729,866	14,082,823	13,859,051	19,784,066	20,801,687
Rural	5,866,493	1,818,114	1,836,948	1,873,685	1,911,156
Unitary	55,079	56,180	56,761	57,895	39,152
Miscellaneous	88,243	99,152	99,152	99,152	59,052
Institution	-	-	-	-	-
Gross Secured Value	\$ 2,208,408,632	\$ 2,324,998,004	\$ 2,447,124,513	\$ 2,656,410,105	\$ 2,930,778,436
Unsecured	\$ 87,689,106	\$ 83,230,002	\$ 82,516,633	\$ 82,171,485	\$ 97,076,853
Exemptions	42,869,663	44,893,026	57,029,494	57,996,914	64,414,026
Net Taxable Value	\$ 2,253,228,075	\$ 2,363,334,980	\$ 2,472,611,652	\$ 2,680,584,676	\$ 2,963,441,263

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.

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

	Fiscal Year									
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
Basic City and County Levy:										
City of Patterson	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770
All Others:										
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
Override Assessments										
Patterson U - 1996	0.011640	0.010596	0.010415	0.009953	0.009910	0.008517	0.007773	0.008517	0.000000	0.000000
Patterson U - 01A	0.045680	0.043932	0.043952	0.042364	0.042913	0.037489	0.034404	0.037489	0.030812	0.024990
Patterson U - 01B	0.008691	0.007974	0.007850	0.000000	0.000000	0.009804	0.007718	0.009804	0.007859	0.007317
Patterson U - 2008A	0.004985	0.007691	0.010456	0.010179	0.011078	0.009759	0.009435	0.009759	0.009993	0.009547
Patterson U - 2016 GO Ref	0.000000	0.000000	0.000000	0.018261	0.016809	0.005718	0.006936	0.005718	0.006695	0.006199
Patterson U - 2018A	0.000000	0.000000	0.000000	0.000000	0.000000	0.046179	0.047588	0.046179	0.046326	0.042528
Patterson 2022 GOB Series A	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.050396
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	0.015663	0.011618	0.009190	0.007585	0.009093	0.008839	0.008883	0.008839	0.009875	0.010324
YCCD 2010 D	0.000334	0.000467	0.000459	0.000359	0.000410	0.000405	0.000425	0.000405	0.000000	0.000000
YCCD 2012 Ref	0.005826	0.008285	0.008500	0.008753	0.007962	0.007286	0.006554	0.007286	0.000000	0.000000
YCCD 2015 Ref	0.000000	0.006550	0.004885	0.007371	0.008509	0.007250	0.006916	0.007250	0.000000	0.000489
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	0.006848	0.006385
Yosemite 2022 GOB Refunding	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.006694	0.005910
TOTAL	0.092819	0.097113	0.095707	0.104825	0.106684	0.141246	0.136632	0.141246	0.125102	0.164085
TOTAL TAX RATE	1.092819	1.097113	1.095707	1.104825	1.106684	1.141246	1.136632	1.141246	1.125102	1.164085

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	2023-24		2014-15	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
WR Griffin Patterson LLC	111,772,902	3.77%		
W W Grainger Inc	94,348,395	3.18%	90,256,350	5.86%
Bit Holdings Seventy-Seven Inc	84,199,368	2.84%		
Longs Drug Stores California Inc	65,193,961	2.20%	55,514,350	3.60%
Baldwin Ranch Development LLC	61,814,215	2.09%		
Westcore Alpha Patterson LLC	61,477,417	2.07%		
Kohls Department Stores Inc	41,049,040	1.39%	42,086,840	2.73%
LBA RV-Company XVII LP	32,328,572	1.09%		
Amazon.Com Services Inc	28,732,160	0.97%		
Wal Mart Real Estate Business Trust	23,591,682	0.80%	24,720,965	1.60%
Ramos John J & Brenda J	15,503,664	0.52%	8,246,989	0.54%
Sierra Pacific Refrig Serv Ltd	14,947,257	0.50%	12,400,865	0.80%
Eagle Valley Investments	14,533,296	0.49%		
Restoration Hardware Inc	13,414,050	0.45%		
Pilot Travel Centers LLC	12,396,154	0.42%		
Buzz Oates LLC	10,962,973	0.37%		
Gill Hospitality LLC	10,602,364	0.36%		
Rogers Road LLC	10,076,580	0.34%		
Save Mart Portfolio Owner Fund V CA LLC	9,624,836	0.32%	5,002,267	0.32%
Sai Shiva LLC	9,588,386	0.32%		
Proto	8,302,931	0.28%	3,921,000	0.25%
Patterson Marketplace LLC	8,039,021	0.27%	6,822,795	0.44%
Traina Pacific LLC	7,746,959	0.26%	8,553,655	0.55%
US Real Estate Limited Partnership LP			63,852,178	4.14%
N Tax Dept			46,240,870	3.00%
Boersma Properties LLC			5,305,610	0.34%
Three D Patterson LLC			5,040,000	0.33%
Ormond Peter M			4,321,331	0.28%
Snider Paul H			3,991,888	0.26%
Patterson Plaza Associates LLC			3,383,398	0.22%
Westside Property Management			3,025,984	0.20%
Keystone Flex II Associates LLC			2,780,500	0.18%
Johnson Patricia A			2,623,983	0.17%
Buzz Oates Enterprises II			2,560,552	0.17%
Hensley Investment Co LLC			2,525,080	0.16%
Total Top 25 Taxpayers	777,970,134	26.25%	444,716,917	28.85%
Total Taxable Value	2,963,441,263	100.00%	1,541,298,485	100.00%

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

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City of Patterson
Table 10
Principal Sales Tax Producers
Last Fiscal Year and Nine Years Ago

2023-24		2014-15	
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
Article	Home Furnishings	CVS Pharmacy	Drug Stores
Cali Kosher	Cannabis	Del Don Chemical	Garden/Agricultural Supplies
Chevron	Service Stations	Denny's	Casual Dining
Del Don Fertilizer Company	Garden/Agricultural Supplies	Dollar Tree	Variety Stores
Flying J Travel Plaza	Service Stations	G's Food Mart	Service Stations
JM Equipment	Warehse/Farm/Const. Equip.	Jack in the Box	Quick-Service Restaurants
Kwik Serv Gas	Service Stations	Jesses Used Cars	Used Automotive Dealers
Loves Travel Stop	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
O'Reilly Auto Parts	Automotive Supply Stores	McDonalds	Quick-Service Restaurants
Plug Power	Warehouse/Farm/Const. Equip.	Exxon Liquor & Food	Service Stations
Restoration Hardware	Fulfillment Centers	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
Valero	Service Stations	True Value Hardware	Building Materials
WW Grainger	Electrical Equipment	Walgreens	Drug Stores
Walmart Supercenter	Discount Dept Stores		

Source: HdL Companies

City of Patterson
Table 11
Historical Sales Tax Amounts by Benchmark Year
Last Ten Fiscal Years

CATEGORY NAME	2015 Q1		2016 Q1		2017 Q1		2018 Q1		2019 Q1	
All Other Outlets	\$	389,253	\$	592,368	\$	597,886	\$	567,498	\$	536,620
Apparel Stores		799		597		774		526		1,116
Auto Dealers & Auto		107,648		104,804		123,336		123,204		111,997
Bldg. Matrl. & Farm		102,671		62,643		60,911		32,749		69,889
Drug Stores		9,002		8,922		9,318		4,655		23,628
Eating & Drinking Pl		53,868		58,015		56,766		56,023		74,473
Food Stores		18,922		16,884		14,235		13,203		13,447
Home Furnishings & A		5,519		9,228		12,564		10,601		9,814
General Merchandise		72,612		79,659		80,118		83,482		84,760
Other Retail Stores		3,149		3,345		3,495		5,543		4,237
Packaged Liquor Store		689		997		8,353		4,945		2,877
Service Station		73,795		63,428		142,584		174,114		202,665
TOTAL	\$	837,927	\$	1,000,890	\$	1,110,340	\$	1,076,543	\$	1,135,523

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

CATEGORY NAME	2020 Q1		2021 Q1		2022 Q1		2023 Q1		2024 Q1	
All Other Outlets	\$	934,427	\$	1,802,510	\$	1,556,150	\$	1,623,385	\$	1,508,510
Apparel Stores		894		30		222		379		397
Auto Dealers & Auto		113,273		171,906		153,886		169,261		162,815
Bldg. Matrl. & Farm		94,280		145,119		112,958		92,400		76,710
Drug Stores		17,646		35,512		33,705		27,710		20,072
Eating & Drinking Pl		51,621		84,011		89,794		93,097		97,938
Food Stores		11,203		18,345		19,660		18,691		21,002
Home Furnishings & A		12,462		11,105		11,550		11,693		112,743
General Merchandise		86,678		98,236		93,077		91,890		96,776
Other Retail Stores		-2,373		5,287		5,704		5,281		5,317
Packaged Liquor Store		6,607		7,165		6,372		6,126		6,837
Service Station		188,080		292,674		345,035		405,712		378,539
TOTAL	\$	1,514,798	\$	2,671,900	\$	2,428,113	\$	2,545,625	\$	2,487,656

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 12
Ratio of Outstanding Debt By Type
Last Ten Fiscal Years

Governmental Activities							
Fiscal Year	Loans Payable	Lease Revenue Bonds	Revenue Bonds	Settlement Payable	Finance Purchase Obligations and Leases	Subscription-Based IT Arrangements	Total
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	59,316,898	1,697,355	420,639	57,903	63,246,756
2024	-	1,604,451	61,672,041	1,697,355	3,883,948	4,519	68,862,314
Business-Type Activities							
Fiscal Year	Loans Payable	Public Offering Revenue Bonds	Private Placement Revenue Bonds	Settlement Payable	Finance Purchase Obligations and Leases	Subscription-Based IT Arrangements	Total
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
2024	5,754,982	15,787,188	2,478,400	1,123,211	-	-	25,143,781
Fiscal Year	Total Primary Government	Percentage of Personal Income	Per Capita				
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	86,534,415	13.10%	3,556				
2024	94,006,095	10.72%	3,792				

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 FY2023 has been corrected compared to past filings.

In prior filings, Leases and Subscriptions were reported together. In FY2024, these amounts have been separated.

City of Patterson
Table 13
Direct and Overlapping Governmental Activities Debt

Total 2023-24 Assessed Valuation: \$2,981,893,263

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>	Total Debt 6/30/2024	% Applicable (1)	City's Share of Debt 6/30/2024
Yosemite Community College District	\$ 241,492,298.0	3.360%	\$ 8,114,141
Patterson Joint Unified School District	61,585,352	72.121%	44,415,972
City of Patterson Community Facilities District No. 2005-1	15,690,000	100%	15,690,000
City of Patterson Community Facilities District No. 2015-1	4,560,000	100%	4,560,000
City of Patterson Community Facilities District No. 2018-1	15,290,000	100%	15,290,000
City of Patterson PFA Revenue Bonds (Less Bond Discount)	61,672,041	100%	61,672,041
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 400,289,691		\$ 149,742,154
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Stanislaus County Certificates of Participation	\$ 3,980,000	4.539%	\$ 180,652.00
Stanislaus County Office of Education Certificates of Participation	400,000	4.539%	18,156
Patterson Joint Unified School District General Fund Obligations	9,960,000	72.121%	7,183,252
City of Patterson Lease Revenue Bonds	1,604,451	100%	1,604,451
Finance Purchase Agreements	3,517,975	100%	3,517,975
Leases Payable	365,973	100%	365,973
Subscriptions Payable	4,519	100%	4,519
Settlements Payable	1,697,355	100%	1,697,355
Turlock Mosquito and Vector Control District Pension Obligation Bonds	1,268,809	11.103%	140,876
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT	\$ 22,799,082		\$ 14,713,209
TOTAL DIRECT DEBT			\$ 68,862,314
TOTAL OVERLAPPING DEBT			\$ 95,593,049
COMBINED TOTAL DEBT			\$ 164,455,363

(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 2023-24 Assessed Valuation:

Direct Debt (\$61,672,041)	2.07%
Total Direct and Overlapping Tax and Assessment Debt	5.02%
Total Direct Debt (\$68,862,314)	2.31%
Combined Total Debt	5.52%

Source: Avenu Insights & Analytics & City of Patterson Finance Department

City of Patterson
Table 14
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population (1)	Personal Income (2)	Per Capita Personal Income (2)	Median Age (4)	**Public School Enrollment	County Unemployment Rate (%) (3)	City Unemployment Rate (%) (3)	County Population (1)
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
2023-24	24,790	876,598,446	35,361	30.4	6,138	6.2%	5.3%	548,744

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 15
Principal Employers
Last Fiscal Year and Seven Years Ago

Business Name	2023-24		2016-17	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Patterson Joint Unified School District	867	7.88%	617	6.78%
CVS Caremark Distribution Center	544	4.95%	466	5.12%
Amazon Fulfillment Center	541	4.92%	1000	10.99%
Grainger Distribution Center	397	3.61%	346	3.80%
Walmart Supercenter	330	3.00%	241	2.65%
City of Patterson*	264	2.40%	225	2.47%
Traina Foods	161	1.46%		
King's Roofing	139	1.26%	100	1.10%
Restoration Hardware Distribution Center	95	0.86%	122	1.34%
Advanced Linen Service	84	0.76%		
Save Mart			73	0.80%
Brake Parts Inc (BPI) Distribution Center			56	0.62%
Total Top 10 Employers	3,422	31.11%	3,246	35.67%
Total City Labor Force (1)	11,000		9,100	

Source: MuniServices, LLC / Avenu Insights & Analytics

2016-17 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 16
Full-Time Equivalent City Government Employees
By Function/Program/Department
Last Seven Fiscal Years

	<u>Number Authorized</u> <u>19-20</u>	<u>Number Authorized</u> <u>20-21</u>	<u>Number Authorized</u> <u>21-22</u>	<u>Number Authorized</u> <u>22-23</u>	<u>Number Authorized</u> <u>23-24</u>
Administration:					
City Manager	1	1	1	1	1
Program Manager	0	0	0	1	1
Public Information Officer	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	2	2
HR Technician	0	0	0	0	1
Executive Administrative Assistant Confidential	1	1	1	1	1
Deputy City Clerk	1	1	1	1	1
Administrative Assistant	0	0	0	0	0
IT Manager	1	1	1	1	1
IT Technician II	1	1	1	1	1
Senior Code Enforcement Officer	0	0	0	0	1
Code Enforcement Officer II	1	1	1	2	0
Code Enforcement Officer I	1	1	1	1	1
Graffiti Abatement Technician	0	0	0	0	1
	<u>10</u>	<u>10</u>	<u>10</u>	<u>13</u>	<u>15</u>
Finance:					
Finance Director	1	1	1	1	1
Accounting Manager	0	0	0	1	1
Revenue & Utility Billing Manager	1	1	1	1	1
Supervising Accountant	1	1	1	1	1
Accountant	1	2	2	2	2
Accounting Technician	1	1	1	1	1
Account Clerk, Senior	3	3	4	4	5
Account Clerk	3	2	1	2	1
	<u>11</u>	<u>11</u>	<u>11</u>	<u>13</u>	<u>13</u>
Recreation & Community Services:					
Recreation & Community Services Director	1	1	1	1	1
Recreation & Community Services Manager	1	1	1	1	1
Recreation & Community Services Supervisor	4	4	4	4	5
Recreation Coordinator I	0	0	0	0	1
Recreation Coordinator II	0	0	0	0	2
Account Clerk	2	2	2	2	0
Administrative Assistant I					2
Administrative Assistant II	0	0	1	1	1
Facilities & Maintenance Supervisor	1	1	0	0	0
Facilities Superintendent	0	0	1	1	1
Maintenance Worker I	1	0	0	1	1
Maintenance Worker II	0	1	1	1	0
Maintenance Worker III	1	1	1	1	2
	<u>11</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>17</u>
Fire:					
Chief	1	1	1	1	1
Division Chief	2	2	3	3	3
Fire Captain - Paramedic	2	2	2	3	3
Fire Captain	4	4	4	4	3
Fire Engineer - Paramedic	1	1	1	1	3
Fire Engineer	5	5	5	5	3
Fire Fighters - Paramedic	6	6	6	9	3
Fire Fighters	0	0	0	0	3
Fire Marshall	0	0	0	0	1
Fire Prevention Specialist	1	1	1	1	1
Administrative Manager	1	1	1	1	1
Administrative Assistant II	1	1	1	1	1
	<u>24</u>	<u>24</u>	<u>25</u>	<u>29</u>	<u>26</u>

City of Patterson
Table 15
Full-Time Equivalent City Government Employees (Continued)
By Function/Program/Department
Last Seven Fiscal Years

	<u>Number Authorized 19-20</u>	<u>Number Authorized 20-21</u>	<u>Number Authorized 21-22</u>	<u>Number Authorized 22-23</u>	<u>Number Authorized 23-24</u>
Community Development:					
Community Development Director	1	1	1	1	1
Planner	1	1	1	1	1
Associate Planner	1	1	1	1	1
Planning Technician II	2	2	2	2	2
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Building & Permits:					
Permit Technician I	0	2	2	2	2
Permit Technician II	1	1	1	1	1
	<u>1</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Engineering					
Director of Engineering	1	1	1	1	1
Associate Engineer	1	1	1	1	1
Assistant Engineer	1	1	1	1	1
Management Analyst	0	0	0	0	1
Secretary I	1	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>5</u>
Capital Projects:					
Capital Project Manager	1	1	1	1	1
Public Works:					
Director of Public Works	1	1	1	1	1
Deputy Director of Public Works Ops & Maint	1	1	1	2	2
Deputy Director of Public Works Compliance & Admin	0	0	0	0	1
Sr. Administrative Manager	1	1	1	1	0
Public Works Inspector I	0	0	0	0	0
Public Works Inspector II	1	1	1	2	2
Public Works Inspector III	1	1	1	1	1
Management Analyst	3	3	3	3	2
Water Resource Program Manager	0	0	0	0	1
Administrative Assistant I	0	0	0	0	1
Administrative Assistant II	2	2	2	2	1
Environmental Compliance Specialist	0	0	1	3	3
Maintenance Worker I	1	1	1	1	0
	<u>11</u>	<u>11</u>	<u>12</u>	<u>16</u>	<u>15</u>
Equipment Mechanic:					
Mechanic - Crew Leader	1	1	1	1	1
Mechanic I	0	0	0	0	0
Mechanic II	1	1	1	2	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>3</u>	<u>3</u>
Building Maintenance:					
Maintenance Worker I	1	2	2	2	2
Maintenance Worker II	1	0	1	0	0
	<u>1</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>2</u>
Parks:					
Parks Supervisor	1	1	1	1	2
Maintenance Worker III	5	4	4	4	4
Maintenance Worker II	3	3	4	4	4
Maintenance Worker I	1	2	1	3	4
	<u>10</u>	<u>10</u>	<u>10</u>	<u>12</u>	<u>14</u>
Streets:					
Public Works Supervisor - Streets	0.5	0.5	0.5	0.5	0.5
Maintenance Worker III			1	1	1
Maintenance Worker II	2	2	1	1	1
Maintenance Worker I	0	1	1	2	3
	<u>2.5</u>	<u>3.5</u>	<u>3.5</u>	<u>4.5</u>	<u>5.5</u>

City of Patterson
Table 15
Full-Time Equivalent City Government Employees (Continued)
By Function/Program/Department
Last Seven Fiscal Years

	<u>Number Authorized</u> <u>19-20</u>	<u>Number Authorized</u> <u>20-21</u>	<u>Number Authorized</u> <u>21-22</u>	<u>Number Authorized</u> <u>22-23</u>	<u>Number Authorized</u> <u>23-24</u>
Urban Forestry:					
Public Works Supervisor - Tree	1	1	1	1	1
Maintenance Worker III	1	0	0	0	0
Maintenance Worker II	1	1	4	5	3
Maintenance Worker I	2	3	0	0	6
	<u>5</u>	<u>5</u>	<u>5</u>	<u>6</u>	<u>10</u>
Water:					
Public Works Supervisor - Water	1	1	1	1	1
Water Operator III	4	4	3	3	2
Water Operator II	1	1	0	0	0
Water Operator I	0	0	0	0	0
Water Operator in Training	0	0	0	0	2
Maintenance Worker III			1	1	0
Maintenance Worker II			1	1	2
	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>
Sewer:					
Wastewater Manager	1	1	1	1	1
Chief Waste Water Operator	1	1	1	1	1
Wastewater Operator III	1	2	1	1	1
Wastewater Operator II	2	1	1	2	1
Wastewater Operator I	0	1	0	0	2
Wastewater Operator in Training			2	2	0
Maintenance Worker I	1	0	1	3	1
	<u>6</u>	<u>6</u>	<u>7</u>	<u>10</u>	<u>7</u>
Collection:					
Public Works Supervisor - Collections	0.5	0.5	0.5	0.5	0.5
Maintenance Worker III	2	3	4	4	4
Maintenance Worker II	1	0	0	0	0
Maintenance Worker I	1	1	0	0	0
	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>	<u>4.5</u>
Electrical & Instrumentation					
Electrical & Instrumentation Manager	1.0	1.0	1.0	1.0	1.0
Electrician Technician II	1.0	1.0	2.0	1.0	2.0
Electrician Technician I					
	<u>2.0</u>	<u>2.0</u>	<u>3.0</u>	<u>2.0</u>	<u>3.0</u>
Total Allocated Positions	<u>117</u>	<u>119</u>	<u>125</u>	<u>147</u>	<u>156</u>

Incentives Available: Specified by MOU

Source: City of Patterson Finance Department