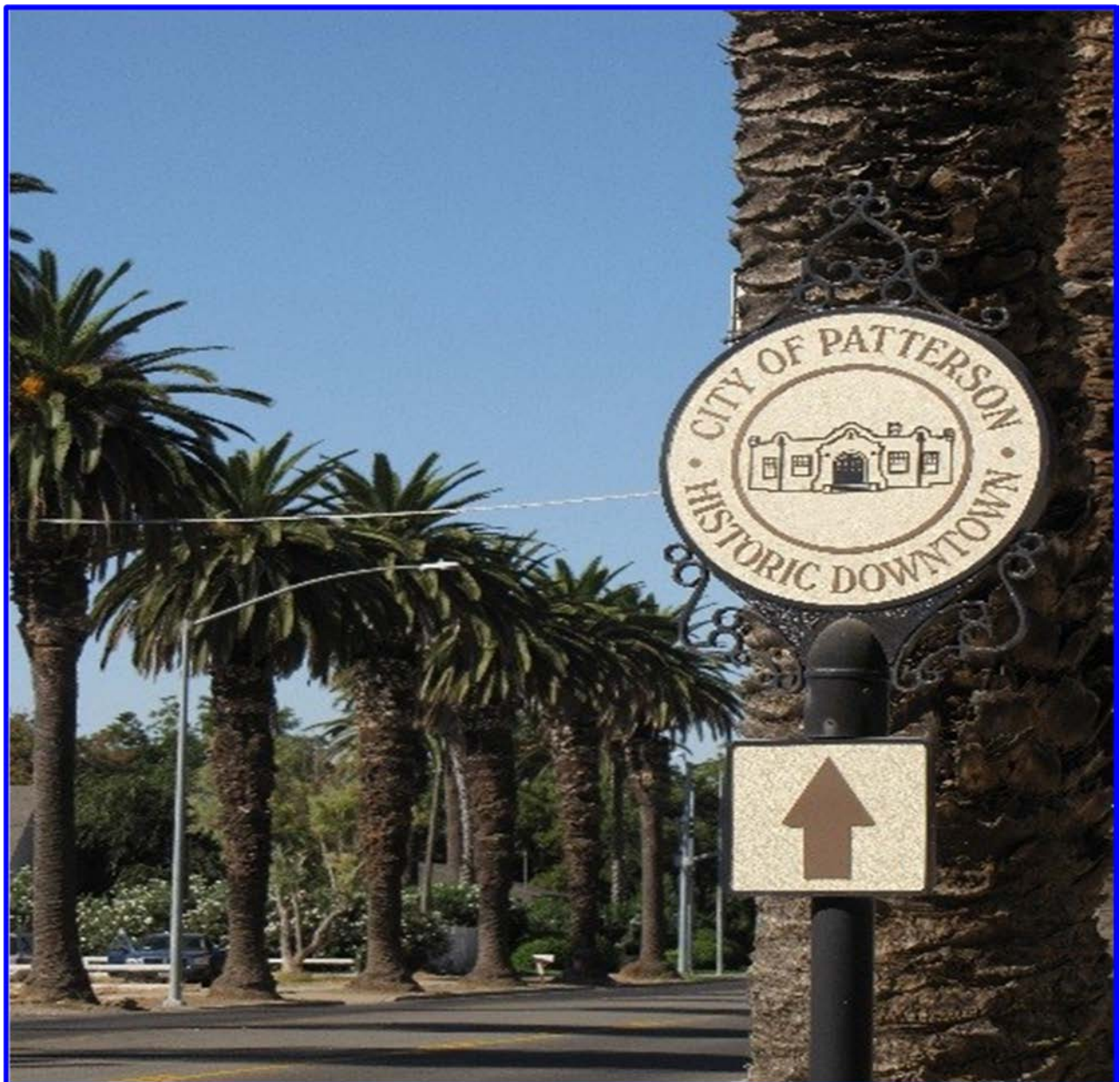


CITY OF PATTERSON



COMPREHENSIVE ANNUAL FINANCIAL REPORT 2016-2017





CITY OF PATTERSON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

CITY OF PATTERSON, CALIFORNIA

Prepared and Issued by
Finance Department

SAADIAH RYAN
Finance Director

City of Patterson
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017
Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION (Unaudited)</u>	
Letter of Transmittal	i
Principal Officials	iv
 <u>FINANCIAL SECTION</u>	
Independent Auditors' Report on Financial Statements	1
Management's Discussion and Analysis (Required Supplementary Information) (Unaudited)	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	20
Fund Financial Statements:	
<i>Governmental Fund Financial Statements:</i>	
Balance Sheet	27
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	28
Statement of Revenues, Expenditures, and Changes in Fund Balances	29
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	30
<i>Proprietary Fund Financial Statements:</i>	
Statement of Net Position	32
Statement of Revenues, Expenses, and Changes in Net Position	33
Statement of Cash Flows	34
<i>Fiduciary Fund Financial Statements:</i>	
Statement of Fiduciary Net Position	38
Notes to the Basic Financial Statements	43

City of Patterson
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017
Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Required Supplementary Information (Unaudited)	
<i>Notes to the Budgetary Comparison Schedule</i>	87
<i>Budgetary Comparison Schedule:</i>	
General Fund	88
<i>Defined Benefits Pension Plans – CalPERS:</i>	
Schedule of the City's Proportionate Share of the Net Pension Liabilities and Related Ratios	89
Schedule of the City's Contributions	90
<i>Schedules of Funding Progress:</i>	
Other Post-Employment Benefits Plan	91
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Patterson Public Financing Authority	95
<i>Nonmajor Funds:</i>	
Combining Balance Sheet	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	104
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Landscape Maintenance District Special Revenue Fund	112
Benefit Assessment Districts Special Revenue Fund	113
CSA #15 Assessment District Special Revenue Fund	114
Patterson Gardens Fire Suppression Assessment Special Revenue Fund	115
Public Safety Special Revenue Fund	116
Beautification Committee Special Revenue Fund	117
State HCD Rehab Program Special Revenue Fund	118
Federal CDBG Grant 2003 Special Revenue Fund	119
First Time Home Buyers Special Revenue Fund	120
Federal HOME Special Revenue Fund	121
Neighborhood Stabilization Program Special Revenue Fund	122
Gas Tax Special Revenue Fund	123
Local Transportation Special Revenue Fund	124
Local Transportation Non-Motorized Special Revenue Fund	125
Street Project Special Revenue Fund	126
Developer Housing In-Lieu Fee Special Revenue Fund	127
Police Asset Forfeiture Special Revenue Fund	128
Westside Drainage Study Special Revenue Fund	129
CFD 2013-1 Special Revenue Fund	130
CFD 2015-2 Special Revenue Fund	131

City of Patterson
Comprehensive Annual Financial Report
For the Year Ended June 30, 2017
Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Supplementary Information (Continued)	
<i>Agency Funds:</i>	
Combining Schedule of Fiduciary Net Position – All Agency Funds	135
<u>STATISTICAL SECTION (Unaudited)</u>	
Description of Statistical Section Contents	139
Financial Trends:	
Net Position by Classification – Last Ten Fiscal Years	140
Changes in Net Position – Last Ten Fiscal Years	142
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	146
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	148
Revenue Capacity:	
Tax Revenues by Source – Last Ten Fiscal Years	150
Water Sold by Customer Type – Last Five Fiscal Years	152
Water and Wastewater Utility Rates – Last Ten Fiscal Years	153
City-Wide Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	154
Taxable Property by Use Code, City-Wide – Last Two Fiscal Years.....	155
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	156
Principal Property Taxpayers – Current Year and Nine Fiscal Years Ago.....	157
Principal Sales Tax Producers – Current Year and Nine Fiscal Years Ago.....	158
Historical Sales Tax Amounts by Benchmark Year – Last Ten Fiscal Years.....	160
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Eight Fiscal Years	162
Principal Employers	163
Operating Information:	
Direct and Overlapping Governmental Activities Debt.....	164
Full-Time Equivalent City Government Employees	
By Function/Program/Department – Last Ten Fiscal Years	165

This page intentionally left blank.



City of Patterson

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

March 23, 2018

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 ("City") Comprehensive Annual Financial Report ("CAFR") for the year ended June 30, 2017. The information in this CAFR 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 CAFR.

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 96 City employees and serves approximately 20,000 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 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 includes staff and activities associated with the City Council, City Manager, City Clerk, City Attorney, Human Resources, Risk Management, Finance 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, Code Enforcement and Advance Life Support Services (ALS).

Community Development includes Economic Development, Housing, and Planning.

Engineering includes Building, Capital Projects, and Engineering.

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

Parks and Recreation includes Community Services, Senior Center and Programs, Youth Programs, and manages the contract for Crossing Guards.

ECONOMIC CONDITION AND OUTLOOK

The City has been able to maintain General Fund reserves in excess of GFOA recommended reserve level of 16.67% during the past few years, and to present a balanced budget for the General Fund for FY 2016-17. This has been achieved through the use of selected one-time funds combined with significant improvement in the City’s economy. The economy has been relatively strong and several General Fund revenue categories have significantly improved.

The City takes into consideration the following factors that may contribute to General Fund decrease in reserve level in the foreseeable future:

- In December 2016, CalPERS Board approved lowering its projected rate of return on investments from 7.5% to 7.0% phased in over a three-year period beginning in FY 2018-19;
- The rising cost of health care;
- Other Postemployment Benefits (OPEB)

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 2016-17 budget process:

- Enforce fiscal sustainability in all City programs and services;
- Significant community enhancement, including enhancing our infrastructure, new amenities, and dining opportunities;

Some of the specific projects underway in Fiscal Year 2016-17 included the following:

- Ward Avenue Overlay Project (\$927,000)
- Ward and Las Palmas Intersection Improvements (\$636,000)
- I-5 Interchange PA&ED Study (\$1,050,000)
- Intersection Improvement Sperry-Del Puerto (\$564,700)
- Roger Road Bridge Project (\$230,000)

Acknowledgements

This is the second year the City prepared a Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017.

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

Respectfully submitted,



Ken Irwin
City Manager



CITY OF PATTERSON
Comprehensive Annual Financial Report
FISCAL YEAR
2016 - 2017
City Council

MAYOR
Deborah M. Novelli

COUNCIL MEMBERS
Dominic Farinha
Dennis McCord
Joshua Naranjo
Alfred Parham

Executive Staff

Kenneth Irwin, City Manager

Maricela Vela, City Clerk

Jeff Dirkse, Chief of Police

Jeffery Gregory, Chief of Fire

Di Smith, Director of Human Resource

Michael Willett, Director of Public Works

Fernando Ulloa, Director of Engineering, Building & Capital Projects

Saadiah Ryan, Director of Finance

Juliene Flanders, Recreation & Community Services Director

Thomas Hallinan, City Attorney

Douglas L. White, Deputy City Attorney



INDEPENDENT AUDITORS' REPORT

To the Honorable City Council
of the City of Patterson
Patterson, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Patterson, California (the "City") as of and for the year ended June 30, 2017 and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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, 2017, 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.

Emphasis of Matter

Prior Period Adjustments

As discussed in Note 15 to the basic financial statements, the net position at July 1, 2016 for the governmental activities was restated to \$61,478,410, the fund balances at July 1, 2016 for the general fund, the street project fund and the street improvement impact fee fund were restated to \$7,178,540, \$1,318,075, and \$2,127,915, respectively as a result of correcting certain payables as of June 30, 2016. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Information, the Budgetary Comparison Schedule – General Fund, the Schedule of Changes in City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions and the Schedules of Funding Progress on pages 5 to 13 and 87 to 91 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.

Other 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 introductory section, combining and individual nonmajor fund financial statements, the schedules of revenues, expenditures, and changes in fund balances – budget and actual, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

To the Honorable City Council
of the City of Patterson
Patterson, California
Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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

Walnut Creek, California
March 23, 2018

This page intentionally left blank.

**City of Patterson
Management's Discussion and Analysis
For The Year Ended June 30, 2017**

As management of the City of Patterson, California, (City) we offer readers of the City of Patterson's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2017. 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 financial statements, which follow this discussion.

Financial Highlights

- **Changes in Net Position:** The government's total net position decreased by \$5,894,794. The governmental activities decreased by \$4,493,988 and business-type activities decreased by \$1,400,806 at the end of fiscal year June 30, 2017. The decreased in total net position is related to capital contribution received in prior year in the amount of \$6 million and none in current year.
- **Long Term Debt:** The City of Patterson's total debt decreased by \$2,528,252, because of scheduled debt service payments.
- **Governmental Funds:** As of June 30, 2017, the City's governmental funds reported combined ending fund balances of \$90,520,661 a decrease of \$332,291 in comparison with the prior year due to increase in capital outlay and scheduled debt service payment. Approximately 14.71 percent of the ending fund balance, \$1,816,668, is available for spending at the government's discretion as either a committed, assigned, and unassigned fund balance within the guidelines of the funding sources.
- **Proprietary Funds:** As of June 30, 2017, the City's total net position decreased by \$1,210,250 due to increase in operation costs and no increase in water rate.
- **General Fund:** At June 30, 2017, committed, assigned and unassigned fund balance of the general fund was \$8,024,629. All but \$6,522,146 of these funds are committed or assigned for specific purposes in accordance with City policies and budgetary guidelines.

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.

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

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

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

City of Patterson
Management's Discussion and Analysis (Continued)
For The Year Ended June 30, 2017

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

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

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

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

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

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

The City of Patterson maintains thirty-seven governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the other thirty-five 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 the supplementary information.

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

The governmental fund financial statements can be found on pages 27 – 30 of this report.

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

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

The proprietary fund financial statements can be found on pages 32 – 35 of this report.

City of Patterson
Management's Discussion and Analysis (Continued)
For The Year Ended June 30, 2017

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City of Patterson's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statement can be found on page 38 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 financial statements can be found on pages 43 – 83 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Patterson's General Fund budgetary comparison schedule, pension and changes in net pension liabilities and related ratio schedules, pension contribution schedules, and other post-employment funding progress schedule. Required supplementary information can be found on pages 87 – 91 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 96 – 111 of this report.

Government-wide Financial Analysis

As noted earlier, net positions may serve over time as a useful indicator of a government's financial position. In the case of the City of Patterson, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$103,204,815 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 95,838,937	\$ 96,827,143	\$ 10,092,766	\$ 9,658,099	\$ 105,931,703	\$ 106,485,242
Capital assets	55,750,903	55,756,984	50,588,871	51,743,048	106,339,774	107,500,032
Total assets	<u>151,589,840</u>	<u>152,584,127</u>	<u>60,681,637</u>	<u>61,401,147</u>	<u>212,271,477</u>	<u>213,985,274</u>
Deferred outflows of resources	<u>3,258,235</u>	<u>2,378,205</u>	<u>1,152,286</u>	<u>681,546</u>	<u>4,410,521</u>	<u>3,059,751</u>
Long-term liabilities	83,964,984	84,809,284	20,193,819	19,752,333	104,158,803	104,561,617
Other liabilities	6,565,319	6,253,580	2,104,080	1,533,640	8,669,399	7,787,220
Total liabilities	<u>90,530,303</u>	<u>91,062,864</u>	<u>22,297,899</u>	<u>21,285,973</u>	<u>112,828,202</u>	<u>112,348,837</u>
Deferred inflows of resources	<u>487,992</u>	<u>962,484</u>	<u>160,989</u>	<u>211,435</u>	<u>648,981</u>	<u>1,173,919</u>
Net Position:						
Net investment in capital assets	55,621,936	55,756,984	38,857,716	35,232,028	94,479,652	90,989,012
Restricted	6,391,176	78,214,144	-	4,102,582	6,391,176	82,316,726
Unrestricted	1,816,668	(71,034,144)	517,319	1,250,675	2,333,987	(69,783,469)
Total net position	<u>\$ 63,829,780</u>	<u>\$ 62,936,984</u>	<u>\$ 39,375,035</u>	<u>\$ 40,585,285</u>	<u>\$ 103,204,815</u>	<u>\$ 103,522,269</u>

City of Patterson
Management's Discussion and Analysis (Continued)
For The Year Ended June 30, 2017

By far, the largest portion of the City of Patterson's net positions, 91.55 percent, reflects its net investment in capital assets (i.e. land, buildings, improvements other than buildings, machinery and equipment, infrastructure, and construction in progress). The City of Patterson uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Patterson's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Additional portion of the City of Patterson's net position, 6.19 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,333,988 may be used to meet the government's ongoing obligation to citizens and creditors, but is subject to designation for specific City programs.

At the end of the current fiscal year, the City of Patterson is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. At year-end, 98.69 percent of the City of Patterson's business-type activities' net assets were invested in capital assets.

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 5,773,260	\$ 4,986,617	\$ 10,612,689	\$ 10,047,392	\$ 16,385,949	\$ 15,034,009
Operating grants and contributions	1,590,404	998,122	701,283	-	2,291,687	998,122
Capital grants and contributions	1,112,733	342,867	-	(1,582)	1,112,733	341,285
Total program revenues	8,476,397	6,327,606	11,313,972	10,045,810	19,790,369	16,373,416
General revenues:						
Taxes	11,174,150	10,650,030	-	-	11,174,150	10,650,030
Investment earnings	4,312,058	4,530,279	31,002	14,451	4,343,060	4,544,730
Capital contributions	-	6,075,652	-	-	-	6,075,652
Other and transfers	1,529,288	1,560,392	(869,312)	-	659,976	1,560,392
Total general revenues	17,015,496	22,816,353	(838,310)	14,451	16,177,186	22,830,804
Total revenues	25,491,893	29,143,959	10,475,662	10,060,261	35,967,555	39,204,220
Expenses:						
General government	2,259,261	2,003,932	-	-	2,259,261	2,003,932
Police	4,458,567	4,156,842	-	-	4,458,567	4,156,842
Fire	3,532,864	3,594,435	-	-	3,532,864	3,594,435
Community development and planning	1,497,699	1,258,725	-	-	1,497,699	1,258,725
Public Works	4,159,040	4,652,522	-	-	4,159,040	4,652,522
Parks and recreation	3,277,134	2,696,555	-	-	3,277,134	2,696,555
Interest and fiscal charges	3,955,958	3,935,590	-	-	3,955,958	3,935,590
Water	-	-	4,481,750	3,567,751	4,481,750	3,567,751
Sewer	-	-	4,893,962	4,221,112	4,893,962	4,221,112
Garbage	-	-	2,310,200	2,080,840	2,310,200	2,080,840
Total expenses	23,140,523	22,298,601	11,685,912	9,869,703	34,826,435	32,168,304
Changes in net position	\$ 2,351,370	\$ 6,845,358	\$ (1,210,250)	\$ 190,558	\$ 1,141,120	\$ 7,035,916

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

City of Patterson
Management's Discussion and Analysis (Continued)
For The Year Ended June 30, 2017

Governmental activities. Overall, governmental revenues decreased by \$3,236,100 or 11.0 percent from prior year. Key elements of the change are as follows:

- Operating grants increased by \$592,282 mainly due to the City receive various new grant such as Urban Forestry grant and SB325 LTF Non-transit grant.
- Charges for service increased by 16.0 percent or \$786,643 due to increase in residential and commercial developments storm drain fee.
- Capital grants and contributions increased by \$769,866 mainly due to the City receive STP and CMAQ grants for street projects.
- Sale taxes increase by \$457,367 due to the sales tax one-time bump in the business and industry. Sales in the city remains strong in fiscal year 2016-2017 increasing by 14.0 percent or \$60,382 in auto sales, \$76,819 or 20.0 percent, in fuel and service stations.
- The 4.0 percent increase in property tax revenue of \$100,872 is mainly due to the increase in residential and commercial developments and the affordable housing in lieu fee.
- The decline in capital contribution in the amount of \$6,075,652 or 100.0 percent was offset by the increase in total program revenue \$2,148,791 or 34.0 percent.

Overall, expenses increased by \$841,922, or 4.0 percent compared to prior year. Major increase in expenditures was in general government, police and park and recreation due to ongoing capital improvement projects and increase salaries and benefits.

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

Business-type activities. Water operating revenue and expenses increased by \$307,419 and \$890,982 in fiscal year 2017, resulting in operating income of (\$340,683). Revenue increased due to increase in number of customers. Increase in water expense was due to increase in salaries and benefits and operating costs. The Water funds's net position was \$18,676,929. Of this amount, \$19,116,510 was invested in net investment in capital assets, and (\$439,581) was unrestricted.

Sewer operating revenue and expenses increased by \$164,083 and \$680,174 in fiscal year 2017. The increased was due to sewer rate increase and increased in salaries and benefits and operating costs. As of June 30, 2017, Sewer fund's net position was \$19,846,041. Of this amount, \$19,762,931 was invested in net investment in capital assets, and \$83,110 was unrestricted.

Garbage operating revenue and expenses increased by \$120,344 and \$229,360 in fiscal year 2017. The increased was due to garbage rate increase and number of customers and increased in controlled costs of contract services. As of June 30, 2017, the Garbage fund's net position was \$852,065. Of this amount \$83,976 was invested in net investment in capital assets and \$768,089 was unrestricted.

City of Patterson
Management's Discussion and Analysis (Continued)
For The Year Ended June 30, 2017

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Patterson's governmental funds reported combined ending fund balances of \$90,520,661, a decrease of \$332,291 in comparison with the prior year. The decrease was due to increase in park and recreation operating cost, capital outlay and debt service payments. \$13,311,660 of the City's governmental funds ending fund balances or 14.71 percent 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 fund balance, \$77,209,001, is either nonspendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation.

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

Unrestricted net position of the Enterprise Funds at the end of the year amounted to \$411,618, a decrease of \$839,056 from the prior year. This fund will be used to fund water, sewer and garbage operations and planned capital improvements. Other factors concerning the finance of these funds have already been addressed in the discussion of the City of Patterson's business-type activities.

General Fund Financial Highlights

The General Fund is the chief operating fund of the City of Patterson. At the end of the current fiscal year, committed, assigned and unassigned fund balance of the general fund was \$8,024,629, while total fund balance was \$8,237,488. The general fund's ending fund balance increased by \$1,037,159 in comparison with the prior year. As a measure of the General Fund's liquidity, it may be useful to compare only the committed, assigned and unassigned fund balance to total fund expenditures. Committed, assigned and unassigned fund balance represents 56.89 percent of the total general fund expenditures, most of which is committed or assigned to meet the City's long-term obligations.

Overall, General Fund revenues (including transfers in) increased year-over-year by \$829,691 and expenditures (including transfers out) increased by \$847,096. Tax related revenue increased by \$822,547, due to the one-time sales tax payment and increased in property tax. Motor vehicle in lieu and Licenses, permits and fees was up \$150,726 and \$111,420 respectively. Franchise fee increased by \$85,958 and intergovernmental grants experienced an overall decline of \$94,893. Charges for services increased by \$82,939 due to increase in residential and commercial developments. The overall increase in expenditures was attributed to increase in operation costs.

City of Patterson
Management's Discussion and Analysis (Continued)
For The Year Ended June 30, 2017

General Fund Budgetary Highlights

For the fiscal year ended June 30, 2017, General Fund's final amended budget increased over the original budget by \$427,186 and actual expenditures were \$767,314 lower than the final amended budget. These can be briefly summarized as follows:

- Vacancy savings in Fire salaries and benefits in the amount of \$213,202.
- Fire fighter intern program was budgeted for \$50,000 not spend in current year.
- Police public safety service was lower than final amended budget by \$206,660 due to timing hiring of police officers.
- Vacancy savings in finance, code enforcement, recreation and public works contributed to the actual expenditures were lower than final amended budget.

Capital Asset and Debt Administration

Capital assets. The City of Patterson's net investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$106,339,774, a decrease of \$1,160,258 or 1.08 percent of total capital assets over prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and streets.

	Capital Assets (Net of depreciation)			
	Governmental Activities		Business - type Activities	
	2017	2016	2017	2016
Land	\$ 3,395,717	\$ 3,395,717	\$ 5,745,597	\$ 5,745,597
Construction in progress	6,240,053	6,026,285	1,911,235	1,152,823
Infrastructure	46,115,133	46,334,982	42,932,039	44,844,628
Total	\$ 55,750,903	\$ 55,756,984	\$ 50,588,871	\$ 51,743,048

Additional information on the City of Patterson's capital assets can be found in Note 5 to the basic financial statements.

City of Patterson
Management's Discussion and Analysis (Continued)
For The Year Ended June 30, 2017

Long-term debt. At the end of the current fiscal year, the City of Patterson's total long-term debt outstanding decreased to \$90,399,005 a decrease of \$2,528,252 attributable to the normal scheduled debt service payments. Revenue bonds and loan payable of \$7,243,540 are to be paid out of sewer revenues. Revenue bonds of \$8,595,000 is to be paid out of water revenues.

	2017	2016
Governmental Activities:		
PPFA 2013 Heartland Ranch Revenue Bonds	\$ 3,917,488	\$ 4,291,071
PPFA 2013 Series A Revenue Bonds	63,380,000	64,675,000
Less: bond discount	(739,585)	(768,051)
PPFA 2013 Series B Revenue Bonds	6,160,000	6,265,000
Capital leases	128,967	128,967
Settlement payable	364,000	676,000
Compensated Absences	394,320	335,975
Total governmental activities	\$ 73,605,190	\$ 75,603,962
Business-type Activities:		
Water Fund:		
2011 Water Revenue Bonds	\$ 8,595,000	\$ 8,810,000
Compensated Absences	94,096	77,302
Total water fund	8,689,096	8,887,302
Sewer Fund:		
2009 Sewer Revenue Bonds	2,705,000	2,775,000
Economic Bank loan	100,000	200,000
State Revolving Fund loan	618,456	658,022
Banc of America loan	1,494,052	1,552,023
CEC loan	2,326,032	2,515,975
Compensated Absences	104,752	82,429
Total sewer fund	7,348,292	7,783,449
Garbage Fund:		
Compensated Absences	16,824	13,460
Total garbage fund	16,824	13,460
Total business-type activities	\$ 16,054,212	\$ 16,684,211

Additional information on the City of Patterson's long-term debt can be found in Note 6 to the basic financial statements.

Economic Condition, Outlook and Activity

The last two years has been tremendous growth in our City. Housing prices continue to increase and infill projects across the City are all under construction. New single family residential construction continues to grow. The Cannabis pilot project that went into effect January 2018, will contribute to further growth in our City.

The City appears to be in a favorable position to continue attracting jobs and retail establishments. Sales tax revenues have trended higher over the past years. New establishments such as a full service Travel Center, Shell and Mobil gas stations, Prime Shine Car Wash, Les Schwab, and other various retailers continue to add to the City's sales tax base.

City of Patterson
Management's Discussion and Analysis (Continued)
For The Year Ended June 30, 2017

Patterson has established itself as a prime location for the distribution and logistics industry, with several major national and international corporations operating distribution facilities in the City's Business Parks. The presence of Amazon and Restoration Hardware solidified this growing reputation. These facilities are bringing good paying jobs to the community and are resulting in other types of economic development in the City.

Next Year's Budget

The following factors were taken into consideration during the preparation of the City's budget for the fiscal year 2017-2018.

The recent signing of state legislation mandating a steady increase toward a minimum wage to \$15 per hour by 2022 point to further increases in weekly wages at an average yearly rate of 3.95% in 2017 and 4.51% in 2018.

The City's aging infrastructure for sewer and water system continues to be addressed. Our Storm, water, and traffic master plans are reaching finality and a long range capital improvement plan will be adopted that will put funding and facility improvements in place during this fiscal year. The City Council has approved a Proposition 218 compliant rate increase procedure that provided for sewer rate increases over time that will fund necessary maintenance and upgrades to this critical system. This same procedure will be completed for the water system following the completion of the Water Master Plan. As the Chrome VI reduced MCL has been stopped we will complete the Water Master Plan with the current regulation in place. This will reduce our concerns of an unfair rate increase induced by unrealistic regulation at this time. As the City grows and becomes more complex, the safety of our citizens will remain one of our main concerns. This budget includes the approval of 2 new Deputes to provide the additional services we believe to be the most prudent. As described at our June 15th 2017 Budget Workshop, it will take approximately 12 months to hire the Deputes. We will include with this budget for fiscal year 2017-2018, \$67,500. This will be set aside just in case we are able to hire sooner than the 12-month period.

General Fund property tax, sales tax and motor vehicle in lieu revenues are projected to increase as new commercial and residential developments are completed and continuing growth in all business and industry in Patterson. We expect new revenue from the Cannabis pilot project that will increase General Fund revenue.

General Fund expenditures are projected to increase as well, as capital assets such as equipment need replacements and increase operations and maintenance expenditures and the expenditures related to the Cannabis pilot project.

General Fund's fund balance reserve is projected to be at 25.88% by end of fiscal year 2018.

Enterprise Fund water revenue is projected to increase as water conservancy is lifted in FY 2018. Wastewater and Garbage revenues are projected to increase due to rate increase of 6% being implemented for Wastewater and increase in commercial and residential garbage services respectively.

Enterprise Fund expenses are projected to increase due to equipment need replacements and repairs and increase in operations and maintenance expenditures.

Requests for Information

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

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Patterson
Statement of Net Position
June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 18,558,614	\$ 4,711,950	\$ 23,270,564
Receivables:			
Accounts	3,411,221	1,212,061	4,623,282
Interest	23,163	4,680	27,843
Due from fiduciary funds	75,226	-	75,226
Prepaid items	69,204	56,690	125,894
Total current assets	22,137,428	5,985,381	28,122,809
Noncurrent assets:			
Restricted cash and investments	1,925,351	4,107,385	6,032,736
Investments held in trust	69,826,983	-	69,826,983
Notes receivable	1,949,175	-	1,949,175
Capital assets, net	55,750,903	50,588,871	106,339,774
Total noncurrent assets	129,452,412	54,696,256	184,148,668
Total assets	151,589,840	60,681,637	212,271,477
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	105,701	105,701
Pensions related deferred outflows of resources	3,258,235	1,046,585	4,304,820
Total deferred outflows of resources	3,258,235	1,152,286	4,410,521

City of Patterson
Statement of Net Position (Continued)
June 30, 2017

	Primary Government		Total
	Governmental Activities	Business-type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	1,732,472	1,001,332	2,733,804
Accrued liabilities	168,404	-	168,404
Accrued interest payable	1,377,446	56,896	1,434,342
Unearned revenue	454,922	-	454,922
Deposits payable	360,583	135,720	496,303
Due within one year:			
Compensated absences	394,321	215,672	609,993
Long-term debt	1,765,171	694,460	2,459,631
Settlement liabilities	312,000	-	312,000
Total current liabilities	<u>6,565,319</u>	<u>2,104,080</u>	<u>8,669,399</u>
Noncurrent liabilities:			
Due in more than one year:			
Long-term debt	71,081,699	15,144,080	86,225,779
Settlement liabilities	52,000	-	52,000
Net other postemployment benefits obligation	7,210,252	3,140,772	10,351,024
Aggregate net pension liability	5,621,033	1,908,967	7,530,000
Total noncurrent liabilities	<u>83,964,984</u>	<u>20,193,819</u>	<u>104,158,803</u>
Total liabilities	<u>90,530,303</u>	<u>22,297,899</u>	<u>112,828,202</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions related deferred inflows of resources	487,992	160,989	648,981
Total deferred inflows of resources	<u>487,992</u>	<u>160,989</u>	<u>648,981</u>
NET POSITION			
Net investment in capital assets	55,621,936	38,857,716	94,479,652
Restricted for:			
Special programs	6,391,176	-	6,391,176
Total restricted	6,391,176	-	6,391,176
Unrestricted	1,816,668	517,319	2,333,987
Total net position	<u>\$ 63,829,780</u>	<u>\$ 39,375,035</u>	<u>\$ 103,204,815</u>

City of Patterson
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,259,261	\$ 678,608	\$ 162,943	\$ -
Police	4,458,567	218,337	151,032	-
Fire	3,532,864	587,593	464,792	-
Community development and planning	1,497,699	645,985	(1,405)	-
Public Works	4,159,040	2,161,045	797,742	1,112,733
Parks and recreation	3,277,134	1,481,692	15,300	-
Interest and fiscal charges	3,955,958	-	-	-
Total governmental activities	<u>23,140,523</u>	<u>5,773,260</u>	<u>1,590,404</u>	<u>1,112,733</u>
Business-type Activities:				
Water	4,481,750	3,680,373	474,842	-
Sewer	4,893,962	4,011,227	226,441	-
Garbage	2,310,200	2,921,089	-	-
Total business-type activities	<u>11,685,912</u>	<u>10,612,689</u>	<u>701,283</u>	<u>-</u>
Total primary government	<u>\$ 34,826,435</u>	<u>\$ 16,385,949</u>	<u>\$ 2,291,687</u>	<u>\$ 1,112,733</u>

City of Patterson
Statement of Activities (Continued)
For the Year Ended June 30, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Governmental Activities:			
General government	\$ (1,417,710)	\$ -	\$ (1,417,710)
Police	(4,089,198)	-	(4,089,198)
Fire	(2,480,479)	-	(2,480,479)
Community development and planning	(853,119)	-	(853,119)
Public Works	(87,520)	-	(87,520)
Parks and recreation	(1,780,142)	-	(1,780,142)
Interest and fiscal charges	(3,955,958)	-	(3,955,958)
Total governmental activities	(14,664,126)	-	(14,664,126)
Business-type Activities:			
Water	-	(326,535)	(326,535)
Sewer	-	(656,294)	(656,294)
Garbage	-	610,889	610,889
Total business-type activities	-	(371,940)	(371,940)
Total primary government	(14,664,126)	(371,940)	(15,036,066)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes	3,414,365	-	3,414,365
Sales taxes	5,502,627	-	5,502,627
Franchise taxes	274,792	-	274,792
Motor vehicle in lieu	1,844,519	-	1,844,519
Other taxes	137,847	-	137,847
Total taxes	11,174,150	-	11,174,150
Investment earnings	4,312,058	31,002	4,343,060
Miscellaneous	633,427	26,549	659,976
Transfers	895,861	(895,861)	-
Total general revenues and transfers	17,015,496	(838,310)	16,177,186
Changes in net position	2,351,370	(1,210,250)	1,141,120
Net Position:			
Beginning of year, as restated (Note 15)	61,478,410	40,585,285	102,063,695
End of year	\$ 63,829,780	\$ 39,375,035	\$ 103,204,815

This page intentionally left blank.

FUND FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

This page intentionally left blank.

City of Patterson
Balance Sheet
Governmental Funds
June 30, 2017

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Patterson Public Financing Authority</u>	<u>Other Governmental Funds</u>	
ASSETS				
Cash and investments	\$ 6,617,925	\$ 67	\$ 11,940,622	\$ 18,558,614
Restricted cash and investments with fiscal agents	-	1,925,351	-	1,925,351
Investments held in trust	-	69,826,983	-	69,826,983
Receivables:				
Accounts	2,371,960	-	1,039,261	3,411,221
Interest	6,752	-	16,411	23,163
Notes and loans	16,632	-	1,932,543	1,949,175
Due from other funds	1,214,415	-	-	1,214,415
Due from Fiduciary Funds	75,226	-	-	75,226
Prepaid Items	68,630	-	574	69,204
Total assets	<u>\$ 10,371,540</u>	<u>\$ 71,752,401</u>	<u>\$ 14,929,411</u>	<u>\$ 97,053,352</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 1,546,890	\$ 3,772	\$ 181,810	\$ 1,732,472
Accrued liabilities	168,404	-	-	168,404
Due to other funds	-	347,288	867,127	1,214,415
Unearned revenue	105,351	-	349,571	454,922
Deposit and other liabilities	313,407	-	47,176	360,583
Total liabilities	<u>2,134,052</u>	<u>351,060</u>	<u>1,445,684</u>	<u>3,930,796</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	-	-	2,601,895	2,601,895
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,601,895</u>	<u>2,601,895</u>
FUND BALANCES				
Nonspendable	68,630	-	574	69,204
Restricted	144,229	71,401,341	5,594,227	77,139,797
Committed	3,642,337	-	6,016,084	9,658,421
Assigned	2,879,809	-	-	2,879,809
Unassigned (deficit)	1,502,483	-	(729,053)	773,430
Total Fund Balances	<u>8,237,488</u>	<u>71,401,341</u>	<u>10,881,832</u>	<u>90,520,661</u>
Total Liabilities, Deferred Inflows of Resource, and Fund Balances	<u>\$ 10,371,540</u>	<u>\$ 71,752,401</u>	<u>\$ 14,929,411</u>	<u>\$ 97,053,352</u>

City of Patterson
Reconciliation of the Governmental Funds
Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2017

Total fund balances of governmental funds	<u>\$ 90,520,661</u>
 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.	55,750,903
Pensions 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.	
Pensions related deferred outflows of resources	3,258,235
Pensions related deferred inflows of resources	(487,992)
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.	(1,377,446)
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.	2,601,895
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	(72,846,870)
Settlement payable	(364,000)
Compensated absences	(394,321)
Net OPEB obligation	(7,210,252)
Aggregated net pension liability	<u>(5,621,033)</u>
 Net position of governmental activities	 <u><u>\$ 63,829,780</u></u>

City of Patterson
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	<u>Major Funds</u>			<u>Total Governmental Funds</u>
	<u>General Fund</u>	<u>Patterson Public Financing Authority</u>	<u>Other Governmental Funds</u>	
REVENUES:				
Taxes:				
Property	\$ 2,931,682	\$ -	\$ 482,683	\$ 3,414,365
Sales	5,502,627	-	-	5,502,627
Franchise	274,792	-	-	274,792
Motor vehicle in lieu	1,844,519	-	-	1,844,519
Other	137,847	-	-	137,847
Licenses, permits, and fees	570,503	-	1,220,888	1,791,391
Charges for current services	429,756	-	3,419,331	3,849,087
Intergovernmental:				
Federal grant and subsidies	10,237	-	188,609	198,846
Other governmental	579,058	-	1,212,065	1,791,123
Fines and forfeitures and penalties	157,307	-	-	157,307
Use of money and property	-	-	77,723	77,723
Interest	(38,574)	4,200,018	72,891	4,234,335
Miscellaneous	563,799	8,161	40,497	612,457
Total revenues	<u>12,963,553</u>	<u>4,208,179</u>	<u>6,714,687</u>	<u>23,886,419</u>
EXPENDITURES:				
Current:				
General government	2,506,627	-	1,203	2,507,830
Police	4,218,306	-	-	4,218,306
Fire	1,991,005	-	1,583,684	3,574,689
Community development and planning	1,403,372	-	81,994	1,485,366
Public works	1,265,212	-	1,609,223	2,874,435
Park and recreation	2,466,865	-	17	2,466,882
Capital outlay	-	29,420	2,050,740	2,080,160
Debt service:				
Principal	253,667	1,773,583	33,023	2,060,273
Interest and fiscal charges	1,235	3,952,315	1,383	3,954,933
Total expenditures	<u>14,106,289</u>	<u>5,755,318</u>	<u>5,361,267</u>	<u>25,222,874</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,142,736)</u>	<u>(1,547,139)</u>	<u>1,353,420</u>	<u>(1,336,455)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of capital lease	-	-	161,990	161,990
Transfers in	2,265,053	-	747,877	3,012,930
Transfers out	(63,369)	-	(2,053,700)	(2,117,069)
Total financing sources (uses)	<u>2,201,684</u>	<u>-</u>	<u>(1,143,833)</u>	<u>1,057,851</u>
Net change in fund balances	1,058,948	(1,547,139)	209,587	(278,604)
FUND BALANCES:				
Beginning of year, as originally reported	7,200,329	72,948,480	10,704,142	90,852,951
Prior period adjustments (Note 15)	(21,789)	-	(31,897)	(53,686)
Beginning of year, as restated	<u>7,178,540</u>	<u>72,948,480</u>	<u>10,672,245</u>	<u>90,799,265</u>
End of year	<u>\$ 8,237,488</u>	<u>\$ 71,401,341</u>	<u>\$ 10,881,832</u>	<u>\$ 90,520,661</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, 2017

Net change in fund balances - total governmental funds: \$ (278,604)

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 expense. This was the amount of capital assets recorded in the current period. 2,224,449

Depreciation 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 expense was not reported as expenditures in the Governmental Funds. (2,229,857)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position. (673)

Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.
 Capital lease (161,990)

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 1,806,606
 Settlement payable 312,000
 Amortization of bond discount (28,466)

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 27,441

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. (58,346)

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 651,280

Changes in net other postemployment benefit liability reported in the Statement of Activities do not use current financial resources and, therefore, are not reported as an expenditures in the governmental funds. (696,659)

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 pensions related deferred outflows of resources 880,030
 Changes in net pension liabilities (570,333)
 Changes in pensions related deferred inflows of resources 445,317

The net effect of changes in deferred inflows of resources related to notes 29,175

Change in net position of governmental activities \$ 2,351,370

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Patterson
Statement of Net Position
Proprietary Funds
June 30, 2017

	Major Funds			Total
	Water	Sewer	Garbage	
ASSETS				
Current assets:				
Cash and investments	\$ 1,562,995	\$ 2,143,359	\$ 1,005,596	\$ 4,711,950
Accounts receivable	454,776	449,503	307,782	1,212,061
Interest receivable	1,442	2,213	1,025	4,680
Prepaid items	368	55,954	368	56,690
Total current assets	2,019,581	2,651,029	1,314,771	5,985,381
Noncurrent assets:				
Restricted cash and investments with fiscal agents	3,890,646	216,739	-	4,107,385
Capital assets, net	23,750,926	26,753,969	83,976	50,588,871
Total noncurrent assets	27,641,572	26,970,708	83,976	54,696,256
Total assets	29,661,153	29,621,737	1,398,747	60,681,637
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	69,938	35,763	-	105,701
Pensions related deferred outflows of resources	477,460	495,009	74,116	1,046,585
Total deferred outflows of resources	547,398	530,772	74,116	1,152,286
LIABILITIES				
Current liabilities:				
Accounts payable	289,067	525,557	186,708	1,001,332
Deposits payable	135,720	-	-	135,720
Accrued interest	34,219	22,677	-	56,896
Compensated absences - due within one year	94,096	104,752	16,824	215,672
Long-term liabilities - due within one year	220,000	474,460	-	694,460
Total current liabilities	773,102	1,127,446	203,532	2,104,080
Noncurrent liabilities:				
Long-term liabilities - due in more than one year	8,375,000	6,769,080	-	15,144,080
Net OPEB obligation	1,443,024	1,425,597	272,151	3,140,772
Net pension liability	867,143	907,924	133,900	1,908,967
Total noncurrent liabilities	10,685,167	9,102,601	406,051	20,193,819
Total liabilities	11,458,269	10,230,047	609,583	22,297,899
DEFERRED INFLOWS OF RESOURCES				
Pensions related deferred inflows of resources	73,353	76,421	11,215	160,989
Total deferred inflows of resources	73,353	76,421	11,215	160,989
NET POSITION				
Net investment in capital assets	19,116,510	19,762,931	83,976	38,963,417
Unrestricted (deficit)	(439,581)	83,110	768,089	411,618
Total net position	\$ 18,676,929	\$ 19,846,041	\$ 852,065	\$ 39,375,035

City of Patterson
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	Major Funds			Total
	Water	Sewer	Garbage	
OPERATING REVENUES:				
Charges for services	\$ 3,523,065	\$ 3,891,771	\$ 2,812,604	\$ 10,227,440
Fees, fines, and penalties	157,308	119,456	108,485	385,249
Miscellaneous	16,519	9,930	100	26,549
Total operating revenues	<u>3,696,892</u>	<u>4,021,157</u>	<u>2,921,189</u>	<u>10,639,238</u>
OPERATING EXPENSES:				
Salaries and benefits	1,882,277	2,013,266	467,701	4,363,244
Contractual and professional services	340,933	322,139	1,676,006	2,339,078
Supplies and operating costs	807,871	640,974	157,845	1,606,690
Depreciation	1,006,494	1,676,719	8,648	2,691,861
Total operating expenses	<u>4,037,575</u>	<u>4,653,098</u>	<u>2,310,200</u>	<u>11,000,873</u>
OPERATING INCOME (LOSS)	<u>(340,683)</u>	<u>(631,941)</u>	<u>610,989</u>	<u>(361,635)</u>
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental :				
Other governmental	474,842	226,441	-	701,283
Interest income	12,946	11,943	6,113	31,002
Interest expense	(415,757)	(240,864)	-	(656,621)
Total Nonoperating revenues (expenses)	<u>72,031</u>	<u>(2,480)</u>	<u>6,113</u>	<u>75,664</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	<u>(268,652)</u>	<u>(634,421)</u>	<u>617,102</u>	<u>(285,971)</u>
TRANSFERS AND CAPITAL CONTRIBUTIONS:				
Capital contributions	(28,418)	-	-	(28,418)
Transfers in	300,000	257,718	-	557,718
Transfers out	(472,536)	(493,588)	(487,455)	(1,453,579)
Total Transfer and Capital Contributions	<u>(200,954)</u>	<u>(235,870)</u>	<u>(487,455)</u>	<u>(924,279)</u>
CHANGES IN NET POSITION	<u>(469,606)</u>	<u>(870,291)</u>	<u>129,647</u>	<u>(1,210,250)</u>
NET POSITION:				
Beginning of year	<u>19,146,535</u>	<u>20,716,332</u>	<u>722,418</u>	<u>40,585,285</u>
End of year	<u>\$ 18,676,929</u>	<u>\$ 19,846,041</u>	<u>\$ 852,065</u>	<u>\$ 39,375,035</u>

City of Patterson
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Major Funds			Total
	Water	Sewer	Garbage	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 3,605,852	\$ 3,926,547	\$ 2,902,365	\$ 10,434,764
Cash paid to suppliers	(1,026,275)	(658,141)	(1,793,959)	(3,478,375)
Cash paid to employees	(1,607,624)	(1,689,105)	(413,876)	(3,710,605)
Other	16,519	9,930	100	26,549
Net cash provided by operating activities	988,472	1,589,231	694,630	3,272,333
Cash Flows from Noncapital Financing Activities:				
Grants	474,842	226,441	-	701,283
Transfers in	300,000	257,718	-	557,718
Transfers out	(472,536)	(493,588)	(487,455)	(1,453,579)
Net cash provided by (used in) noncapital financing activities	302,306	(9,429)	(487,455)	(194,578)
Cash Flows from Capital and Related Financing Activities:				
Acquisition and construction of capital assets	(1,094,665)	(435,975)	(35,462)	(1,566,102)
Principal paid on revenue bonds and loan	(215,000)	(457,480)	-	(672,480)
Interest paid on capital debt	(413,247)	(240,158)	-	(653,405)
Net cash (used in) capital and related financing activities	(1,722,912)	(1,133,613)	(35,462)	(2,891,987)
Cash Flows from Investing Activities:				
Interest	12,444	10,183	5,237	27,864
Net cash provided by investing activities	12,444	10,183	5,237	27,864
Net increase (decrease) in cash and cash equivalents	(419,690)	456,372	176,950	213,632
Cash and Cash Equivalents:				
Beginning of year	5,873,331	1,903,726	828,646	8,605,703
End of year	<u>\$ 5,453,641</u>	<u>\$ 2,360,098</u>	<u>\$ 1,005,596</u>	<u>\$ 8,819,335</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:				
Cash and investment	\$ 1,562,995	\$ 2,143,359	\$ 1,005,596	\$ 4,711,950
Restricted cash and investments	3,890,646	216,739	-	4,107,385
Total cash and investment	<u>\$ 5,453,641</u>	<u>\$ 2,360,098</u>	<u>\$ 1,005,596</u>	<u>\$ 8,819,335</u>

City of Patterson
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2017

	Major Funds			Total
	Water	Sewer	Garbage	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ (340,683)	\$ (631,941)	\$ 610,989	(361,635)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	1,006,494	1,676,719	8,648	2,691,861
Change in assets and liabilities:				
Accounts receivable	(72,741)	(84,680)	(18,724)	(176,145)
Prepaid items	4,435	(46,911)	724	(41,752)
Pensions related deferred outflows of resources	(212,927)	(230,180)	(32,234)	(475,341)
Accounts payable	118,094	351,883	39,168	509,145
Deposits payable	(1,780)	-	-	(1,780)
Compensated absences	16,794	22,323	3,364	42,481
Net OPEB obligations	149,712	168,393	36,689	354,794
Net pension liabilities	345,712	385,243	50,196	781,151
Pensions related deferred inflows of resources	(24,638)	(21,618)	(4,190)	(50,446)
Total adjustment	1,329,155	2,221,172	83,641	3,633,968
Net cash provided by (used in) operating activities	\$ 988,472	\$ 1,589,231	\$ 694,630	\$ 3,272,333

This page intentionally left blank.

FIDUCIARY FUND FINANCIAL STATEMENTS

City of Patterson
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

ASSETS	<u>Agency Funds</u>
Cash and investments	\$ 7,354,855
Restricted cash and investments	11,509,207
Accounts receivable	120,089
Interest receivable	6,923
Total assets	<u><u>\$ 18,991,074</u></u>
LIABILITIES	
Accounts payable	\$ 4,000
Due to City	75,226
Due to bondholders	18,911,848
Total liabilities	<u><u>\$ 18,991,074</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

This Page Intentionally Left Blank.

City of Patterson
Index to the Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies.....	43
A. Financial Reporting Entity	43
B. Basis of Accounting and Measurement Focus	44
C. Cash, Cash Equivalents and Investment.....	47
D. Restricted Cash and Investments	48
E. Accounts and Interest Receivable.....	48
F. Capital Assets	48
G. Long-Term Debt.....	49
H. Compensated Absences	49
I. Pensions.....	50
J. Property Taxes.....	50
K. Net Position	51
L. Fund Balances	51
M. Use of Estimates.....	52
N. Reclassification.....	52
Note 2 – Cash and Investments	53
A. Cash Deposits	54
B. Investments.....	54
C. External Investment Pool	55
D. Risk Disclosures	56
Note 3 – Loan and Notes Receivable	57
A. Governmental Activities.....	57
Note 4 – Interfund Transactions.....	58
A. Due from and to other funds.....	58
B. Transfers in and out.....	59
Note 5 – Capital Assets	60
A. Governmental Activities.....	60
B. Business-type Activities	61
Note 6 – Long-term Obligations.....	62
A. Governmental Activities.....	62
B. Business-type Activities	65
Note 7 – Conduit Debts.....	69
Note 8 – Fund Balances	69

City of Patterson
Index to the Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 9 – Risk Management	70
Note 10 – Defined Benefit Pension Plans	71
Note 11 – Other Postemployment Benefits	79
Note 12 – Deferred Compensation Plan	81
Note 13 – Other Required Disclosures	82
A. Deficit Net Position/Fund Balances	82
Note 14 – Commitments and Contingencies	82
A. Litigation	82
B. Grants	82
Note 15 – Prior Period Adjustments	82
Note 16 – Settlement with Eli Development Corporation	83
Note 17 – Subsequent Event	83

City of Patterson
Notes to the Basic Financial Statements
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies

The 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 of Patterson (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 was formed in 2001 pursuant to a joint exercise of powers agreement between the City of Patterson and the former Redevelopment Agency of the City of Patterson. The Authority 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 the Authority.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

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 of Patterson and the former Redevelopment Agency of the City of Patterson. 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, 2016, pursuant to Resolution No. 2015-03 of the Board 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.

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 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 position) 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 position) 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, 2017

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
- 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 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.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

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.

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.

Patterson Public Financing Authority - The Authority 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.

Other Governmental Funds – Other Governmental Funds is the aggregate of all the non-major governmental funds.

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, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

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 include a statement of fiduciary net position and a statement of changes in fiduciary net position. The City has one type of fiduciary funds – Agency Funds.

Agency Funds - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Cash, Cash Equivalents and Investment

The City pools its available cash for investment purposes. The City's cash and cash equivalents are considered to be 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 displayed 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.

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.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents and Investment (Continued)

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.

F. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. 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 median curbs	20 years
Storm drains	75 years

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Capital Assets (Continued)

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.

G. 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.

H. 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.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Compensated Absences (Continued)

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.

I. 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 10). 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:

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Measurement Period	July 1, 2015 to June 30, 2016

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.

J. 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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Property Taxes (Continued)

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.

K. 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, 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.

L. 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.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 1 – Summary of Significant Accounting Policies (Continued)

L. Fund Balances (Continued)

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.

M. 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.

N. Reclassification

Certain accounts in prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2017:

	Primary Government			Total
	Governmental Activities	Business-type Activities	Fiduciary Funds	
Cash and investments	\$ 18,558,614	\$ 4,711,950	\$ 7,354,855	\$ 30,625,419
Restricted cash and investments	1,925,351	4,107,385	11,509,207	17,541,943
Investments held in trust	69,826,983	-	-	69,826,983
Total cash and investments	\$ 90,310,948	\$ 8,819,335	\$ 18,864,062	\$ 117,994,345

Cash, cash equivalents, and investments, consisted of the following at June 30, 2017:

Cash and cash equivalents:	
Cash on hand	\$ 1,245
Deposits with financial institutions	13,731,708
Total cash and cash equivalents	13,732,953
Investments:	
Municipal bonds	69,826,983
Money market mutual funds	17,541,946
Cental San Joaquin Valley Risk Authority (CSJVRMA)	3,641,736
Local Agency Investment Fund (LAIF)	13,250,727
Total investments	104,261,392
Total cash and investments	\$ 117,994,345

At June 30, 2017, investments, are reported at fair value based on quoted market prices. The following table represents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2017:

	Fair Value	Measurement Input	Valuation Technique
Investments:			
Municipal bonds	\$ 69,826,983	Level 2	Present Value of expected future cash flows
Money market mutual funds	17,541,946	Uncategorized	N/A
Cental San Joaquin Valley Risk Authority (CSJVRMA)	3,641,736	Level 2	matrix pricing model
Local Agency Investment Fund (LAIF)	13,250,727	Uncategorized	N/A
Total investments	\$ 104,261,392		

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

A. Cash Deposits

The carrying amounts of the City's demand deposits were \$13,731,708 at June 30, 2017. Bank balances were \$13,953,877 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

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

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

B. Investments

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

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

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

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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

B. Investments (Continued)

Investments Authorized by Debt Agreements

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

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

C. External Investment Pool

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, 2017 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, 2017, the City had \$13,250,727 invested in LAIF, which had invested 2.89% 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 market value is not readily available. The City valued its investments in LAIF as of June 30, 2017 using the Net Asset Value. The 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, 2017.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

D. 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, 2017:

	Fair Value	Maturity			
		12 Months or Less	1-5 Years	6-10 Years	Thereafter
Investments:					
Municipal bonds	\$ 69,826,983	\$ 1,483,337	\$ 6,957,625	\$ 11,737,196	\$ 49,648,825
Money market mutual funds	17,541,943	17,541,943	-	-	-
Central San Joaquin Valley Risk Authority (CSJVRMA)	3,641,736	3,641,736	-	-	-
Local Agency Investment Fund (LAIF)	13,250,727	13,250,727	-	-	-
Total investments	\$ 104,261,389	\$ 35,917,743	\$ 6,957,625	\$ 11,737,196	\$ 49,648,825

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 Legal Rating	Credit Rating	
			S&P	Moody's
Investments:				
Municipal bonds	\$ 69,826,983	N/A	Not rated	Not rated
Money market mutual funds	17,541,943	N/A	AAAm	Aaa-mf
Central San Joaquin Valley Risk Authority (CSJVRMA)	3,641,736	N/A	Not rated	Not rated
Local Agency Investment Fund (LAIF)	13,250,727	N/A	Not rated	Not rated
Total investments	\$ 104,261,389			

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 2 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

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, 2016:

<u>Issuer</u>	<u>Investment Type</u>	<u>Amount</u>
West Patterson Financing Authority	Municipal bonds	\$ 66,425,178

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.

Note 3 – 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 2018.

Summary of changes in loans and notes receivable for the year ended June 30, 2017 is as follows:

	Balance <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2017</u>
Housing Authority of the County of Stanislaus	\$ 290,000	\$ -	\$ -	\$ 290,000
Greater Valley Housing Development Corporation	900,000	-	-	900,000
Housing Rehabilitation and Affordable Housing	760,615	61,155	(62,595)	759,175
Total loans and notes receivable	\$ 1,950,615	\$ 61,155	\$ (62,595)	\$ 1,949,175

Housing Authority of the County of Stanislaus

The City has a 30-year note receivable with the Housing Authority of the County of Stanislaus in the amount of \$290,000. The note does not bear interest and principal payments are deferred for 30 years. The balance of this note has been offset by deferred inflows of resources in the amount of \$290,000 in the fund financial statements.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 3 – Loans 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, 2017 the City had advanced the full amount of \$900,000 to the Greater Valley Housing Development Corporation. The balance of this note has been offset by a related deferred revenue. 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 notes receivable at June 30, 2017 was \$759,175.

Note 4 – Interfund Transactions

A. Due From and To Other Funds

Due from and to other funds as of June 30, 2017, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Patterson Public Financing Authority	\$ 347,288	Overdrawn Cash
General Fund	Public Safety	662,024	Overdrawn Cash
General Fund	Federal CDBG Grant 2003	204,705	Overdrawn Cash
General Fund	Senior Center	398	Overdrawn Cash
	Total	\$ 1,214,415	

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 4 – Interfund Transactions (Continued)

B. Transfers In and Out

Transfers in and out for the year ended June 30, 2017, was as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Landscape Maintenance District	217,486	Administrative Cost
General Fund	Benefit Assessment District	57,267	Administrative Cost
General Fund	CDBG	13,400	Administrative Cost
General Fund	Federal HOME Funds	4,400	Administrative Cost
General Fund	Gas Tax	350,000	Administrative Cost
General Fund	Senior Center	9,840	Administrative Cost
General Fund	Public Safety	259,081	Administrative Cost
General Fund	Water	472,536	Administrative Cost
General Fund	Sewer	493,588	Administrative Cost
General Fund	Garbage	387,455	Administrative Cost
	Subtotal	<u>2,265,053</u>	
Public Safety	Patterson Garden Fire Suppression Assessment	350,000	Capital Projects
Public Safety	CFD 2015-2	73,000	Capital Projects
	Subtotal	<u>423,000</u>	
Street Project Fund	Gas Tax	74,877	Capital Projects
Street Project Fund	Local Transportation Fund	150,000	Capital Projects
Street Project Fund	Garbage	100,000	Capital Projects
	Subtotal	<u>324,877</u>	
Water Fund	Water Impact Fee	300,000	Capital Projects
	Subtotal	<u>300,000</u>	
Sewer Fund	General Fund	63,368	Capital Projects
	Benefit Assessment District	94,350	Capital Projects
	Sewer Impact Fee	100,000	Capital Projects
	Subtotal	<u>257,718</u>	
	Total	<u>\$ 4,785,063</u>	

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 5 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2017 is as follows:

	Balance July 1, 2016	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2017
Capital assets, not being depreciated					
Land	\$ 3,395,717	\$ -	\$ -	\$ -	\$ 3,395,717
Construction in progress	6,026,285	141,971	-	71,797	6,240,053
Total capital assets, not being depreciated	9,422,002	141,971	-	71,797	9,635,770
Capital assets, being depreciated					
Buildings	23,972,872	-	-	-	23,972,872
Improvements	13,368,942	1,579,926	-	42,203	14,991,071
Streets and roads	21,792,730	36,171	-	-	21,828,901
Equipments	5,543,414	466,381	(20,099)	-	5,989,696
Subtotal	64,677,958	2,082,478	(20,099)	42,203	66,782,540
Less: accumulated depreciation					
Buildings	(4,304,536)	(600,077)	-	-	(4,904,613)
Improvements	(5,384,257)	(655,094)	-	-	(6,039,351)
Streets and roads	(4,385,092)	(628,141)	-	-	(5,013,233)
Equipments	(4,269,091)	(346,545)	20,099	(114,673)	(4,710,210)
Subtotal	(18,342,976)	(2,229,857)	20,099	(114,673)	(20,667,407)
Total capital assets, being depreciated, net	46,334,982	(147,379)	-	(72,470)	46,115,133
Total capital assets, net	\$ 55,756,984	\$ (5,408)	\$ -	\$ (673)	\$ 55,750,903

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2017 are as follows:

General government	\$ 55,969
Fire	61,990
Public works	1,331,448
Park and recreation	780,450
Total depreciation	\$ 2,229,857

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 5 – Capital Assets (Continued)

B. Business-type Activities

Summary of changes in capital assets for business-type activities for the year ended June 30, 2017 is as follows:

	Balance July 1, 2016	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2017
Capital assets, not being depreciated					
Land	\$ 5,745,597	\$ -	\$ -	\$ -	\$ 5,745,597
Construction in progress	1,152,823	759,442	(1,030)		1,911,235
Total capital assets, not being depreciated	6,898,420	759,442	(1,030)	-	7,656,832
Capital assets, being depreciated					
Streets and roads	62,884,881	596,286	-	-	63,481,167
Equipments	4,591,075	211,404	(45,471)	(28,418)	4,728,590
Subtotal	67,475,956	807,690	(45,471)	(28,418)	68,209,757
Less: accumulated depreciation					
Streets and roads	(20,519,564)	(2,271,672)	-		(22,791,236)
Equipments	(2,111,764)	(420,189)	45,471	-	(2,486,482)
Subtotal	(22,631,328)	(2,691,861)	45,471	-	(25,277,718)
Total capital assets, being depreciated, net	44,844,628	(1,884,171)	-	(28,418)	42,932,039
Total capital assets, net	\$ 51,743,048	\$ (1,124,729)	\$ (1,030)	\$ (28,418)	\$ 50,588,871

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2017 are as follows:

Water	\$ 1,006,494
Sewer	1,676,719
Garbage	8,648
Total depreciation	<u>\$ 2,691,861</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Long-term Obligations

A. Governmental Activities

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2017 is as follows:

	Original Issuance	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year	Due In More Than One Year
PPFA 2013 Heartland Ranch Revenue Bonds	\$ 4,963,568	\$ 4,291,071	\$ -	\$ (373,583)	\$ 3,917,488	\$ 385,717	\$ 3,531,771
PPFA 2013 Series A Revenue Bonds	67,190,000	64,675,000	-	(1,295,000)	63,380,000	1,220,000	62,160,000
Less: bond discount	(853,389)	(768,051)	-	28,466	(739,585)	28,466	(768,051)
PPFA 2013 Series B Revenue Bonds	6,465,000	6,265,000	-	(105,000)	6,160,000	100,000	6,060,000
Capital leases	161,990	-	161,990	(33,023)	128,967	30,988	97,979
Settlement payable	1,300,000	676,000	-	(312,000)	364,000	312,000	52,000
Compensated Absences	-	335,975	366,880	(308,534)	394,321	394,321	-
Total long-term debt	\$ 79,227,169	\$ 75,474,995	\$ 528,870	\$ (2,398,674)	\$ 73,605,191	\$ 2,471,492	\$ 71,133,699

2013 Heartland Ranch Revenue Bond

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 rates on the bonds is 3.73 percent. Principal payments are due annually beginning on September 2, 2014. At June 30, 2017, the outstanding balance of the 2013 Heartland Ranch Revenue bonds was \$3,917,488.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 385,717	\$ 138,929	\$ 524,646
2019	397,349	124,325	521,674
2020	408,446	109,296	517,742
2021	433,971	93,585	527,556
2022	443,630	72,218	515,848
2023-2027	1,666,690	160,876	1,827,566
2028	181,685	3,388	185,073
Total	\$ 3,917,488	\$ 702,617	\$ 4,620,105

2013 PPFA Series A Bond

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 rates on the bonds is 3.00 percent. Principal payments are due annually beginning on September 1, 2014. The notes 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, 2017, the outstanding balance of the 2013 PPFA Series A bonds was \$63,380,000.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Long-term Obligations (Continued)

A. Governmental Activities (Continued)

2013 PPFA Series A Bond (Continued)

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,220,000	\$ 3,383,188	\$ 4,603,188
2019	1,330,000	3,332,188	4,662,188
2020	1,440,000	3,276,788	4,716,788
2021	1,550,000	3,216,988	4,766,988
2022	1,670,000	3,152,588	4,822,588
2023-2027	10,360,000	14,336,706	24,696,706
2028-2032	13,955,000	11,135,669	25,090,669
2033-2037	17,600,000	6,736,700	24,336,700
2038-2040	14,255,000	1,273,481	15,528,481
Total	<u>\$ 63,380,000</u>	<u>\$ 49,844,296</u>	<u>\$ 113,224,296</u>

2013 PPFA Series B Bond

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 rates on the bonds is 5.875 percent. Principal payments are due annually beginning on September 1, 2014. The notes 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, 2017, the outstanding balance of the 2013 PPFA Series B bonds was \$6,160,000.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 100,000	\$ 358,963	\$ 458,963
2019	110,000	352,794	462,794
2020	125,000	345,891	470,891
2021	140,000	338,106	478,106
2022	155,000	329,441	484,441
2023-2027	990,000	1,487,550	2,477,550
2028-2032	1,385,000	1,140,191	2,525,191
2033-2037	1,770,000	678,175	2,448,175
2038-2040	1,385,000	126,072	1,511,072
Total	<u>\$ 6,160,000</u>	<u>\$ 5,157,183</u>	<u>\$ 11,317,183</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Long-term Obligations (Continued)

A. Governmental Activities (Continued)

Capital Lease

Self-Contained Breathing Apparatus (SCBA) and Rapid Intervention Team (R.I.T) Equipment

On June 7, 2016, the City approved the execution of a lease-purchase agreement in the amount of \$161,990 with Government Capital Corporation to provide a tax-exempt financing mechanism to purchase SCBA and R.I.T equipment. The lease payments due on January 1, 2017 through January 1, 2021 with an interest rate of 2.65%. At June 30, 2017, the outstanding balance of the capital lease was \$128,967.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 30,988	\$ 3,418	\$ 34,406
2019	31,809	2,597	34,406
2020	32,652	1,754	34,406
2021	33,518	888	34,406
Total	\$ 128,967	\$ 8,657	\$ 137,624

Settlement Payable

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.

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, 2017, the remaining balance of the settlement payable was \$364,000.

Compensated Absences

Compensated absences at June 30, 2017, amounted to \$394,320. Typically, the General Fund has been used to liquidate the liability for compensated absences. There is no fixed payment schedule for compensated absences.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Long-term Obligations (Continued)

B. Business-type Activities

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2017 is as follows:

	Original Issuance	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year	Due In More Than One Year
Water Fund:							
2011 Water Revenue Bonds	\$ 10,200,000	\$ 8,810,000	\$ -	\$ (215,000)	\$ 8,595,000	\$ 220,000	\$ 8,375,000
Compensated Absences	-	77,302	91,117	(74,323)	94,096	94,096	-
Total water fund	10,200,000	8,887,302	91,117	(289,323)	8,689,096	314,096	8,375,000
Sewer Fund:							
2009 Sewer Revenue Bonds	3,195,000	2,775,000	-	(70,000)	2,705,000	70,000	2,635,000
Economic Bank loan	652,144	200,000	-	(100,000)	100,000	100,000	-
State Revolving Fund loan	774,790	658,022	-	(39,566)	618,456	40,596	577,860
Banc of America loan	951,540	1,552,023	-	(57,971)	1,494,052	72,017	1,422,035
CEC loan	2,876,172	2,515,975	-	(189,943)	2,326,032	191,847	2,134,185
Compensated Absences	-	82,429	95,381	(73,058)	104,752	104,752	-
Total sewer fund	8,449,646	7,783,449	95,381	(530,538)	7,348,292	579,212	6,769,080
Garbage Fund:							
Compensated Absences	-	13,460	18,751	(15,387)	16,824	16,824	-
Total garbage fund	-	13,460	18,751	(15,387)	16,824	16,824	-
Total business-type activities	\$ 18,649,646	\$ 16,684,211	\$ 205,249	\$ (835,248)	\$ 16,054,212	\$ 910,132	\$ 15,144,080

2011 Water Revenue Bonds

In October 2010, the Patterson Public Financing Authority issued 2010 series water revenue bonds in the amount of \$10,200,000. The bonds were issued for certain improvements to the City's municipal water enterprise (the project). The proceeds will be used to (a) finance, together with available monies, the Project, (b) fund a reserve fund for the bonds, and (c) to pay to costs of issuance for the bonds. Interest on the bonds is payable semiannually on each June 1 and December 1, commencing June 1, 2011; and principal payments are payable annually each June 1. Interest rates on the bonds vary from 0.60% - 5.00%. The bonds are secured by a pledge of revenues made by the City. At June 30, 2017, the outstanding balance of the 2011 Water Revenue Bonds was \$8,595,000.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Long-term Obligations (Continued)

B. Business-type Activities (Continued)

2011 Water Revenue Bonds (Continued)

The annual debt service requirements are as follows:

Year Ending			
June 30	Principal	Interest	Total
2018	\$ 220,000	\$ 410,632	\$ 630,632
2019	225,000	404,363	629,363
2020	235,000	397,500	632,500
2021	245,000	388,100	633,100
2022	255,000	378,300	633,300
2023-2027	1,455,000	1,712,600	3,167,600
2028-2032	1,860,000	1,313,250	3,173,250
2033-2037	2,370,000	7,992,580	10,362,580
2038-2040	1,730,000	175,750	1,905,750
Total	<u>\$ 8,595,000</u>	<u>\$ 13,173,075</u>	<u>\$ 21,768,075</u>

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 2039. Interest is payable semi-annually, on each June 1 and December 1. The bonds are secured by a pledge an lien on the net revenues of the City's municipal wastewater enterprise. At June 30, 2017, the outstanding balance of the 2009 Sewer Revenue Bonds was \$2,705,000.

The annual debt service requirements are as follows:

Year Ending			
June 30	Principal	Interest	Total
2018	\$ 70,000	\$ 143,488	\$ 213,488
2019	75,000	140,687	215,687
2020	75,000	137,688	212,688
2021	80,000	134,125	214,125
2022	85,000	130,325	215,325
2023-2027	475,000	586,512	1,061,512
2028-2032	630,000	441,375	1,071,375
2033-2037	820,000	323,400	1,143,400
2038-2040	395,000	33,000	428,000
Total	<u>\$ 2,705,000</u>	<u>\$ 2,070,600</u>	<u>\$ 4,775,600</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Long-term Obligations (Continued)

B. Business-type Activities (Continued)

Economic Bank Loan

In November 2007, the City entered into an agreement with the County of Stanislaus for an Economic Bank Loan up to \$706,329 to fund economic development projects. The loan bears no interest and the first annual payment was due on July 1, 2012. At June 30, 2017, the outstanding balance of the Economic Bank Loan was \$100,000.

The annual debt service requirements are as follows:

Year Ending			
June 30	Principal	Interest	Total
2018	\$ 100,000	\$ -	\$ 100,000
Total	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 100,000</u>

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 the current fiscal year. The loan amount is based on the amount of draws by the City for reimbursable costs. The loan does not bear interest, however has a grant charge of 2.6%. The loan matures in October 2029. At June 30, 2017, the outstanding balance of the State Revolving Fund Loan was \$618,456.

The annual debt service requirements are as follows:

Year Ending			
June 30	Principal	Interest	Total
2018	\$ 40,596	\$ 16,080	\$ 56,676
2019	41,651	15,024	56,675
2020	42,734	13,941	56,675
2021	43,845	12,830	56,675
2022	44,985	11,690	56,675
2023-2027	243,090	40,287	283,377
2028-2031	161,555	8,473	170,028
Total	<u>\$ 618,456</u>	<u>\$ 118,325</u>	<u>\$ 736,781</u>

Banc of America 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 has been partially allocated in the General and Sewer Funds. Interest is calculated at 3.46% per annum payable each April and October 25. Principal payments are due semi-annually on April 25 and October 25 are payable from energy savings within the different funds 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, 2017, the outstanding of the Banc of America Loan was \$1,494,052.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 6 – Long-term Obligations (Continued)

B. Business-type Activities (Continued)

Banc of America Loan (Continued)

The annual debt service requirements are as follows:

Year Ending				
June 30	Principal	Interest	Total	
2018	\$ 72,017	\$ 51,076	\$ 123,093	
2019	9,433	49,121	58,554	
2020	23,602	48,673	72,275	
2021	38,946	47,725	86,671	
2022	55,538	46,235	101,773	
2023-2027	576,712	186,635	763,347	
2028-2030	717,804	29,357	747,161	
Total	<u>\$ 1,494,052</u>	<u>\$ 458,822</u>	<u>\$ 1,952,874</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% per annum payable each June and December 22. Principal payments are due semi-annually on June 22 and December 22 and are paid from energy savings within the different funds from solar panels, streetlights, and energy efficient fixtures. At June 30, 2017, the outstanding balance of the CEC loan was \$2,326,032.

The annual debt service requirements are as follows:

Year Ending				
June 30	Principal	Interest	Total	
2018	\$ 191,847	\$ 22,783	\$ 214,630	
2019	193,770	20,860	214,630	
2020	195,662	16,956	212,618	
2021	197,674	16,956	214,630	
2022	199,656	14,974	214,630	
2023-2027	1,028,678	44,474	1,073,152	
2028-2030	318,745	3,202	321,947	
Total	<u>\$ 2,326,032</u>	<u>\$ 140,205</u>	<u>\$ 2,466,237</u>	

Compensated Absences

Compensated absences at June 30, 2017, amounted to \$94,096, \$104,751, and \$16,824 for water, sewer and garbage, respectively. There is no fixed payment schedule for compensated absences.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 7 – Conduit Debts

Special assessment districts in various parts of the City have issued debts 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 direct or contingent liability 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, 2017 was as follows:

Heartland Ranch Authority Bonds	\$ 3,519,386
Community Facilities District No. 2013-A1 Special Tax Bonds	34,183,408
Community Facilities District No. 2013-A2 Special Tax Bonds	28,137,790
Community Facilities District No. 2013-B Special Tax Bonds	4,103,980
Community Facilities District No. 2005-1 Business Park Special Tax Bonds	9,555,000
Community Facilities District No. 2015-1 Special Tax Bonds	<u>4,755,000</u>
Total	<u>\$ 84,254,564</u>

Note 8 – Fund Balances

At June 30, 2017, fund balances classification is as follows:

	General Fund	Patterson Public Financing Authority	Other Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 68,630	\$ -	\$ 574	\$ 69,204
Total nonspendable	<u>68,630</u>	<u>-</u>	<u>574</u>	<u>69,204</u>
Restricted:				
Debt services	144,229	71,401,341	-	71,545,570
Assessment Districts	-	-	2,462,310	2,462,310
Grants	-	-	338,940	338,940
Streets and Roads	-	-	1,162,108	1,162,108
Developer Housing In-Lieu	-	-	1,357,384	1,357,384
Police	-	-	96	96
Community Facilities Districts	-	-	273,389	273,389
Total restricted	<u>144,229</u>	<u>71,401,341</u>	<u>5,594,227</u>	<u>77,139,797</u>
Committed:				
Contingencies	3,642,337	-	-	3,642,337
Capital projects	-	-	6,016,084	6,016,084
Total committed	<u>3,642,337</u>	<u>-</u>	<u>6,016,084</u>	<u>9,658,421</u>
Assigned:				
General government operations	198,698	-	-	198,698
OPEB	1,571,713	-	-	1,571,713
Capital projects	1,109,398	-	-	1,109,398
Total assigned	<u>2,879,809</u>	<u>-</u>	<u>-</u>	<u>2,879,809</u>
Unassigned (deficit)	<u>1,502,483</u>	<u>-</u>	<u>(729,053)</u>	<u>773,430</u>
Total	<u>\$ 8,237,488</u>	<u>\$ 71,401,341</u>	<u>\$ 10,881,832</u>	<u>\$ 87,640,852</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 9 – 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 separated 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.

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 (the Authority), a joint powers authority established in accordance with the California government code. The relationship between the City and the Authority is such that the Authority is not a component unit of the City for financial reporting purposes. Financial statements for the Authority may be obtained from the Authority's management.

The Authority 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 Authority only by giving six-month notice. Cities applying for membership in the Authority may do so on approval of a two-thirds vote of the board of the Authority.

The latest financial information of the CSJVRMA for fiscal year ended June 30, 2017, is as follows:

Total Assets	<u>\$ 100,984,219</u>
Total Liabilities	<u>\$ 83,009,648</u>
Net Position	<u>\$ 17,974,571</u>
Operating Revenues	<u>\$ 44,722,848</u>
Operating Expenses	<u>\$ 42,218,070</u>
Nonoperating Revenues (Expenses)	<u>\$ 34,961</u>
Changes in Net Position	<u>\$ 2,539,739</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plans

The following is a summary of net pension liabilities and related deferred outflows and inflows of resources as of June 30, 2017 and pension expenses for the year then ended June 30, 2017:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Deferred outflows of resources:			
Pension contribution after measurement date:			
Miscellaneous	\$ 516,443	\$ 304,999	\$ 821,442
Safety	337,685	-	337,685
Difference between expected and actual experience			
Miscellaneous	-	9,197	9,197
Difference in projected and actual earnings on pension investments:			
Miscellaneous	766,793	452,850	1,219,643
Safety	527,636	-	527,636
Adjustments due to differences in proportions			
Miscellaneous	460,644	165,147	625,791
Safety	251,664	-	251,664
Differences between City's contributions and proportionate share of contributions			
Miscellaneous	241,222	114,392	355,614
Safety	156,148	-	156,148
Total deferred outflows of resources	\$ 3,258,235	\$ 1,046,585	\$ 4,304,820
Net pension liabilities:			
Miscellaneous	\$ 3,232,364	\$ 1,908,981	\$ 5,141,345
Safety	2,388,655	-	2,388,655
Total net pension liabilities	\$ 5,621,019	\$ 1,908,981	\$ 7,530,000
Deferred inflows of Resources:			
Change in assumptions:			
Miscellaneous	\$ 147,328	\$ 87,008	\$ 234,336
Safety	107,397	-	107,397
Difference between expected and actual experience			
Miscellaneous	3,568	2,107	5,675
Safety	9,060	-	9,060
Adjustments due to differences in proportions			
Miscellaneous	123,304	71,874	195,178
Safety	97,335	-	97,335
Total deferred inflows of resources	\$ 487,992	\$ 160,989	\$ 648,981
Pension expenses:			
Miscellaneous	\$ (141,096)	\$ 560,363	\$ 419,267
Safety	240,210	-	240,210
Total pension expenses	\$ 99,114	\$ 560,363	\$ 659,477

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plans (Continued)

General Information about the Pension Plan

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, 2016, 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	56	34	13	4
Transferred and terminated employees	36	1	11	-
Retired employees and beneficiaries	51	6	33	-
Total	<u>143</u>	<u>41</u>	<u>57</u>	<u>4</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	50-57
Monthly benefits, as a % of eligible compensation	2.7%	2.0%	3.0%	2.0% to 2.7%
Required employee contribution rate	8.000%	6.250%	9.000%	11.500%
Required employer contribution rate	11.008%	6.555%	17.557%	11.153%

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plans (Continued)

General Information about the Pension Plan (Continued)

Benefit Provided (Continued)

Participants are eligible for non-industrial disability retirement if they become disabled and have at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service. Industrial disability benefits are not offered to miscellaneous employees.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death.

Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2 percent.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The Public agency cost-sharing plans covered by either the Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2015 valuation was rolled forward to determine June 30, 2016 total pension liability based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

¹The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to 2014 experience study report.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumption

There were no changes of assumptions for June 30, 2016 measurement date.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. 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 of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent 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.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plans (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected PERF pension fund cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), 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 PERF 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 equal 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. The target allocation shown was adopted by the Board effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
	<u>100.00%</u>		

¹ An expected inflation of 2.5% used

² An expected inflation of 3.0% used

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.65%, 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 (6.65%) or 1 percentage-point higher (8.65%) than the current rate:

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
Miscellaneous	\$ 8,010,081	\$ 5,141,345	\$ 2,770,477
Safety	\$ 3,575,725	\$ 2,388,655	\$ 1,414,192
Total	<u>\$ 11,585,805</u>	<u>\$ 7,530,000</u>	<u>\$ 4,184,670</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

Pension Plan Fiduciary Net Position

Detail information about the plan’s fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS’ website under Forms and Publications.

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:

	<u>Plan Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Miscellaneous			
Balance at: 6/30/15 (Valuation date)	\$ 16,961,131	\$ 12,687,998	\$ 4,273,133
Balance at: 6/30/16 (Measurement date)	18,831,738	13,690,393	5,141,345
Net changes during 2015-2016	1,870,607	1,002,395	868,212
Safety			
Balance at: 6/30/15 (Valuation date)	\$ 8,450,467	\$ 6,545,084	\$ 1,905,383
Balance at: 6/30/16 (Measurement date)	9,042,632	6,653,977	2,388,655
Net changes during 2015-2016	592,165	108,893	483,272

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2015). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (“TPL”) determines the net pension liability (“NPL”) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2015). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2015 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2015-2016).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date. TPL is allocated based on the rate plan’s share of the actuarial accrued liability. FNP is allocated based on the rate plan’s share of the market value assets.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

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

- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocate based on the City’s share of contributions during measurement period.

The City’s proportionate share of the net pension liability was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
June 30, 2015	0.04938%	0.02202%
June 30, 2016	0.05942%	0.02760%
	<u>0.01003%</u>	<u>0.00558%</u>

For the year ended June 30, 2017, the City recognized pension expense as follows:

Miscellaneous	\$	419,267
Safety		240,210
	<u>\$</u>	<u>659,477</u>

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. 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.

The expected average remaining service lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the 2015-2016 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired).

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

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

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety		Total	
	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows	Deferred outflows	Deferred inflows
Contribution made after the measurement date	\$ 821,442	\$ -	\$ 337,685	\$ -	\$ 1,159,127	\$ -
Difference between expected and actual experience	9,197	(5,675)	-	(9,060)	9,197	(14,735)
Changes of assumptions	-	(234,336)	-	(107,397)	-	(341,733)
Difference in projected and actual earning on pension investments	1,219,643	-	527,636	-	1,747,279	-
Adjustments due to differences in proportions	625,791	(195,178)	251,664	(97,335)	877,455	(292,513)
Differences between City's contributions and proportionate share of contributions	355,614	-	156,148	-	511,762	-
	\$ 3,031,687	\$ (435,189)	\$ 1,273,133	\$ (213,792)	\$ 4,304,820	\$ (648,981)

Deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. 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	Safety
2017	\$ 499,794	\$ 200,754
2018	417,066	148,792
2019	542,295	234,750
2020	315,901	137,360
2021	-	-
Thereafter	-	-
	\$ 1,775,056	\$ 721,656

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 10 – Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)

CalPERS Discount Rate

On December 16, 2016, the CalPERS Board of Administration (the “Board”) approved lowering the CalPERS discount rate assumption, the long-term rate of return, from 7.50 percent to the rates below over the next three years. This will increase the City’s employer contribution costs beginning in fiscal year 2018-19. The phase in of the discount rate change approved by the Board for the next three fiscal years is as follows.

<u>Valuation Date</u>	<u>Required Contribution Rate</u>	<u>Discount Rate</u>
June 30, 2016	2018-19	7.38%
June 30, 2017	2019-20	7.25%
June 30, 2018	2020-21	7.00%

Lowering the discount rate means plans will see increases in both normal costs, the cost of pension benefits accruing in one year for active members, and the accrued liabilities. These increases will result in higher required employer contribution.

Pension Plan Fiduciary Net Position

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

Payable to the Pension Plan

At June 30, 2017, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

Note 11 – Other Postemployment Benefits

Plan Description

The City sponsors and administers a single-employer health care plan for its employees. The plan provides medical, dental, and vision plan coverage. Medical coverage is provided through CalPERS under the Public Employees' Medical and Hospital Care Act (PEMHCA), also referred to as PERS Health. In addition, the City extends coverage to retirees and their dependents in its self-insured dental plan as well as the VSP Vision plan; retirees pay the full cost of this coverage.

For the year ended June 30, 2017, the City reported 101 active and 21 retired employees. Of the actives, 4 are not currently participating but retain the right to elect coverage in the future and have been included in the valuation. Of the retirees, 9 have waived coverage and are assumed not to participate in the future.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 11 – Other Postemployment Benefits (Continued)

Funding Policy

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. As of June 30, 2017, the City had not established a formal funding policy or trust to maintain future required contributions. The City is currently funding the benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation (Asset)

For the year ended June 30, 2017, the City's annual cost for the healthcare plan was \$1,176,762. The net OPEB obligation for governmental activities was \$7,210,252 as of June 30, 2017, and the net OPEB obligation for business-type activities was \$3,140,772 as of June 30, 2017.

The following table shows the components of the City's Annual OPEB Cost for the year ended June 30, 2017, the amount actually contributed to the plan, and changes in the City's Net OPEB obligation:

Annual Required Contribution	
Service cost at year-end	\$ 830,000
Amortization of unfunded liabilities	448,000
Interest	372,000
Amortization of net OPEB obligation	<u>(473,827)</u>
Total annual cost	1,176,173
Contributions made	<u>(124,720)</u>
Change in OPEB Obligation	1,051,453
Net OPEB Obligation:	
Beginning of year	<u>9,299,571</u>
End of year	<u><u>\$ 10,351,024</u></u>

Below is the summary of the City's OPEB cost and net OPEB obligation:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contributions</u>	<u>Percentage Contributed</u>	<u>Change in Net OPEB Obligation (Asset)</u>	<u>Net OPEB Obligation (Asset) at June 30</u>
June 30, 2015	\$ 1,191,105	\$ 58,830	4.94%	\$ 1,132,275	\$ 8,124,784
June 30, 2016	1,264,632	89,845	7.10%	1,174,787	9,299,571
June 30, 2017	1,176,173	124,720	10.60%	1,051,453	10,351,024

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 11 – Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions

Calculations of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2016 actuarial valuation, the entry age normal cost method was used. The asset valuation method was based on the market value of assets. The actuarial assumptions included a 4.0% interest rate. Salary increases were assumed to be 3.25% per year. Current active and retired participants are assumed to continue their current election through retirement. Non-participating actives are assigned a 50% probability of electing coverage at retirement. Existing elections for spousal coverage are assumed to be maintained through retirement and surviving spouses retain coverage until their death.

Funded Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was \$8,796,000, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (“UAAL”) of \$8,796,000. The covered payroll (annual payroll for active employees covered by the plan) was \$5,333,366, and the ratio of the UAAL to the covered payroll was 165%.

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on the values which the City's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

Note 12 – 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.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 13 – Other Required Disclosures

A. Deficit Net Position/Fund Balances

At June 30, 2017, 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>
Public Safety	Special Revenue	\$ (659,265)
Federal CDBG Grant 2003	Special Revenue	(66,389)
Senior Center	Special Revenue	(398)
Heartland Ranch Infrastructure	Capital Projects	(3,001)

Note 14 – Commitments and Contingencies

A. Litigation

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

B. Grants

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

Note 15 – Prior Period Adjustments

On July 1, 2016, the City recorded certain prior period adjustments to correct misstatements from prior year. Accordingly, net position/fund balances are restated as follows:

Government-Wide Financial Statements

	<u>Governmental Activities</u>
Beginning net position, as originally reported	\$ 62,936,983
Prior period adjustments:	
1. Interest payable was not properly accrued	(1,404,887)
2. Expenditures was not accrued in the correct period	(21,789)
3. Accounts payable was not properly accrued at year ended	10,578
4. Expenditures was not accrued in the correct period	(42,475)
Beginning net position, as restated	<u>\$ 61,478,410</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2017

Note 15 – Prior Period Adjustments (Continued)

Government Fund Financial Statements

	General Fund	Street Project Fund	Street Improvement Impact Fee
Fund balance, as originally reported	\$ 7,200,329	\$ 1,307,497	\$ 2,170,390
Prior Period Adjustments			
Expenditures was not accrued in the correct period	(21,789)	-	(42,475)
Accounts payable was not properly accrued at year ended	-	10,578	-
Fund balance, as restated	<u>\$ 7,178,540</u>	<u>\$ 1,318,075</u>	<u>\$ 2,127,915</u>

Note 16 – 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 17 – Subsequent Event

Wastewater Revenue Bond Refunding

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%. 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 \$469,905.02 and will be held by the City to provide additional funding for wastewater capital projects.

Interest on the refinancing is payable each December 1 and June 1 beginning December 1, 2017. Principal is payable each June 1 beginning June 1, 2018 to June 1, 2039. The Bank of New York Mellon as Escrow Agent is holding an escrow account for the 2009 Bonds that will pay all principal and interest on the 2009 Bonds that were part of the refinancing until they are called on June 1, 2019. The 2009 Bond that were not part of the refinancing will continue to be paid as regularly scheduled until they are paid off on June 1, 2024.

This page intentionally left blank.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

City of Patterson
Required Supplementary Information (Unaudited)
For the Year Ended June 30, 2017

Note 1 – Budgetary Information

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, 2017 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2017 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 preliminary budget by June 30 of each year to City Council. This allows the City to continue normal operations until the final budget is adopted in September. 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 funds are based on a project time frame, rather than a fiscal year "operating" time frame reappropriating 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.

City of Patterson
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2017

Note 1 – Budgetary Information (Continued)

Budgetary Comparison Schedule – General Fund

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes:				
Property	\$ 2,991,499	\$ 2,991,499	\$ 2,931,682	\$ (59,817)
Sales	4,155,000	4,833,600	5,502,627	669,027
Franchise	178,000	178,000	274,792	96,792
Motor vehicle in lieu	1,800,000	1,800,000	1,844,519	44,519
Other	131,100	132,000	137,847	5,847
Licenses, permits, and fees	1,223,632	1,093,632	570,503	(523,129)
Charges for current services	473,550	465,513	429,756	(35,757)
Intergovernmental:				
Federal grant and subsidies	33,250	33,250	10,237	(23,013)
Other governmental	657,098	659,098	579,058	(80,040)
Fines and forfeitures and penalties	208,500	128,500	157,307	28,807
Interest	31,850	41,850	(38,574)	(80,424)
Miscellaneous	515,540	515,802	563,799	47,997
Total revenues	12,399,019	12,872,744	12,963,553	90,809
EXPENDITURES:				
Current:				
General government	2,610,034	2,757,747	2,506,627	251,120
Police	4,425,556	4,435,431	4,218,306	217,125
Fire	2,374,417	2,274,057	1,991,005	283,052
Community development and planning	1,235,636	1,392,025	1,403,372	(11,347)
Public works	1,341,350	1,356,976	1,265,212	91,764
Park and recreation	2,396,056	2,593,999	2,466,865	127,134
Debt service:				
Principal	33,043	33,043	253,667	(220,624)
Interest and fiscal charges	30,325	30,325	1,235	29,090
Total expenditures	14,446,417	14,873,603	14,106,289	767,314
REVENUES OVER (UNDER) EXPENDITURES	(2,047,398)	(2,000,859)	(1,142,736)	858,123
OTHER FINANCING SOURCES (USES):				
Transfers in	2,442,996	2,442,996	2,265,053	(177,943)
Transfers out	(303,667)	(303,667)	(63,369)	240,298
Total other financing sources (uses)	2,139,329	2,139,329	2,201,684	62,355
Net change in fund balances	\$ 91,931	\$ 138,470	1,058,948	\$ 920,478
FUND BALANCE:				
Beginning of year, as restated (Note X)			7,178,540	
End of year			<u>\$ 8,237,488</u>	

City of Patterson
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2017

Note 2 – Defined Benefits Pension Plans - CalPERS

Schedule of the City's Proportionate Share of the Net Pension Liabilities and Related Ratios

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014 ¹
City's Proportion of the Net Pension Liability/(Asset)	0.05942%	0.04938%	0.05848%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 5,141,345	\$ 4,273,133	\$ 3,638,246
City's Covered Payroll	\$ 4,495,458	4,267,057	\$ 3,857,424
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	114.37%	100.14%	94.32%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	72.70%	74.81%	77.16%

California Public Employees' Retirement System ("CalPERS") Safety Plan

Measurement Date	June 30, 2016	June 30, 2015	June 30, 2014 ¹
City's Proportion of the Net Pension Liability/(Asset)	0.02760%	0.02202%	0.02670%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 2,388,655	\$ 1,905,383	\$ 1,661,368
City's Covered Payroll	\$ 1,216,383	1,177,974	\$ 1,094,057
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	196.37%	161.75%	151.85%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	73.58%	77.45%	79.20%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

Notes to Schedule:

Changes of Assumptions: Discount rate was changed from 7.50% to 7.65% for the June 30, 2015 measurement date.

City of Patterson
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2017

Note 2 – Defined Benefits Pension Plans – CalPERS (Continued)

Schedule of the City's Contributions

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014 ¹
Actuarially Determined Contribution	\$ 821,442	\$ 693,115	748,691	\$ 691,154
Contribution in Relation to the Actuarially Determined Contribution	(821,442)	(693,115)	(748,691)	(691,154)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 4,630,322	\$ 4,495,458	4,267,057	\$ 3,857,424
Contributions as a Percentage of Covered Payroll	17.74%	15.42%	17.55%	17.92%

California Public Employees' Retirement System ("CalPERS") Safety Plan

	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014 ¹
Measurement Date				
Actuarially Determined Contribution	\$ 337,685	\$ 312,567	364,763	\$ 312,579
Contribution in Relation to the Actuarially Determined Contribution	(337,685)	(312,567)	(364,763)	(312,579)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 1,252,874	\$ 1,216,383	1,177,974	\$ 1,094,057
Contributions as a Percentage of Covered Payroll	26.95%	25.70%	30.97%	28.57%

¹ Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years will be presented as they become available.

Notes to Schedule:

Changes of Assumptions: Discount rate was changed from 7.50% to 7.65% for the June 30, 2015 measurement date.

City of Patterson
Required Supplementary Information (Unaudited) (Continued)
For the Year Ended June 30, 2017

Note 3 – Schedule of Funding Progress – OPEB

Actuarial Valuation Date	Actuarial Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Accrued Liabilities (Assets) (a) - (b)	Funded Ratio (b)/(a)	Covered Payroll (c)	UAAL as a % of Covered Payroll [(a)-(b)]/(c)
June 30, 2010	\$ 8,845,000	\$ -	\$ 8,845,000	0.00%	\$ 4,159,809	212.63%
June 30, 2013	8,934,000	-	8,934,000	0.00%	4,978,000	179.47%
June 30, 2016	8,796,000	-	8,796,000	0.00%	5,139,000	171.16%

This page intentionally left blank..

SUPPLEMENTARY INFORMATION

This page intentionally left blank.

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Patterson Public Financing Authority
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ -	\$ 4,090,845	\$ 4,200,018	\$ 109,173
Miscellaneous	-	-	8,161	8,161
Total revenues	-	4,090,845	4,208,179	117,334
EXPENDITURES:				
Capital outlay	-	-	29,420	(29,420)
Debt service:				
Principal	1,230,860	1,230,860	1,773,583	(542,723)
Interest and fiscal charges	4,330,071	4,330,071	3,952,315	377,756
Total expenditures	5,560,931	5,560,931	5,755,318	(194,387)
REVENUES OVER (UNDER) EXPENDITURES	(5,560,931)	(1,470,086)	(1,547,139)	(77,053)
OTHER FINANCING SOURCES (USES):				
Transfers in	5,560,931	581,918	-	(581,918)
Total other financing sources (uses)	5,560,931	581,918	-	(581,918)
Net change in fund balances	\$ -	\$ (888,168)	(1,547,139)	\$ (658,971)
FUND BALANCE:				
Beginning of year			72,948,480	
End of year			<u>\$ 71,401,341</u>	

City of Patterson
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2017

Special Revenue Funds

	Special Revenue Funds				
	Landscape Maintenance District	Benefit Assessment Districts	CSA #15 Assessment District	Patterson Gardens Fire Suppression Assessment	Public Safety
ASSETS					
Cash and investments	\$ 819,140	\$ 1,635,707	\$ 17,352	\$ 41,873	\$ -
Receivables:					
Accounts	23,161	7,965	-	4,949	17,207
Interest	831	1,663	18	43	-
Notes and loans	-	-	-	-	-
Prepaid items	574	-	-	-	-
Total assets	\$ 843,706	\$ 1,645,335	\$ 17,370	\$ 46,865	\$ 17,207
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 78,787	\$ 11,245	\$ 360	\$ -	\$ 14,448
Due to other funds	-	-	-	-	662,024
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	78,787	11,245	360	-	676,472
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Nonspendable	574	-	-	-	-
Restricted	764,345	1,634,090	17,010	46,865	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(659,265)
Total fund balances	764,919	1,634,090	17,010	46,865	(659,265)
Total liabilities, deferred inflows of resources and fund balances	\$ 843,706	\$ 1,645,335	\$ 17,370	\$ 46,865	\$ 17,207

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2017

Special Revenue Funds

	Beautification Committee	CDBG HA Loan Fund	State HCD Rehab Program	Federal CDBG Grant 2003	First Time Home Buyers
ASSETS					
Cash and investments	\$ 39,105	\$ -	\$ 146,646	\$ -	\$ 32,296
Receivables:					
Accounts	-	-	-	178,772	-
Interest	40	-	150	-	33
Notes and loans	-	293,489	56,764	-	179,056
Prepaid items	-	-	-	-	-
Total assets	\$ 39,145	\$ 293,489	\$ 203,560	\$ 178,772	\$ 211,385
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	204,705	-
Unearned revenue	-	-	-	40,456	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	-	-	-	245,161	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	293,489	56,764	-	179,056
Total deferred inflows of resources	-	293,489	56,764	-	179,056
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	39,145	-	146,796	-	32,329
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	(66,389)	-
Total fund balances	39,145	-	146,796	(66,389)	32,329
Total liabilities, deferred inflows of resources and fund balances	\$ 39,145	\$ 293,489	\$ 203,560	\$ 178,772	\$ 211,385

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2017

Special Revenue Funds

	Special Revenue Funds				
	Federal HOME Funds	Neighborhood Stablization Program	Gas Tax	Local Transportation Fund	Local Transportation Fund Non Motorized
ASSETS					
Cash and investments	\$ 122,757	\$ 2,197	\$ 35,276	\$ 476,486	\$ 37,656
Receivables:					
Accounts	2,500	-	-	-	-
Interest	4,343	2	36	486	38
Notes and loans	259,139	30,095	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 388,739	\$ 32,294	\$ 35,312	\$ 476,972	\$ 37,694
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	297,142	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	-	-	-	297,142	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	270,268	30,095	-	-	12,328
Total deferred inflows of resources	270,268	30,095	-	-	12,328
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	118,471	2,199	35,312	179,830	25,366
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	118,471	2,199	35,312	179,830	25,366
Total liabilities, deferred inflows of resources and fund balances	\$ 388,739	\$ 32,294	\$ 35,312	\$ 476,972	\$ 37,694

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2017

Special Revenue Funds

	Street Project Fund	Developer Housing In-Lieu Fee	Police Asset Forfeiture	Westside Drainage Study	Senior Center
ASSETS					
Cash and investments	\$ 817,946	\$ 1,356,001	\$ 12,057	\$ 62,979	\$ -
Receivables:					
Accounts	772,707	-	-	-	-
Interest	865	1,383	12	64	-
Notes and loans	-	1,114,000	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 1,591,518	\$ 2,471,384	\$ 12,069	\$ 63,043	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 24,023	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	398
Unearned revenue	-	-	11,973	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	24,023	-	11,973	-	398
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	645,895	1,114,000	-	-	-
Total deferred inflows of resources	645,895	1,114,000	-	-	-
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	921,600	1,357,384	96	63,043	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(398)
Total fund balances	921,600	1,357,384	96	63,043	(398)
Total liabilities, deferred inflows of resources and fund balances	\$ 1,591,518	\$ 2,471,384	\$ 12,069	\$ 63,043	\$ -

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2017

	Special Revenue Funds		Capital Projects Funds		
	CFD 2013-1	CFD 2015-2	Community Facility Impact Fee	General Government Impact Fee	Public Safety Impact Fee
ASSETS					
Cash and investments	\$ 202,532	\$ 12,871	\$ 324,157	\$ 504,989	\$ 537,591
Receivables:					
Accounts	-	-	-	32,000	-
Interest	203	13	310	541	548
Notes and loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 202,735	\$ 12,884	\$ 324,467	\$ 537,530	\$ 538,139
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 34	\$ 5,239	\$ -	\$ 36,309	\$ 10,052
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	34	5,239	-	36,309	10,052
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	202,701	7,645	-	-	-
Committed	-	-	324,467	501,221	528,087
Unassigned (deficit)	-	-	-	-	-
Total fund balances	202,701	7,645	324,467	501,221	528,087
Total liabilities, deferred inflows of resources and fund balances	\$ 202,735	\$ 12,884	\$ 324,467	\$ 537,530	\$ 538,139

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2017

Capital Projects Funds

	Parkland In-Lieu Fee	Street Improvement Impact Fee	Water Impact Fee	Storm Drain Impact Fee	Sewer Impact Fee
ASSETS					
Cash and investments	\$ 126,931	\$ 2,262,269	\$ 224,174	\$ 1,385,724	\$ 119,286
Receivables:					
Accounts	-	-	-	-	-
Interest	129	2,306	229	1,406	122
Notes and loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 127,060	\$ 2,264,575	\$ 224,403	\$ 1,387,130	\$ 119,408
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,313	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	-	-	-	1,313	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	127,060	2,264,575	224,403	1,385,817	119,408
Unassigned (deficit)	-	-	-	-	-
Total fund balances	127,060	2,264,575	224,403	1,385,817	119,408
Total liabilities, deferred inflows of resources and fund balances	\$ 127,060	\$ 2,264,575	\$ 224,403	\$ 1,387,130	\$ 119,408

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2017

Capital Projects Funds

	Delta Mendota Storm Gate	Aquatic Center Construction	Future Water Acquisition	Heartland Ranch Infrastructure	WTTP Construction
ASSETS					
Cash and investments	\$ 167,077	\$ 56,471	\$ 312,463	\$ 44,130	\$ 4,483
Receivables:					
Accounts	-	-	-	-	-
Interest	170	58	319	45	5
Notes and loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	\$ 167,247	\$ 56,529	\$ 312,782	\$ 44,175	\$ 4,488
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:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	167,247	56,529	312,782	-	4,488
Unassigned (deficit)	-	-	-	(3,001)	-
Total fund balances	167,247	56,529	312,782	(3,001)	4,488
Total liabilities, deferred inflows of resources and fund balances	\$ 167,247	\$ 56,529	\$ 312,782	\$ 44,175	\$ 4,488

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2017

	Total Non-major Governmental Funds
ASSETS	
Cash and investments	\$ 11,940,622
Receivables:	
Accounts	1,039,261
Interest	16,411
Notes and loans	1,932,543
Prepaid items	574
Total assets	\$ 14,929,411
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	
LIABILITIES:	
Accounts payable	\$ 181,810
Due to other funds	867,127
Unearned revenue	349,571
Deposits and other liabilities	47,176
Total liabilities	1,445,684
 DEFERRED INFLOWS OF RESOURCES:	
Unavailable revenue	2,601,895
Total deferred inflows of resources	2,601,895
 FUND BALANCES:	
Nonspendable	574
Restricted	5,594,227
Committed	6,016,084
Unassigned (deficit)	(729,053)
Total fund balances	10,881,832
 Total liabilities, deferred inflows of resources and fund balances	 \$ 14,929,411

(Concluded)

City of Patterson
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2017

	Special Revenue				
	Landscape Maintenance District	Benefit Assessment Districts	CSA #15 Assessment District	Patterson Gardens Fire Suppression Assessment	Public Safety
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-
Charges for current services	1,463,466	524,303	8,500	418,102	922,835
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Interest	4,170	8,521	88	636	-
Miscellaneous	-	-	-	-	59,744
Total revenues	1,467,636	532,824	8,588	418,738	982,579
EXPENDITURES:					
Current:					
General government	774	-	-	-	-
Fire	-	-	-	5,352	1,578,332
Community development and planning	-	-	4,082	-	-
Public works	1,444,249	164,974	-	-	-
Park and recreation	17	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,445,040	164,974	4,082	5,352	1,578,332
REVENUES OVER (UNDER) EXPENDITURES	22,596	367,850	4,506	413,386	(595,753)
OTHER FINANCING SOURCES (USES):					
Issuance of capital lease	-	-	-	-	-
Transfers in	-	-	-	-	423,000
Transfers out	(217,486)	(151,617)	-	(350,000)	(259,080)
Total financing sources (uses)	(217,486)	(151,617)	-	(350,000)	163,920
Net change in fund balances	(194,890)	216,233	4,506	63,386	(431,833)
FUND BALANCES:					
Beginning of year, as originally reported	959,809	1,417,857	12,504	(16,521)	(227,432)
Prior period adjustments	-	-	-	-	-
Beginning of year, as restated	959,809	1,417,857	12,504	(16,521)	(227,432)
End of year	\$ 764,919	\$ 1,634,090	\$ 17,010	\$ 46,865	\$ (659,265)

(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, 2017

Special Revenue Funds

	Beautification Committee	CDBG HA Loan Fund	State HCD Rehab Program	Federal CDBG Grant 2003	First Time Home Buyers
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-
Charges for current services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	12,094	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	700	-	3,095
Interest	217	-	805	79	5,609
Miscellaneous	200	-	-	(12,916)	-
Total revenues	417	-	1,505	(743)	8,704
EXPENDITURES:					
Current:					
General government	-	-	-	19	-
Fire	-	-	-	-	-
Community development and planning	257	-	-	-	-
Public works	-	-	-	-	-
Park and recreation	-	-	-	-	-
Capital outlay	-	-	-	16,587	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	257	-	-	16,606	-
REVENUES OVER (UNDER) EXPENDITURES	160	-	1,505	(17,349)	8,704
OTHER FINANCING SOURCES (USES):					
Issuance of capital lease	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(13,400)	-
Total financing sources (uses)	-	-	-	(13,400)	-
Net change in fund balances	160	-	1,505	(30,749)	8,704
FUND BALANCES:					
Beginning of year, as originally reported	38,985	-	145,291	(35,640)	23,625
Prior period adjustments	-	-	-	-	-
Beginning of year, as restated	38,985	-	145,291	(35,640)	23,625
End of year	\$ 39,145	\$ -	\$ 146,796	\$ (66,389)	\$ 32,329

(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, 2017

Special Revenue Funds

	Federal HOME Funds	Neighborhood Stablization Program	Gas Tax	Local Transportation Fund	Local Transportation Fund Non Motorized
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-
Charges for current services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	3,088	-	-	-	-
Other governmental	-	-	393,418	107,206	15,485
Use of money and property	61,923	380	-	-	-
Interest	1,646	417	790	3,069	211
Miscellaneous	14,514	-	-	-	-
Total revenues	81,171	797	394,208	110,275	15,696
EXPENDITURES:					
Current:					
General government	78	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Park and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	78	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	81,093	797	394,208	110,275	15,696
OTHER FINANCING SOURCES (USES):					
Issuance of capital lease	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(4,400)	-	(424,877)	(150,000)	-
Total financing sources (uses)	(4,400)	-	(424,877)	(150,000)	-
Net change in fund balances	76,693	797	(30,669)	(39,725)	15,696
FUND BALANCES:					
Beginning of year, as originally reported	41,778	1,402	65,981	219,555	9,670
Prior period adjustments	-	-	-	-	-
Beginning of year, as restated	41,778	1,402	65,981	219,555	9,670
End of year	\$ 118,471	\$ 2,199	\$ 35,312	\$ 179,830	\$ 25,366

(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, 2017

	Special Revenue Funds				
	Street Project Fund	Developer Housing In-Lieu Fee	Police Asset Forfeiture	Westside Drainage Study	Senior Center
REVENUES:					
Taxes:					
Property	\$ -	\$ 482,683	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-
Charges for current services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	173,427	-	-	-	-
Other governmental	648,931	-	-	-	-
Use of money and property	-	11,625	-	-	-
Interest	5,141	6,633	74	346	-
Miscellaneous	(24,857)	-	-	-	-
Total revenues	802,642	500,941	74	346	-
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	73,956	-	-	-	-
Public works	-	-	-	-	-
Park and recreation	-	-	-	-	-
Capital outlay	1,450,038	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,523,994	-	-	-	-
REVENUES OVER (UNDER)					
EXPENDITURES	(721,352)	500,941	74	346	-
OTHER FINANCING SOURCES (USES):					
Issuance of capital lease	-	-	-	-	-
Transfers in	324,877	-	-	-	-
Transfers out	-	-	-	-	-
Total financing sources (uses)	324,877	-	-	-	-
Net change in fund balances	(396,475)	500,941	74	346	-
FUND BALANCES:					
Beginning of year, as originally reported	1,307,497	856,443	22	62,697	(398)
Prior period adjustments	10,578	-	-	-	-
Beginning of year, as restated	1,318,075	856,443	22	62,697	(398)
End of year	\$ 921,600	\$ 1,357,384	\$ 96	\$ 63,043	\$ (398)

(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, 2017

	Special Revenue Funds		Capital Projects Funds		
	CFD 2013-1	CFD 2015-2	Community Facility Impact Fee	General Government Impact Fee	Public Safety Impact Fee
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	53,212	80,289	138,150	80,734	55,529
Charges for current services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	26,000	21,025
Use of money and property	-	-	-	-	-
Interest	1,039	381	1,653	2,671	2,782
Miscellaneous	-	-	-	-	-
Total revenues	54,251	80,670	139,803	109,405	79,336
EXPENDITURES:					
Current:					
General government	307	25	-	-	-
Fire	-	-	-	-	-
Community development and planning	3,699	-	-	-	-
Public works	-	-	-	-	-
Park and recreation	-	-	-	-	-
Capital outlay	-	-	10,535	136,181	340,797
Debt service:					
Principal	-	-	-	-	33,023
Interest and fiscal charges	-	-	-	-	1,383
Total expenditures	4,006	25	10,535	136,181	375,203
REVENUES OVER (UNDER) EXPENDITURES	50,245	80,645	129,268	(26,776)	(295,867)
OTHER FINANCING SOURCES (USES):					
Issuance of capital lease	-	-	-	-	161,990
Transfers in	-	-	-	-	-
Transfers out	-	(73,000)	(9,840)	-	-
Total financing sources (uses)	-	(73,000)	(9,840)	-	161,990
Net change in fund balances	50,245	7,645	119,428	(26,776)	(133,877)
FUND BALANCES:					
Beginning of year, as originally reported	152,456	-	205,039	527,997	661,964
Prior period adjustments	-	-	-	-	-
Beginning of year, as restated	152,456	-	205,039	527,997	661,964
End of year	\$ 202,701	\$ 7,645	\$ 324,467	\$ 501,221	\$ 528,087

(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, 2017

Capital Projects Funds

	Parkland In-Lieu Fee	Street Improvement Impact Fee	Water Impact Fee	Storm Drain Impact Fee	Sewer Impact Fee
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	60,956	46,619	188,822	266,468	96,652
Charges for current services	-	82,125	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Interest	673	12,016	2,078	7,281	887
Miscellaneous	-	-	-	-	-
Total revenues	61,629	140,760	190,900	273,749	97,539
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Park and recreation	-	-	-	-	-
Capital outlay	2,200	4,100	-	90,302	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	2,200	4,100	-	90,302	-
REVENUES OVER (UNDER) EXPENDITURES	59,429	136,660	190,900	183,447	97,539
OTHER FINANCING SOURCES (USES):					
Issuance of capital lease	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	(300,000)	-	(100,000)
Total financing sources (uses)	-	-	(300,000)	-	(100,000)
Net change in fund balances	59,429	136,660	(109,100)	183,447	(2,461)
FUND BALANCES:					
Beginning of year, as originally reported	67,631	2,170,390	333,503	1,202,370	121,869
Prior period adjustments	-	(42,475)	-	-	-
Beginning of year, as restated	67,631	2,127,915	333,503	1,202,370	121,869
End of year	\$ 127,060	\$ 2,264,575	\$ 224,403	\$ 1,385,817	\$ 119,408

(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, 2017

Capital Projects Funds

	Delta Mendota Storm Gate	Aquatic Center Construction	Future Water Acquisition	Heartland Ranch Infrastructure	WTTP Construction
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	10,164	143,293	-	-
Charges for current services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Interest	917	306	1,487	243	25
Miscellaneous	-	-	3,812	-	-
Total revenues	917	10,470	148,592	243	25
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Park and recreation	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	917	10,470	148,592	243	25
OTHER FINANCING SOURCES (USES):					
Issuance of capital lease	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-
Net change in fund balances	917	10,470	148,592	243	25
FUND BALANCES:					
Beginning of year, as originally reported	166,330	46,059	164,190	(3,244)	4,463
Prior period adjustments	-	-	-	-	-
Beginning of year, as restated	166,330	46,059	164,190	(3,244)	4,463
End of year	\$ 167,247	\$ 56,529	\$ 312,782	\$ (3,001)	\$ 4,488

(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, 2017

	Total Non-major Governmental Funds
REVENUES:	
Taxes:	
Property	\$ 482,683
Licenses, permits, and fees	1,220,888
Charges for current services	3,419,331
Intergovernmental:	
Federal grant and subsidies	188,609
Other governmental	1,212,065
Use of money and property	77,723
Interest	72,891
Miscellaneous	40,497
Total revenues	6,714,687
EXPENDITURES:	
Current:	
General government	1,203
Fire	1,583,684
Community development and planning	81,994
Public works	1,609,223
Park and recreation	17
Capital outlay	2,050,740
Debt service:	
Principal	33,023
Interest and fiscal charges	1,383
Total expenditures	5,361,267
REVENUES OVER (UNDER) EXPENDITURES	1,353,420
OTHER FINANCING SOURCES (USES):	
Issuance of capital lease	161,990
Transfers in	747,877
Transfers out	(2,053,700)
Total financing sources (uses)	(1,143,833)
Net change in fund balances	209,587
FUND BALANCES:	
Beginning of year, as originally reported	10,704,142
Prior period adjustments	(31,897)
Beginning of year, as restated	10,672,245
End of year	\$ 10,881,832

(Concluded)

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for current services	\$ 1,684,524	\$ 1,684,524	\$ 1,463,466	\$ (221,058)
Interest	2,500	2,500	4,170	1,670
Total revenues	<u>1,687,024</u>	<u>1,687,024</u>	<u>1,467,636</u>	<u>(219,388)</u>
EXPENDITURES:				
Current:				
General government	-	-	774	(774)
Public works	2,064,275	2,067,380	1,444,249	623,131
Park and recreation	-	-	17	(17)
Total expenditures	<u>2,064,275</u>	<u>2,067,380</u>	<u>1,445,040</u>	<u>622,340</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(377,251)</u>	<u>(380,356)</u>	<u>22,596</u>	<u>402,952</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(217,486)	(217,486)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(217,486)</u>	<u>(217,486)</u>
Net change in fund balance	<u>(377,251)</u>	<u>(380,356)</u>	<u>(194,890)</u>	<u>185,466</u>
FUND BALANCE:				
Beginning of year			959,809	
End of year			<u>\$ 764,919</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for current services	\$ 516,179	\$ 376,179	\$ 524,303	\$ 148,124
Interest	4,000	4,000	8,521	4,521
Total revenues	<u>520,179</u>	<u>380,179</u>	<u>532,824</u>	<u>152,645</u>
EXPENDITURES:				
Current:				
Public works	738,918	738,918	164,974	573,944
Total expenditures	<u>738,918</u>	<u>738,918</u>	<u>164,974</u>	<u>573,944</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>(218,739)</u>	<u>(358,739)</u>	<u>367,850</u>	<u>726,589</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(151,617)	(151,617)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(151,617)</u>	<u>(151,617)</u>
Net change in fund balance	<u>\$ (218,739)</u>	<u>\$ (358,739)</u>	216,233	<u>\$ 574,972</u>
FUND BALANCE:				
Beginning of year			<u>1,417,857</u>	
End of year			<u>\$ 1,634,090</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for current services	\$ 8,500	\$ 8,500	\$ 8,500	\$ -
Interest	-	-	88	88
Total revenues	<u>8,500</u>	<u>8,500</u>	<u>8,588</u>	<u>88</u>
EXPENDITURES:				
Current:				
Community development and planning	15,231	15,231	4,082	11,149
Total expenditures	<u>15,231</u>	<u>15,231</u>	<u>4,082</u>	<u>11,149</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(6,731)</u>	<u>(6,731)</u>	<u>4,506</u>	<u>11,237</u>
Net change in fund balance	<u>\$ (6,731)</u>	<u>\$ (6,731)</u>	<u>4,506</u>	<u>\$ 11,237</u>
FUND BALANCE:				
Beginning of year			<u>12,504</u>	
End of year			<u>\$ 17,010</u>	

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Patterson Gardens Fire Suppression Assessment Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for current services	\$ 397,629	\$ 397,629	\$ 418,102	\$ 20,473
Interest	-	-	636	636
Total revenues	<u>397,629</u>	<u>397,629</u>	<u>418,738</u>	<u>21,109</u>
EXPENDITURES:				
Current:				
Fire	5,000	5,000	5,352	(352)
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,352</u>	<u>(352)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>392,629</u>	<u>392,629</u>	<u>413,386</u>	<u>20,757</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(350,000)	(350,000)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>(350,000)</u>
Net change in fund balance	<u>\$ 392,629</u>	<u>\$ 392,629</u>	63,386	<u>\$ (329,243)</u>
FUND BALANCE:				
Beginning of year			(16,521)	
End of year			<u>\$ 46,865</u>	

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Public Safety Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for current services	\$ 1,004,503	\$ 1,004,503	\$ 922,835	\$ (81,668)
Miscellaneous	22,000	22,000	59,744	37,744
Total revenues	<u>1,026,503</u>	<u>1,026,503</u>	<u>982,579</u>	<u>(43,924)</u>
EXPENDITURES:				
Current:				
Fire	1,443,811	1,682,081	1,578,332	103,749
Total expenditures	<u>1,443,811</u>	<u>1,682,081</u>	<u>1,578,332</u>	<u>103,749</u>
REVENUES OVER (UNDER) EXPENDITURES				
	<u>(417,308)</u>	<u>(655,578)</u>	<u>(595,753)</u>	<u>59,825</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	423,000	423,000
Transfers out	-	-	(259,080)	(259,080)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>163,920</u>	<u>163,920</u>
Net change in fund balance	<u>\$ (417,308)</u>	<u>\$ (655,578)</u>	(431,833)	<u>\$ 223,745</u>
FUND BALANCE:				
Beginning of year			<u>(227,432)</u>	
End of year			<u>\$ (659,265)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ 100	\$ 100	\$ 217	\$ 117
Miscellaneous	-	-	200	200
Total revenues	<u>100</u>	<u>100</u>	<u>417</u>	<u>317</u>
EXPENDITURES:				
Current:				
Community development and planning	-	-	257	(257)
Total expenditures	<u>-</u>	<u>-</u>	<u>257</u>	<u>(257)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>100</u>	<u>100</u>	<u>160</u>	<u>60</u>
Net change in fund balance	<u>\$ 100</u>	<u>\$ 100</u>	<u>160</u>	<u>\$ 60</u>
FUND BALANCE:				
Beginning of year			<u>38,985</u>	
End of year			<u>\$ 39,145</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 700	\$ 700
Interest	-	-	805	805
Total revenues	-	-	1,505	1,505
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	1,505	1,505
Net change in fund balance	\$ -	\$ -	1,505	\$ 1,505
FUND BALANCE:				
Beginning of year			145,291	
End of year			<u>\$ 146,796</u>	

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Federal CDBG Grant 2003 Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ 118,427	\$ 118,427	\$ 12,094	\$ (106,333)
Interest	-	-	79	79
Miscellaneous	-	-	(12,916)	(12,916)
Total revenues	<u>118,427</u>	<u>118,427</u>	<u>(743)</u>	<u>(119,170)</u>
EXPENDITURES:				
Current:				
General government	15,027	15,027	19	15,008
Capital outlay	30,000	30,000	16,587	13,413
Total expenditures	<u>45,027</u>	<u>45,027</u>	<u>16,606</u>	<u>28,421</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>73,400</u>	<u>73,400</u>	<u>(17,349)</u>	<u>(90,749)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(13,400)	(13,400)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(13,400)</u>	<u>(13,400)</u>
Net change in fund balance	<u>\$ 73,400</u>	<u>\$ 73,400</u>	<u>(30,749)</u>	<u>\$ (104,149)</u>
FUND BALANCE:				
Beginning of year			<u>(35,640)</u>	
End of year			<u>\$ (66,389)</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 3,095	\$ 3,095
Interest	-	-	5,609	5,609
Total revenues	-	-	8,704	8,704
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	8,704	8,704
Net change in fund balance	\$ -	\$ -	8,704	\$ 8,704
FUND BALANCE:				
Beginning of year, as restated			23,625	
End of year			<u>\$ 32,329</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ 81,653	\$ 81,653	\$ 3,088	\$ (78,565)
Use of money and property	-	-	61,923	61,923
Interest	500	500	1,646	1,146
Miscellaneous	-	-	14,514	14,514
Total revenues	<u>82,153</u>	<u>82,153</u>	<u>81,171</u>	<u>(982)</u>
EXPENDITURES:				
Current:				
General government	2,500	2,500	78	2,422
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>78</u>	<u>2,422</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>79,653</u>	<u>79,653</u>	<u>81,093</u>	<u>1,440</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(4,400)	(4,400)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,400)</u>	<u>(4,400)</u>
Net change in fund balance	<u>\$ 79,653</u>	<u>\$ 79,653</u>	76,693	<u>\$ (2,960)</u>
FUND BALANCE:				
Beginning of year			<u>41,778</u>	
End of year			<u>\$ 118,471</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 380	\$ 380
Interest	-	-	417	417
Total revenues	<u>-</u>	<u>-</u>	<u>797</u>	<u>797</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>797</u>	<u>797</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>797</u>	<u>\$ 797</u>
FUND BALANCE:				
Beginning of year			<u>1,402</u>	
End of year			<u>\$ 2,199</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Other governmental	\$ 438,555	\$ 438,555	\$ 393,418	\$ (45,137)
Interest	500	500	790	290
Total revenues	<u>439,055</u>	<u>439,055</u>	<u>394,208</u>	<u>(44,847)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>439,055</u>	<u>439,055</u>	<u>394,208</u>	<u>(44,847)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(424,877)	(424,877)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(424,877)</u>	<u>(424,877)</u>
Net change in fund balance	<u>\$ 439,055</u>	<u>\$ 439,055</u>	(30,669)	<u>\$ (469,724)</u>
FUND BALANCE:				
Beginning of year			<u>65,981</u>	
End of year			<u>\$ 35,312</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Other governmental	\$ -	\$ 107,206	\$ 107,206	\$ -
Interest	1,000	1,000	3,069	2,069
Total revenues	<u>1,000</u>	<u>108,206</u>	<u>110,275</u>	<u>2,069</u>
REVENUES OVER (UNDER)	<u>1,000</u>	<u>108,206</u>	<u>110,275</u>	<u>2,069</u>
EXPENDITURES				
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(150,000)	(150,000)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 108,206</u>	<u>(39,725)</u>	<u>\$ (147,931)</u>
FUND BALANCE:				
Beginning of year			<u>219,555</u>	
End of year			<u>\$ 179,830</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Other governmental	\$ -	\$ 15,485	\$ 15,485	\$ -
Interest	-	-	211	211
Total revenues	<u>-</u>	<u>15,485</u>	<u>15,696</u>	<u>211</u>
REVENUES OVER (UNDER)	-	15,485	15,696	211
EXPENDITURES	<u>-</u>	<u>15,485</u>	<u>15,696</u>	<u>211</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 15,485</u>	<u>15,696</u>	<u>\$ 211</u>
FUND BALANCE:				
Beginning of year			<u>9,670</u>	
End of year			<u>\$ 25,366</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ 656,739	\$ 656,739	\$ 173,427	\$ (483,312)
Other governmental	1,679,609	1,679,609	648,931	(1,030,678)
Interest	-	-	5,141	5,141
Miscellaneous	-	-	(24,857)	(24,857)
Total revenues	<u>2,336,348</u>	<u>2,336,348</u>	<u>802,642</u>	<u>(1,533,706)</u>
EXPENDITURES:				
Current:				
Community development and planning	65,384	65,384	73,956	(8,572)
Capital outlay	2,852,449	1,714,387	1,450,038	264,349
Total expenditures	<u>2,917,833</u>	<u>1,779,771</u>	<u>1,523,994</u>	<u>255,777</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(581,485)</u>	<u>556,577</u>	<u>(721,352)</u>	<u>(1,277,929)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	324,877	324,877
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>324,877</u>	<u>324,877</u>
Net change in fund balance	<u>\$ (581,485)</u>	<u>\$ 556,577</u>	<u>(396,475)</u>	<u>\$ (953,052)</u>
FUND BALANCE:				
Beginning of year, as originally reported			1,307,497	
Prior period adjustments			<u>10,578</u>	
Beginning of year, as restated			<u>1,318,075</u>	
End of year			<u>\$ 921,600</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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Property	\$ 525,660	\$ 525,660	\$ 482,683	\$ (42,977)
Use of money and property	-	-	11,625	11,625
Interest	1,500	2,181	6,633	4,452
Total revenues	<u>527,160</u>	<u>527,841</u>	<u>500,941</u>	<u>(26,900)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>527,160</u>	<u>527,841</u>	<u>500,941</u>	<u>(26,900)</u>
Net change in fund balance	<u>\$ 527,160</u>	<u>\$ 527,841</u>	500,941	<u>\$ (26,900)</u>
FUND BALANCE:				
Beginning of year			<u>856,443</u>	
End of year			<u>\$ 1,357,384</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 74	\$ 74
Total revenues	<u>-</u>	<u>-</u>	<u>74</u>	<u>74</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>74</u>	<u>74</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>74</u>	<u>\$ 74</u>
FUND BALANCE:				
Beginning of year			<u>22</u>	
End of year			<u>\$ 96</u>	

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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ 200	\$ 200	\$ 346	\$ 146
Total revenues	<u>200</u>	<u>200</u>	<u>346</u>	<u>146</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>200</u>	<u>200</u>	<u>346</u>	<u>146</u>
Net change in fund balance	<u>\$ 200</u>	<u>\$ 200</u>	346	<u>\$ 146</u>
FUND BALANCE:				
Beginning of year			<u>62,697</u>	
End of year			<u>\$ 63,043</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, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Licenses, permits, and fees	\$ 53,041	\$ 53,041	\$ 53,212	\$ 171
Interest	-	-	1,039	1,039
Total revenues	<u>53,041</u>	<u>53,041</u>	<u>54,251</u>	<u>1,210</u>
EXPENDITURES:				
Current:				
General government	-	-	307	(307)
Community development and planning	3,567	3,567	3,699	(132)
Total expenditures	<u>3,567</u>	<u>3,567</u>	<u>4,006</u>	<u>(439)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>49,474</u>	<u>49,474</u>	<u>50,245</u>	<u>771</u>
Net change in fund balance	<u>\$ 49,474</u>	<u>\$ 49,474</u>	50,245	<u>\$ 771</u>
FUND BALANCE:				
Beginning of year, as restated			<u>152,456</u>	
End of year			<u>\$ 202,701</u>	

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CFD 2015-2 Special Revenue Fund
For the Year Ended June 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Licenses, permits, and fees	\$ 80,235	\$ 80,235	\$ 80,289	\$ 54
Interest	501	501	381	(120)
Total revenues	<u>80,736</u>	<u>80,736</u>	<u>80,670</u>	<u>(66)</u>
EXPENDITURES:				
Current:				
General government	-	-	25	(25)
Total expenditures	<u>-</u>	<u>-</u>	<u>25</u>	<u>(25)</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>80,736</u>	<u>80,736</u>	<u>80,645</u>	<u>(91)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(73,000)	(73,000)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(73,000)</u>	<u>(73,000)</u>
Net change in fund balance	<u>\$ 80,736</u>	<u>\$ 80,736</u>	7,645	<u>\$ (73,091)</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ 7,645</u>	

This page intentionally left blank.

AGENCY FUNDS

This page intentionally left blank.

City of Patterson
Combining Schedule of Fiduciary Net Position
Agency Funds
June 30, 2017

	West Patterson Financing Authority	West Patterson Business Park	Heartland Ranch 2013	Total
ASSET				
Cash and investments	\$ 3,575,584	\$ 3,045,022	\$ 734,249	\$ 7,354,855
Restricted cash and investments	4,063,355	7,443,147	2,705	11,509,207
Accounts receivable	101,078	12,141	6,870	120,089
Interest receivable	3,296	2,883	744	6,923
Total assets	\$ 7,743,313	\$ 10,503,193	\$ 744,568	\$ 18,991,074
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 4,000	\$ 4,000
Due to City	-	75,226	-	75,226
Due to bondholders	7,743,313	10,427,967	740,568	18,911,848
Total liabilities	\$ 7,743,313	\$ 10,503,193	\$ 744,568	\$ 18,991,074

This page intentionally left blank.

STATISTICAL SECTION

This page intentionally left blank.

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	140
Helps readers understand how the City's financial position and well-being have changed over time.	
Revenue Capacity Information	150
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.	
Demographic and Economic Information	162
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	164
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				
	2017	2016	2015	2014	2013
Governmental activities:					
Net investment in capital assets	\$ 55,621,936	\$ 55,756,984	\$ 50,237,700	\$ 47,460,440	\$ 46,822,970
Non-Spendable	-	78,491	-	-	-
Restricted	6,391,176	5,270,127	4,867,200	4,866,877	4,983,481
Unrestricted net position	1,816,668	1,831,382	987,000	7,418,444	11,140,880
Total Net Asset	\$ 63,829,780	\$ 62,936,984	\$ 56,091,900	\$ 59,745,761	\$ 62,947,331
Business-type activities:					
Net investment in capital assets	38,857,716	35,232,028	34,725,800	34,941,039	36,814,164
Restricted	-	4,102,582	5,303,228	5,437,345	5,772,477
Unrestricted net position	517,319	1,250,675	1,737,680	4,704,599	3,395,687
Total Net Asset	\$ 39,375,035	\$ 40,585,285	\$ 41,766,708	\$ 45,082,983	\$ 45,982,328

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				
	2012	2011	2010	2009	2008
Governmental activities:					
Net investment in capital assets	\$ 42,804,314	\$ 41,633,066	\$ 39,108,419	\$ 34,065,197	\$ 33,510,894
Non-Spendable	-	-	-	-	-
Restricted	5,670,040	5,875,879	-	-	-
Unrestricted net position	15,213,609	18,288,877	27,742,898	31,214,878	33,160,787
Total Net Asset	\$ 63,687,963	\$ 65,797,822	\$ 66,851,317	\$ 65,280,075	\$ 66,671,681
Business-type activities:					
Net investment in capital assets	38,967,545	40,214,015	47,602,499	40,631,090	34,722,152
Restricted	5,809,966	6,393,524	-	-	-
Unrestricted net position	2,879,695	2,491,841	(301,507)	6,064,149	3,545,478
Total Net Asset	\$ 47,657,206	\$ 49,099,380	\$ 47,300,992	\$ 46,695,239	\$ 38,267,630

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				
	2017	2016	2015	2014	2013
Expenses					
Governmental activities:					
General Government	\$ 2,259,261	\$ 2,003,932	\$ 2,650,997	\$ 3,945,285	\$ 2,807,815
Police	4,458,567	4,156,842	3,298,276	3,987,323	3,821,033
Fire	3,532,864	3,594,435	3,381,961	3,339,030	2,809,442
Community development and planning	3,024,928	1,258,725	1,213,617	1,460,591	1,136,097
Public Works	2,631,811	4,652,522	4,043,774	4,412,453	3,835,002
Parks and recreation	3,277,134	2,696,555	2,558,315	2,463,941	2,223,206
Interest and fiscal charges	3,955,958	3,935,590	4,118,232	80,122	60,882
Total Governmental Activities	\$ 23,140,523	\$ 22,298,601	\$ 21,265,172	\$ 19,688,745	\$ 16,693,477
Business-type activities:					
Water	\$ 4,481,750	\$ 3,567,751	\$ 3,734,709	\$ 3,474,567	\$ 3,363,991
Sewer	4,893,962	4,221,112	4,091,034	3,867,142	3,406,173
Garbage	2,310,200	2,080,840	2,069,439	1,971,695	2,003,563
Total Business-type Activities	11,685,912	9,869,703	9,895,182	9,313,404	8,773,727
Total Expenses	\$ 34,826,435	\$ 32,168,304	\$ 31,160,354	\$ 29,002,149	\$ 25,467,204
Program Revenue					
Governmental activities:					
Charges for services:					
General Government	\$ 678,608	\$ 108,119	\$ 166,427	\$ 38,738	\$ 92,657
Police	218,337	268,929	392,009	217,030	244,926
Fire	587,593	413,973	681,690	376,520	505,790
Community development and planning	645,985	390,721	885,242	385,554	676,548
Public Works	2,161,045	2,000,190	2,296,599	1,802,849	1,716,066
Parks and recreation	1,481,692	1,804,685	1,780,112	1,628,009	1,557,024
Operating grants and contributions	1,590,404	998,122	1,318,671	1,236,474	1,173,683
Capital grants and contributions	1,112,733	342,867	556,120	861,536	2,061,872
Total Governmental Activities	8,476,397	6,327,606	8,076,870	6,546,710	8,028,566
Business-type activities:					
Water	3,680,373	3,389,473	3,972,456	4,156,756	4,039,314
Sewer	4,011,227	3,855,492	3,406,079	3,275,496	3,004,341
Garbage	2,921,089	2,800,845	2,667,681	2,475,705	2,274,016
Operating grants and contributions	701,283	-	-	-	-
Capital grants and contributions	-	(1,582)	-	-	-
Total Business-type Activities	11,313,972	10,044,228	10,046,216	9,907,957	9,317,671
Total Revenue	19,790,369	16,371,834	18,123,086	16,454,667	17,346,237
Net (Expense) Revenues					
Governmental activities	\$ (14,664,126)	\$ (15,970,995)	\$ (13,188,302)	\$ (13,142,035)	\$ (8,664,911)
Business-type activities	(371,940)	174,525	151,034	594,553	543,944
Total Primary Government	\$ (15,036,066)	\$ (15,796,470)	\$ (13,037,268)	\$ (12,547,482)	\$ (8,120,967)

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

	Fiscal Year				
	2012	2011	2010	2009	2008
Expenses					
Governmental activities:					
General Government	\$ 2,333,516	\$ 1,137,344	\$ 2,048,675	\$ 1,751,864	\$ 1,932,332
Police	3,261,512	3,305,964	2,943,414	3,074,123	2,855,203
Fire	2,245,100	1,957,740	2,031,411	1,874,633	1,373,809
Community development and planning	1,116,622	1,585,362	3,094,621	2,146,734	2,147,422
Public Works	3,509,406	3,564,561	4,336,645	4,701,557	3,398,456
Parks and recreation	2,157,614	1,755,783	1,794,052	1,794,251	1,589,328
Interest and fiscal charges	68,414	125,929	21,599	30,168	98,518
Total Governmental Activities	\$ 14,692,184	\$ 13,432,683	\$ 16,270,417	\$ 15,373,330	\$ 13,395,068
Business-type activities:					
Water	\$ 3,216,668	\$ 2,524,277	\$ 1,812,872	\$ 1,948,774	\$ 1,985,340
Sewer	3,386,088	3,048,082	2,779,975	2,455,620	2,628,182
Garbage	1,666,878	1,735,341	1,641,995	1,670,589	1,767,936
Total Business-type Activities	8,269,634	7,307,700	6,234,842	6,074,983	6,381,458
Total Expenses	\$ 22,961,818	\$ 20,740,383	\$ 22,505,259	\$ 21,448,313	\$ 19,776,526
Program Revenue					
Governmental activities:					
Charges for services:					
General Government	\$ 74,190	\$ 132,150	\$ 432,761	\$ 38,893	\$ 181,211
Police	207,306	445,911	286,581	165,375	144,492
Fire	334,540	327,501	551,112	434,000	141,656
Community development and planning	676,078	228,818	580,185	368,444	311,391
Public Works	1,957,980	1,791,514	1,749,392	1,673,858	1,639,249
Parks and recreation	1,521,838	1,352,457	1,373,768	1,407,250	1,156,594
Operating grants and contributions	1,121,738	1,514,416	886,004	1,645,700	2,227,226
Capital grants and contributions	601,377	1,111,481	4,951,831	2,169,742	1,646,392
Total Governmental Activities	6,495,047	6,904,248	10,811,634	7,903,262	7,448,211
Business-type activities:					
Water	3,528,681	3,183,221	3,273,525	3,177,195	3,157,170
Sewer	2,708,584	2,505,838	2,384,185	2,256,588	1,918,646
Garbage	2,147,980	1,953,379	1,784,026	1,721,426	1,694,244
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	1,138,000	-	7,862,204	-
Total Business-type Activities	8,385,245	8,780,438	7,441,736	15,017,413	6,770,060
Total Revenue	14,880,292	15,684,686	18,253,370	22,920,675	14,218,271
Net (Expense) Revenues					
Governmental activities	\$ (8,197,137)	\$ (6,528,435)	\$ (5,458,783)	\$ (7,470,068)	\$ (5,946,857)
Business-type activities	115,611	1,472,738	1,206,894	8,942,430	388,602
Total	\$ (8,081,526)	\$ (5,055,697)	\$ (4,251,889)	\$ 1,472,362	\$ (5,558,255)

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

	Fiscal Year				
	2017	2016	2015	2014	2013
General Revenues:					
Governmental activities:					
Taxes:					
Property tax	\$ 3,414,365	\$ 3,172,489	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703
Sales tax	5,502,627	5,045,260	3,732,177	3,394,908	2,358,667
Franchise tax	274,792	188,834	179,313	174,558	161,946
Motor vehicle in lieu	1,844,519	1,693,793	1,596,755	1,288,025	1,238,447
Other taxes	137,847	549,654	719,718	769,476	595,982
Use of money and property	-	4,530,279	4,491,782	117,176	205,181
Investment earnings	4,312,058	6,075,652	-	809,908	-
Other revenue	633,427	188,402	159,416	201,549	307,230
Transfers (Note 6)	895,861	1,371,990	2,117,754	1,083,500	2,253,123
Special / Extraordinary item *	-	-	-	-	(1,300,000)
Total governmental activities	17,015,496	22,816,353	15,654,221	9,907,225	7,924,279
Business-type activities:					
Use of money and property	31,002	14,451	13,985	34,679	34,301
Other revenue	26,549				
Capital Contributions					
Transfers (Note 6)	(895,861)	(1,371,990)	(2,117,754)	(1,083,500)	(2,253,123)
Total business-type activities	(838,310)	(1,357,539)	(2,103,769)	(1,048,821)	(2,218,822)
Total general revenues	16,177,186	21,458,814	13,550,452	8,858,404	5,705,457
Change in Net Position					
Governmental activities	2,351,370	6,845,358	2,465,919	(3,234,810)	(740,632)
Business-type activities:	(1,210,250)	(1,183,014)	(1,952,735)	(454,268)	(1,674,878)
Total	\$ 1,141,120	\$ 5,662,344	\$ 513,184	\$ (3,689,078)	\$ (2,415,510)

* Special / Extraordinary item

2013 Lawsuit Settlement (Note 17)

2012 Redevelopment Dissolution (Note 17)

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

	Fiscal Year				
	2012	2011	2010	2009	2008
General Revenues:					
Governmental activities:					
Taxes:					
Property tax	\$ 1,900,394	\$ 2,113,461	\$ 2,481,955	\$ 3,166,290	\$ 4,102,061
Sales tax	1,542,190	1,385,013	1,270,488	1,404,074	1,429,651
Franchise tax	168,451	173,004	137,236	137,306	135,465
Motor vehicle in lieu	1,199,856	1,326,975	1,351,624	1,677,243	2,180,203
Other taxes	676,915	622,234	461,844	458,266	453,032
Use of money and property	159,602	251,643	242,411	721,719	1,080,252
Investment earnings	980,003	-			6,889,632
Other revenue	217,324	202,452	461,844	251,062	160,298
Transfers (Note 6)	791,584	(301,480)	620,952	624,337	(358,035)
Special / Extraordinary item *	(1,549,041)	-	-	-	-
Total governmental activities	6,087,278	5,773,302	7,028,354	8,440,297	16,072,559
Business-type activities:					
Use of money and property	32,583	24,170	19,811	109,516	146,300
Other revenue					
Capital Contributions					385,052
Transfers (Note 6)	(980,003)	301,480	(620,952)	(624,337)	358,035
Total business-type activities	(947,420)	325,650	(601,141)	(514,821)	889,387
Total general revenues	5,139,858	6,098,952	6,427,213	7,925,476	16,961,946
Change in Net Position					
Governmental activities	(2,109,859)	(755,133)	1,569,571	970,229	10,125,702
Business-type activities:	(831,809)	1,798,388	605,753	8,427,609	1,277,989
Total	\$ (2,941,668)	\$ 1,043,255	\$ 2,175,324	\$ 9,397,838	\$ 11,403,691

* Special / Extraordinary item

2013 Lawsuit Settlement (Note 17)

2012 Redevelopment Dissolution (Note 17)

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

	Fiscal Year				
	2017	2016	2015	2014	2013
FUND BALANCES:					
General Fund					
Nonspendable	\$ 68,630	\$ 78,491	\$ -	\$ 850	\$ 850
Restricted	144,229	51,773	40,508	81,663	209,823
Committed	3,642,337	3,626,143	3,605,039	3,605,039	3,594,200
Assigned	2,879,809	1,879,546	2,051,675	2,246,696	3,555,248
Unassigned	1,502,483	1,564,376	568,385	283,289	-
Total General Fund	8,237,488	7,200,329	6,265,607	6,217,537	7,360,121
All Other Governmental Funds					
Nonspendable	574	-	-	-	-
Restricted	76,995,568	78,162,371	78,664,140	2,935,022	3,445,665
Committed	6,016,084	5,734,508	6,335,270	5,833,844	6,516,526
Assigned	-	38,985	105	-	-
Unassigned	(729,053)	(283,235)	(135,283)	(152,677)	(25,708)
Total All Other Governmental Funds	82,283,173	83,652,629	84,864,232	8,616,189	9,936,483
Total Fund Balance	\$ 90,520,661	\$ 90,852,958	\$ 91,129,839	\$ 14,833,726	\$ 17,296,604

	Fiscal Year				
	2017	2016	2015	2014	2013
General Fund					
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total General Fund	-	-	-	-	-
All Other Governmental Funds					
Reserved for:					
Redevelopment	-	-	-	-	-
Low and moderate housing	-	-	-	-	-
Special projects	-	-	-	-	-
Endowments	-	-	-	-	-
Unreserved reported in:					
Special revenue funds	-	-	-	-	-
Capital project funds	-	-	-	-	-
Undesignated	-	-	-	-	-
Total All Other Governmental Funds	-	-	-	-	-
Total Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -

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

	Fiscal Year				
	2012	2011	2010	2009	2008
FUND BALANCES:					
General Fund					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	173,885	294,037	-	-	-
Committed	3,580,604	3,564,292	-	-	-
Assigned	5,389,558	6,476,305	-	-	-
Unassigned	195,478	239,958	-	-	-
Total General Fund	9,339,525	10,574,592	-	-	-
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	4,024,858	5,385,329	-	-	-
Committed	6,465,547	6,322,805	-	-	-
Assigned	-	-	-	-	-
Unassigned	(35,484)	(151,513)	-	-	-
Total All Other Governmental Funds	10,454,921	11,556,621	-	-	-
Total Fund Balance	\$ 19,794,446	\$ 22,131,213	\$ -	\$ -	\$ -

	Fiscal Year				
	2012	2011	2010	2009	2008
General Fund					
Reserved	-	-	-	-	-
Unreserved	-	-	11,005,441	11,978,257	-
Total General Fund	-	-	11,005,441	11,978,257	-
All Other Governmental Funds					
Reserved for:					
Redevelopment	-	-	832,576	803,468	-
Low and moderate housing	-	-	552,306	472,420	-
Special projects	-	-	287,278	287,278	-
Endowments	-	-	32,000	92,185	43,535
Unreserved reported in:					
Special revenue funds	-	-	2,238,533	2,041,661	-
Capital project funds	-	-	9,384,631	9,948,728	-
Undesignated	-	-	-	-	29,633,307
Total All Other Governmental Funds	-	-	13,327,324	13,645,740	29,676,842
Total Fund Balance	\$ -	\$ -	\$ 24,332,765	\$ 25,623,997	\$ 29,676,842

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Revenues:					
Taxes:					
Property	\$ 3,414,365	\$ 3,172,489	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703
Sales	5,502,627	5,045,260	3,732,177	3,394,908	2,358,667
Franchise	274,792	188,834	179,313	174,558	161,946
Motor vehicle in lieu	1,844,519	1,693,793	1,596,755	1,288,025	1,238,447
Other	137,847	549,654	719,718	769,476	595,982
License, permits, and fees	1,791,391	983,115	2,016,921	557,204	1,165,199
Charges for current services	3,849,087	3,763,566	4,021,749	3,680,478	3,497,197
Intergovernmental	1,989,969	1,340,990	1,844,850	2,138,010	1,437,603
Fines, forfeitures and penalties	157,307	239,936	193,350	211,018	130,614
Investment earnings	4,312,058	4,530,279	4,577,761	117,176	205,181
Miscellaneous revenues	612,457	188,402	1,565,122	416,362	307,229
Total Revenues	23,886,419	21,696,318	23,105,022	14,815,340	13,201,768
Expenditures:					
Current:					
General government	2,507,830	2,704,512	2,744,062	2,602,651	2,260,009
Police	4,218,306	4,290,965	4,039,064	3,916,598	3,800,959
Fire	3,574,689	3,274,834	3,069,601	2,822,442	2,500,294
Community development and planning	1,485,366	1,240,042	1,374,632	1,254,394	973,757
Public Works	2,874,435	2,691,886	2,746,358	3,114,271	2,736,664
Parks and recreation	2,466,882	1,940,339	1,841,033	1,741,109	1,555,750
Capital outlay	2,080,160	1,432,210	1,873,381	3,344,428	2,464,827
Debt service:					
Principal	2,060,273	1,765,836	3,105,901	286,833	282,583
Interest and fiscal charges	3,954,933	4,016,686	4,123,116	80,122	60,882
Total Expenditures	25,222,874	23,357,310	24,917,148	19,162,848	16,635,725
Excess (deficiency) of revenue over (under) expenditures	(1,336,455)	(1,660,992)	(1,812,126)	(4,347,508)	(3,433,957)
Other financing sources (uses)					
Proceeds from capital leases	161,990	-	-	-	-
Proceeds from loan repayments	-	12,116	760	717,421	208,962
Transfers In	3,012,930	4,711,665	4,655,106	3,295,570	2,435,589
Transfers Out	(2,117,069)	(3,339,675)	(3,223,826)	(2,212,070)	(1,779,196)
Total Other Financing Sources	1,057,851	1,384,106	1,432,040	1,800,921	865,355
Net Change in Fund Balance	\$ (278,604)	\$ (276,886)	\$ (380,086)	\$ (2,546,587)	\$ (2,568,602)

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				
	2012	2011	2010	2009	2008
Revenues:					
Taxes:					
Property	\$ 1,900,394	\$ 2,113,461	\$ 2,481,955	\$ 3,166,290	4,102,061
Sales	1,542,190	1,385,013	1,270,488	1,404,074	1,429,651
Franchise	168,451	173,004	137,236	137,306	135,465
Motor vehicle in lieu	1,199,856	1,326,975	1,351,624	1,677,243	2,180,203
Other	676,915	622,234	443,787	458,266	453,032
License, permits, and fees	1,152,693	368,757	1,120,652	448,116	762,175
Charges for current services	3,426,554	3,450,489	3,362,429	3,513,433	3,705,970
Intergovernmental	1,723,115	2,542,044	1,429,692	2,233,724	2,841,579
Fines, forfeitures and penalties	192,685	459,105	231,789	126,271	138,487
Investment earnings	159,602	202,762	306,255	783,864	1,080,252
Miscellaneous revenues	217,324	196,721	512,444	251,062	160,298
Total Revenues	12,359,779	12,840,565	12,648,351	14,199,649	16,989,173
Expenditures:					
Current:					
General government	1,756,247	1,319,972	1,664,066	1,614,829	1,648,579
Police	3,229,131	3,305,964	2,943,414	3,071,336	2,760,223
Fire	2,096,942	1,790,490	1,759,305	1,577,585	1,227,715
Community development and planning	991,918	1,287,622	2,899,000	1,842,813	2,075,987
Public Works	2,811,602	2,433,966	3,253,016	3,222,578	2,891,500
Parks and recreation	1,182,646	1,053,444	1,138,479	1,178,685	1,196,074
Capital outlay	1,548,410	3,687,843	1,928,937	1,587,486	3,138,639
Debt service:					
Principal	300,578	334,669	333,687	344,875	331,732
Interest and fiscal charges	68,414	77,048	85,443	92,313	98,518
Total Expenditures	13,985,888	15,291,018	16,005,347	14,532,500	15,368,967
Excess (deficiency) of revenue over (under) expenditures	(1,626,109)	(2,450,453)	(3,356,996)	(332,851)	1,620,206
Other financing sources (uses)					
Proceeds from capital leases	-	-	-	58,814	41,906
Proceeds from loan repayments	197,739	192,348	187,109	182,013	177,055
Transfers In	2,668,660	2,328,731	1,587,393	1,751,638	1,544,391
Transfers Out	(1,877,076)	(2,630,211)	(966,441)	(1,127,301)	(1,902,426)
Total Other Financing Sources	989,323	(109,132)	808,061	865,164	(139,074)
Net Change in Fund Balance	\$ (2,185,827)	\$ (2,559,585)	\$ (2,548,935)	\$ 532,313	\$ 1,481,132

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2017	2016	2015	2014	2013
Revenues:					
Taxes:					
Property	\$ 3,414,365	\$ 3,172,489	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703
Sales	5,502,627	5,045,260	3,732,177	3,394,908	2,358,667
Franchise	274,792	188,834	179,313	174,558	161,946
Motor vehicle in lieu	1,844,519	1,693,793	1,596,755	1,288,025	1,238,447
Other	137,847	549,654	719,718	769,476	595,982
Total Revenues	\$ 11,174,150	\$ 10,650,030	\$ 8,885,269	\$ 7,695,092	\$ 6,458,745

Source: City of Patterson Finance Department

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

	Fiscal Year					% Change 2008 (or inception to 2017)
	2012	2011	2010	2009	2008	
Revenues:						
Taxes:						
Property	\$ 1,900,394	\$ 2,113,461	\$ 2,481,955	\$ 3,166,290	4,102,061	-17%
Sales	1,542,190	1,385,013	1,270,488	1,404,074	1,429,651	285%
Franchise	168,451	173,004	137,236	137,306	135,465	103%
Motor vehicle in lieu	1,199,856	1,326,975	1,351,624	1,677,243	2,180,203	-15%
Other	676,915	622,234	443,787	458,266	453,032	-70%
Total Revenues	\$ 5,487,806	\$ 5,620,687	\$ 5,685,090	\$ 6,843,179	\$ 8,300,412	44%

Source: City of Patterson Finance Department

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

Type of Customer	2017	2016	Fiscal Year 2015	2014	2013
Residential	1,116,364 cf	884,153 cf	1,027,141 cf	1,197,333 cf	1,217,400 cf
Commercial/Industrial	99,656	122,608	132,510	139,298	114,183
Irrigation	260,565	204,934	331,083	356,687	375,562
Total	1,476,585 cf	1,211,695 cf	1,490,734 cf	1,693,318 cf	1,707,145 cf

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	
2016	\$ 11.04	\$ 2.76	\$ 41.92	
2015	\$ 11.04	\$ 2.76	\$ 39.55	
2014	\$ 10.62	\$ 2.65	\$ 37.31	
2013	\$ 10.21	\$ 2.55	\$ 35.20	
2012	\$ 9.82	\$ 2.45	\$ 33.21	
2011	\$ 9.44	\$ 2.36	\$ 30.75	
2010	\$ 9.08	\$ 2.46	\$ 28.47	
2009	\$ 9.08	\$ 2.46	\$ 26.36	
2008	\$ 8.73	\$ 1.44	\$ 24.87	
2007	\$ 8.39	\$ 1.38	\$ 23.46	

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 Department of Administrative Services

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

	Fiscal Year End					
	2011-12	2012-13	2013-14	2014-15	2015-16*	2016-17
Residential Property	-	-	-	-	1,067,738,189	1,125,435,937
Commercial Property	-	-	-	-	106,365,150	134,692,261
Industrial Property	-	-	-	-	278,228,208	461,416,004
Other Property	1,146,822,457	1,174,200,272	1,243,040,268	1,490,319,496	187,566,714	62,594,490
Unsecured Property	21,466,697	22,827,604	22,211,957	69,354,774	81,491,675	87,592,650
Less Tax-Exempt Property	19,891,800	19,583,220	18,900,554	18,375,785	35,591,679	36,416,220
Taxable Assessed Value	1,148,397,354	1,177,444,656	1,246,351,671	1,541,298,485	1,685,798,257	1,835,315,122
Total Direct Tax Rate (1)	1.124542	1.132936	1.126574	1.092819	1.097113	1.095707
Estimated Actual Taxable Value (2)	1,148,397,354	1,177,444,656	1,246,351,671	1,541,298,485	2,474,212,386	2,515,245,600
Factor of Taxable Assessed Value (2)	1.000000	1.000000	1.000000	1.000000	1.467680	1.370471

Source: Muni Services, LLC

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

(-) indicates data not available

*Other property includes state unitary in the amount of \$476,983

(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 Two Fiscal Years

Category	Fiscal Year	
	2015-16	2016-17
Agriculture	13,022,637	14,009,788
Commercial	106,365,150	134,692,261
Industrial	278,228,208	461,416,004
Institution	-	-
Miscellaneous	51,126	51,905
Residential	1,067,738,189	1,125,435,937
Rural	739,952	1,337,947
Unknown	138,855,433	5,164,703
Vacant	34,897,566	41,941,904
Unitary	476,983	88,243
Gross Secured Value	1,640,375,244	1,784,138,692
Unsecured	81,014,692	87,592,650
Exemptions	35,591,649	36,416,220
Net Taxable Value	1,685,798,287	1,835,315,122

Source: Stanislaus County Assessor data, MuniServices, LLC
2015-16 is the city's first CAFR publication, therefore prior year data availability is limited.

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

		2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Basic City and County Levy:							
	City of Patterson	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
Co Supt of Schools		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
Patterson Cemetery		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
Turlock Mosquito Abatement		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
Yosemite Community College		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
Schools-equalization aid		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
	TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments							
Patterson U - 1996		0.017613	0.018016	0.016664	0.011640	0.010596	0.010415
Patterson U - 01A		0.070130	0.074108	0.069589	0.045680	0.043932	0.043952
Patterson U - 01B		0.012167	0.012052	0.011402	0.008691	0.007974	0.007850
Patterson U - 2008A		0.000000	0.000000	0.001938	0.004985	0.007691	0.010456
YCCD 2005 A		0.005962	0.000000	0.000000	0.000000	0.000000	0.000000
YCCD 2007 C		0.018004	0.020892	0.019024	0.015663	0.011618	0.009190
YCCD 2010 D		0.000666	0.000399	0.000390	0.000334	0.000467	0.000459
YCCD 2012 Ref		0.000000	0.007469	0.007567	0.005826	0.008285	0.008500
YCCD 2015 Ref		0.000000	0.000000	0.000000	0.000000	0.006550	0.004885
	TOTAL	0.124542	0.132936	0.126574	0.092819	0.097113	0.095707
	TOTAL TAX RATE	1.124542	1.132936	1.126574	1.092819	1.097113	1.095707

Source: Stanislaus County Assessor data, MuniServices, LLC

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

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 Taxpayers
Current Year and Nine Years Ago

Taxpayer	2016-17		2007-08	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Wr Griffin Patterson LLC	98,233,446	5.35%		
W W Grainger Inc.	94,000,841	5.12%		
Bit Holdings Seventy Seven Inc.	74,000,000	4.03%		
Longs Drug Stores California I	62,803,434	3.42%	58,609,910	3.20%
Golden State Fc LLC	55,523,340	3.03%		
Kohls Department Stores Inc.	45,667,990	2.49%	56,670,730	3.10%
Lba Rv Company Xvii Lp	28,400,000	1.55%		
Wal Mart Real Estate Business	25,141,364	1.37%		
Sierra Pacific Refrig Serv Ltd	13,585,284	0.74%	10,672,445	0.58%
Ramos John J Brenda J	10,190,963	0.56%	11,919,750	0.65%
Traina Pacific LLC	8,930,942	0.49%		
Oates Dev Group LLC	8,782,642	0.48%		
Patterson Industrial Center Ll	7,077,470	0.39%		
Patterson Marketplace LLC	7,065,237	0.38%		
Restoration Hardware	6,773,270	0.37%		
Boersma Properties LLC	5,494,141	0.30%		
Save Mart Supermarkets	5,105,773	0.28%	5,174,450	0.28%
Three D Patterson LLC	5,040,000	0.27%		
Arambel Jeffery E	4,975,065	0.27%		
Jkb Living Inc.	4,884,000	0.27%		
Gea Mechanical Equipment Us In	4,649,420	0.25%		
Ormond Peter M	4,474,885	0.24%		
Proto	4,313,000	0.24%	5,664,917	0.31%
Beth Christensen	3,530,270	0.19%		
525 Baldwin LLC	3,276,880	0.18%		
Patterson Frozen Foods Inc.			27,455,999	1.50%
Shea Homes Limited Partnership			17,238,124	0.94%
Morrison Homes Inc.			15,681,250	0.86%
Ryland Homes Of Calif Inc.			10,141,015	0.55%
Keystone Flex Ii Associates Ll			7,760,640	0.42%
Bright Development			5,576,804	0.30%
Patterson Hotel Associates			5,389,498	0.29%
Patterson Creekside Meadows Lp			5,255,644	0.29%
Arteaga Jaime M			5,112,740	0.28%
W1 Patterson D2 Associates LLC			4,105,238	0.22%
Sperry Commercial Lp			3,849,480	0.21%
Pacific Triple E Lp			3,672,318	0.20%
Scheuber Duane A			3,670,986	0.20%
Reflections Investors LLC			3,314,504	0.18%
Westside Property Management			3,022,891	0.17%
Teg Investments			2,249,061	0.12%
Patterson Seniors LLC			2,213,895	0.12%
Flores Rebecca			2,103,900	0.12%
Ornellas Mary S Tr Et Al			2,100,000	0.11%
Total Top 25 Taxpayers	591,919,657	32.25%	278,626,189	15.23%
Total Taxable Value	1,835,315,122	100.00%	1,828,944,691	100.00%

Source: Stanislaus County Assessor data, MuniServices, LLC

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

2016-17	
Taxpayer	Business Type
76	Service Stations
76	Service Stations
Chevron	Service Stations
Chevron	Service Stations
CVS	Drug Stores
Del Don Chemical	Garden/Ag Supplies
Dennys	Restaurants
Flying J Travel Plaza	Service Stations
George W Lowry	Petroleum Prod/Equip
G's Food Mart	Service Stations
Jack In The Box	Quick Service Restaurant
JM Equipments	Warehse/Farm/Const Equip
Kwik Serv Gas	Service Stations
McAuley Ford	New Motor Vehicle
McDonalds	Restaurants
Phillin Station	Service Stations
Premier Packaging	Light Industrial Printer
San Joaquin Equip.	Garden/Ag Supplies
Save Mart	Food Markets
Taco Bell	Restaurants
Thompson Chevrolet Buick	New Motor Vehicle
True Value	Hardware
WWGrainger	Electrical Equipment
Walgreen's Drug Stores	Drug Stores
Walmart Supercenter	Discount Dept Store

Source: HdL Companies

City of Patterson
Table 10
Principal Sales Tax Producers (Continued)
Current Year and Nine Years Ago

2007-08	
Taxpayer	Business Type
76	Service Stations
76	Service Stations
Auto Zone	Auto Repair
Carls Jr	Quick Service Restaurant
Chevron	Service Stations
Del Don Chemical	Garden/Ag Supplies
Dennys	Casual Dining
Design Mobile Systems	Trailers/RVs
George W Lowry	Petroleum Prod/Equip
G's Food Mart	Service Stations
Jack in the Box	Quick Service Restaurant
KFC/A&W	Quick Service Restaurant
Kwik Serv Gas	Service Stations
Longs	Drug Stores
M T Gasoline	Service Stations
McAuley Ford	Auto Sales - New
McDonalds	Restaurants
Melo Machine & Manufacturing	Light Industrial/Printers
Mountain Mikes Pizza	Casual Dining
Phillin Station	Service Stations
San Joaquin Equipment Co	Warehse/Farm/Cons Equip
Save Mart	Grocery Store
Sears	Department Store
Thompson Chevrolet Buick	New Motor Vehicle
True Value	Hardware

Source: HdL Companies

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

CATEGORY NAME	2008 Q1	2009 Q1	2010 Q1	2011 Q1	2012 Q1
All Other Outlets	18,430	18,706	30,616	31,538	16,502
Apparel Stores	177	264	255	245	301
Auto Dealers & Auto	62,994	58,180	62,059	61,021	63,804
Bldg. Matrl. & Farm	37,346	35,002	44,236	48,476	56,007
Drug Stores	7,903	7,904	10,175	11,371	13,143
Eating & Drinking Pl	29,445	45,125	32,565	35,574	41,980
Food Stores	22,697	20,564	19,857	19,300	19,509
Home Furnishings & A	2,464	2,264	2,384	2,361	2,624
General Merchandise	6,060	3,105	3,409	3,274	3,517
Other Retail Stores	2,812	2,675	2,126	2,313	898
Packaged Liquor Store	651	1,813	193	608	550
Service Station	72,665	49,841	64,959	76,802	84,261
TOTAL	263,644	245,443	272,834	292,883	303,096

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	2013 Q1	2014 Q1	2015 Q1	2016 Q1	2017 Q1
All Other Outlets	254,533	339,350	389,253	592,368	597,886
Apparel Stores	357	233	799	597	774
Auto Dealers & Auto	71,100	89,599	107,648	104,804	123,336
Bldg. Matrl. & Farm	60,320	59,860	102,671	62,643	60,911
Drug Stores	10,176	9,079	9,002	8,922	9,318
Eating & Drinking Pl	44,396	51,559	53,868	58,015	56,766
Food Stores	15,938	14,677	18,922	16,884	14,235
Home Furnishings & A	3,255	4,366	5,519	9,228	12,564
General Merchandise	77,738	91,259	72,612	79,659	80,118
Other Retail Stores	1,392	1,655	3,149	3,345	3,495
Packaged Liquor Store	467	1,209	689	997	8,353 *
Service Station	79,145	80,038	73,795	63,428	142,584
TOTAL	618,817	742,884	837,927	1,000,890	1,110,340

* 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
Demographic and Economic Statistics
Last Eight Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income		**Public School Enrollment	County Unemployment Rate (%) (3)		City Unemployment Rate (%) (3)		County Population (1)
			(2)	Median Age (4)		Rate (%) (3)	Rate (%) (3)			
2009-10	20,404	357,845,352	17,538	29.1	-	-	-	-	514,003	
2010-11	20,560	371,971,520	18,092	29.2	-	-	-	-	517,685	
2011-12	20,634	381,048,078	18,467	29.7	5,834	-	-	-	519,940	
2012-13	20,846	390,591,502	18,737	30.1	5,888	11.7%	16.1%	16.1%	524,124	
2013-14	20,922	398,375,802	19,041	30.4	6,023	13.0%	17.8%	17.8%	526,042	
2014-15	21,094	402,136,016	19,064	30.5	6,024	9.8%	9.3%	9.3%	532,297	
2015-16	22,590	436,077,360	19,304	30.5	6,031	9.5%	9.0%	9.0%	540,214	
2016-17	22,730	459,580,598	20,219	30.5	6,083	8.5%	8.1%	8.1%	548,057	

Source: MuniServices, LLC, U.S. Census Bureau, 2015 American Community Survey.

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

(-) indicates data not available

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark.

- 1.) Population Projections are provided by the California Department of Finance Projections.
- 2.) Income Data is provided by the U.S. Census Bureau, 2015 American Community Survey.
- 3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.
- 4.) Median Age reflects the U.S. Census data estimation table.

**Student Enrollment reflects the total number of students enrolled in Patterson Joint Unified

City of Patterson
Table 13
Principal Employers

	2016-17	
Business Name	Number of Employees	Percent of Total Employment (%)
Amazon Fulfillment Center	850	9.24%
Patterson Joint Unified School District	662	5.26%
CVS Caremark Distribution Center	484	3.78%
Grainger Distribution Center	348	2.62%
Walmart Supercenter	241	2.26%
City of Patterson*	208	1.09%
Restoration Hardware	122	1.33%
King's Roofing	100	1.09%
Advanced Linen Service	75	0.82%
Savemart	73	0.79%
	3,163	28.27%
Total Top 10 Employers		
Total City Labor Force (1)	9,200	

Source: MuniServices, LLC

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

Results based on direct correspondence with city's local businesses.

*Includes full and part time

Kohl's Distribution Center count was unavailable

(1) Total City Labor Force provided by EDD Labor Force Data.

City of Patterson
Table 14
Direct and Overlapping Governmental Activities Debt

2016-17 Assessed Valuation: \$1,853,277,822

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt	% Applicable (1)	City's Share of
	6/30/2017		Debt 6/30/17
Yosemite Community College District	\$ 282,693,266	3.069%	\$ 8,675,856
Patterson Joint Unified School District	27,505,057	70.789%	19,470,555
City of Patterson Community Facilities District No. 2001-1	69,490,000	100.000%	69,490,000
City of Patterson Community Facilities District No. 2005-1	9,555,000	100.000%	9,555,000
City of Patterson Community Facilities District No. 2015-1	4,755,000	100.000%	4,755,000
City of Patterson 1915 Act Bonds	3,917,488	100.000%	3,917,488
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$115,863,899
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Stanislaus County Certificates of Participation	\$ 33,610,000	4.185%	\$1,406,579
Stanislaus County Board of Education Certificates of Participation	2,805,000	4.185%	\$117,389
City of Patterson	0	100.000%	\$0
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$1,523,968
TOTAL DIRECT DEBT			\$0
TOTAL OVERLAPPING DEBT			\$117,387,867
COMBINED TOTAL DEBT			\$117,387,867 (2)

(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 capital lease obligations.

Ratios to 2016-17 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	6.25%
Total Direct Debt.....	0.00%
Combined Total Debt.....	6.33%

AB:(\$500)

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

	Number Authorized	Number Authorized	Number Authorized	Number Authorized
	13-14	14-15	15-16	16-17
Administration				
City Manager	1	1	1	1
Human Resources Director	0	0	0	1
Human Resources Manager	1	1	1	0
City Clerk	1	1	1	1
HR Analyst	0	0	0	1
Secretary - Confidential	1	1	1	1
Administrative Assistant	0	0	1	1
Finance				
Finance Director	1	1	1	1
Supervising Accountant	0	0	0	1
Revenue & Utility Billing Manager	1	1	1	1
Accountant	1	1	1	0
Accounting Technician	0	0	0	1
Account Clerk, Senior	4	4	4	3
Account Clerk	0	1	1	2
Recreation & Community Services				
Recreation & Community Services Director	1	1	1	1
Recreation & Community Services Manager	0	0	0	1
Recreation & Community Services Supervisor	0	1	1	0
Account Clerk, Senior	1	0	0	0
Recreation Coordinator II	2	1	1	1
Recreation Coordinator I	0	2	2	3
Account Clerk	0	0	1	1
Facilities & Maintenance Supervisor	0	1	1	1
Maintenance Worker III	1	1	1	1
Maintenance Worker I	0	0	0	0
Fire				
Chief	1	1	1	1
Division Chief	2	2	2	2
Fire Captain - Paramedic	0	0	1	2
Fire Captain	7	6	5	3
Fire Engineer - Paramedic	0	0	0	1
Fire Engineer	4	5	5	4
Fire Fighters - Paramedic	0	0	4	3
Fire Fighters	2	2	1	0
Fire Marshall	0	0	0	1
Fire Prevention Specialist	1	1	1	0
Administrative Manager	1	1	1	1
Secretary II	1	1	1	1
Code Enforcement Officer II	1	1	1	1
Code Enforcement Officer I	1	1	1	1

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

		Number Authorized	Number Authorized	Number Authorized	Number Authorized
		13-14	14-15	15-16	16-17
Planning	Planner	1	1	1	1
	Associate Planner	1	1	1	1
	Planning Technician II	2	2	2	2
Engineering, Building & Capital Projects	Director of Engineering	1	1	1	1
	Associate Engineer	0	1	1	0
	Assistant Engineer	1	1	1	2
	Secretary I	0	1	1	1
Capital Projects	Capital Project Manager	1	1	1	1
Building & Permits	Building Official	1	0	0	0
	Permit Technician II	1	1	1	1
	Secretary I	1	0	0	0
Public Works	Director of Public Works	1	1	1	1
	Deputy Director of Public Works Ops & Maint	1	1	1	1
	Sr. Administrative Manager	0	1	1	1
	Administrative Manager	1	0	0	0
	Public Works Inspector III	1	1	1	1
	Public Works Inspector I				1
	Management Analyst	2	2	2	3
	Secretary II	2	3	3	2
	Senior Account Clerk	1	0	0	0
Equipment Mechanic	Mechanic - Crew Leader	1	1	1	1
	Mechanic II	1	0	0	1
	Mechanic I	0	1	1	0
Building Maintenance	Maintenance Worker II	1	1	1	2
Parks	Parks Supervisor	1	0	1	1
	Maintenance Worker III	7	7	5	6
	Maintenance Worker II	0	1	1	1
	Maintenance Worker I	0	0	0	1
Streets	Public Works Supervisor - Streets	0.5	0.5	0.5	0.5
	Maintenance Worker II	2	1	1	1
	Maintenance Worker I	0	1	1	1
Urban Forestry	Public Works Supervisor - Tree	1	1	1	1
	Maintenance Worker III	0	0	1	1
	Maintenance Worker II	2	2	2	1
	Maintenance Worker I	1	1	1	2

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

		Number Authorized	Number Authorized	Number Authorized	Number Authorized
		13-14	14-15	15-16	16-17
Water					
	Public Works Supervisor - Water	1	1	1	1
	Water Operator III	2	2	2	3
	Water Operator II	1	1	3	1
	Electrical & Instrumentation Manager	0	0	0	0
	Electrician - Crew Leader	0	0	0	0.5
	Electrician Technician				
Sewer					
	Wastewater Manager	1	1	1	1
	Chief Waste Water Operator	1	1	1	1
	Wastewater Operator III	1	1	1	1
	Wastewater Operator II	2	1	2	2
	Wastewater Operator I	1	0	0	1
	Electrical & Instrumentation Manager	0	0	0	0
	Electrician - Crew Leader	0	0	0	0.5
	Electrician Technician	0	0	0	0
	Maintenance Worker I	0	1	1	0
Collection					
	Public Works Supervisor - Collections	0.5	0.5	0.5	0.5
	Maintenance Worker III	1	1	2	1
	Maintenance Worker II	2	2	1	2
Total Allocated Positions		87	89	97	101

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

This page intentionally left blank.