

CITY OF PATTERSON COMPREHENSIVE ANNUAL FINANCIAL REPORT 2019-2020





CITY OF PATTERSON

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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, 2020
Table of Contents

	<u>Page</u>
<u>INTRODUCTORY SECTION (Unaudited)</u>	
Letter of Transmittal.....	i
Principal Officials.....	v
 <u>FINANCIAL SECTION</u>	
Independent Auditors’ Report on Financial Statements	1
Management’s Discussion and Analysis (Required Supplementary Information) (Unaudited)	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	16
Statement of Activities	18
Fund Financial Statements:	
<i>Governmental Fund Financial Statements:</i>	
Balance Sheet	25
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position	26
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	27
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities	28
<i>Proprietary Fund Financial Statements:</i>	
Statement of Net Position	30
Statement of Revenues, Expenses, and Changes in Net Position	31
Statement of Cash Flows.....	32
<i>Fiduciary Fund Financial Statements:</i>	
Statement of Fiduciary Assets and Liabilities.....	37
Notes to the Basic Financial Statements.....	43

City of Patterson
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Required Supplementary Information (Unaudited)	
<i>Notes to the Budgetary Comparison Schedule</i>	91
<i>Budgetary Comparison Schedule:</i>	
General Fund	93
<i>Defined Benefits Pension Plans – CalPERS:</i>	
Schedule of Proportionate Share of the Net Pension Liability	94
Schedule of Plan Contributions	96
<i>Schedule of Changes in Net OPEB Liability and Related Ratios:</i>	
Other Postemployment Benefits	98
Supplementary Information:	
<i>Nonmajor Special Revenue Funds:</i>	
Combining Balance Sheet	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	108
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Debt Service Fund:	
Patterson Public Financing Authority	116
Special Revenue Funds:	
Landscape Maintenance District	117
Benefit Assessment Districts	118
CSA #15 Assessment District	119
Patterson Gardens Fire Suppression Assessment	120
Public Safety	121
Beautification Committee	122
State HCD Rehab Program	123
Federal CDBG Grant	124
First Time Home Buyers	125
Federal HOME	126
Neighborhood Stabilization Program	127
Gas Tax	128
Local Transportation	129
Local Transportation Non-Motorized	130
Street Project	131
Measure L	132
Developer Housing In-Lieu Fee	133
Westside Drainage Study	134
CFD 2013-1	135
CFD 2015-2	136
CFD 2018-2 VOP Maintenance	137

City of Patterson
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020
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 – Agency Funds	141
Statement of Changes in Assets and Liabilities – All Agency Funds	142
<u>STATISTICAL SECTION (Unaudited)</u>	
Description of Statistical Section Contents	147
Financial Trends:	
Net Position by Classification – Last Ten Fiscal Years	148
Changes in Net Position – Last Ten Fiscal Years	150
Fund Balance, Governmental Funds – Last Ten Fiscal Years	154
Changes in Fund Balance of Governmental Funds – Last Ten Fiscal Years	156
Revenue Capacity:	
Tax Revenues by Source – Last Ten Fiscal Years	158
Water Sold by Customer Type – Last Five Fiscal Years	160
Water and Wastewater Utility Rates – Last Ten Fiscal Years	161
City-Wide Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	162
Taxable Property by Use Code, City-Wide – Last Three Fiscal Years	164
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	165
Principal Property Taxpayers – Current Year and Ten Years Ago	167
Principal Sales Tax Producers – Current Year and Ten Years Ago	168
Historical Sales Tax Amounts by Benchmark Year – Last Ten Fiscal Years	170
Demographic and Economic Information:	
Demographic and Economic Statistics - Last Nine Fiscal Years	173
Principal Employers	174
Operating Information:	
Direct and Overlapping Governmental Activities Debt	175
Full-Time Equivalent City Government Employees	
By Function/Program/Department – Last Fiscal Years	176
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	
	179

This page intentionally left blank.



City of Patterson

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

December 17, 2020

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

We are pleased to present the City of Patterson's ("City") Comprehensive Annual Financial Report ("CAFR") for the year ending June 30, 2020. 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 22,000 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 enjoyed strong economic growth over the last several years, however, we now suffer from an economic downturn due to the current Pandemic, COVID-19. While we do not know what the long-term financial hardship this may create, our City's general fund reserves remain strong due to our City Council's and staff's diligent and conservative mindset. Factors that will impact our economic strength are the online sales which, in some instances, do not provide the City with a "point-of-sale" taxable nexus. The City is still fortunate to have a more diverse revenue structure which can continue to benefit from the Measure L 1/2cent sales tax over 24 years and new businesses that continue to be attracted to our Industrial and Commercial properties.

Based on our recent approval of the Water Master Plan, the City recently approved a water rate study and rate increase of 11% over 5 years. This will allow for much needed maintenance of some of our deteriorating water infrastructure in our older areas in town.

The City takes into consideration the following factors that may contribute to a 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 Post employment Benefits (OPEB)
- And of course: economic factors displaced by COVID -19

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 2019-2020 budget process:

- Continued progression of our Strategic Plan.
- Continued enhancement and expansion of Recreation programs and classes for youth, adults, and seniors when circumstances allow.
- Increase program revenues through sponsorships and donations.
- Complete outstanding master plans; (traffic and Parks).
- Measure L funds are available, allowing for roadway maintenance throughout the City.
- Engage community through a broad spectrum of events to educate and inform them about public safety services; and collaborate to enhance services.
- Continue review and analysis of development and redevelopment activities with new marketing materials, including a new City tag line.
- Continued application processes for grant opportunities.

Some of the specific projects underway in Fiscal Year 2019-2020 included the following:

- Roger Road Water Tank (\$1,350,000)
- I-5 Interchange PA&ED Study (Aqueduct) (\$1,470,000)
- Clarifier Improvements WQCF (\$2,200,000)
- Ninth Street Improvement (\$817,000)
- Sperry Avenue Improvement (Baldwin to Hwy 33) (\$725,349)
- Street Maintenance projects-slurry seal (\$673,000)
- Community Complex Parking Lot (\$505,276)
- Gateway Tank Re-coating (\$326,810)
- Sheriff Communications Tower (\$298,960)
- Citywide Striping Project (\$523,048)
- Roundabout at Salado & 7th Street (\$645,355)
- Las Palmas Overlay Project – East City limits to HWY33 (Currently out to Bid)
- Kinshire Phase-1 Street Reconstruction and Water Main Replacement (Will Bid in January 2021)
- WQCF Administration Building Project (Will Bid in January 2021)

New Commercial Development included:

- S2a Net Zero Modular Manufacturer
- Loves Travel Center
- La Quinta Hotel
- Cali Kosher - Cannabis Dispensary
- Arco Gas Station
- Del Lago Family Fun Center

New Residential Development included:

- Self-Help Enterprise continues to finalize the very low-income apartments and their self-help single family homes. This is a very popular program and has proven quite successful.
- K.HOV Homes has sold over 150 single-family homes.
- K.B. Homes has sold approximately 64 single-family homes.

Acknowledgements

The fiscal year ending in June 30, 2020 is the third consecutive year the City has prepared a Comprehensive Annual Financial Report (CAFR).

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
2019 - 2020
City Council

MAYOR
Deborah M. Novelli

COUNCIL MEMBERS
Dominic Farinha
Dennis McCord
Joshua Naranjo
Cynthia Homen

Executive Staff

Kenneth Irwin, City Manager

Maricela Vela, City Clerk

Marcelino Nuno, 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

David James, Community Development Director

Thomas Hallinan, City Attorney

Douglas L. White, Deputy City Attorney

This page intentionally left blank.



INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the 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 the City of Patterson, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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.

Auditors' 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 basic financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to previously 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, 2020, 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.

2121 North California Blvd., Suite 290, Walnut Creek, California 94596

Tel: 925-974-3394 • Fax: 949-777-8850

www.pungroup.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion, Analysis, the Budgetary Comparison Schedules – General Fund, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Plan Contributions, and the Schedule of Changes in Net OPEB Liability and Related Ratios, as identified in the accompanying table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. 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 financial statements, and other knowledge we obtained during our audit of the 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, the combining and individual fund financial statements, the budgetary comparison schedules, 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 fund financial statements, and the budgetary comparison schedules are the responsibility of management and were derived from and related 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 supplementary information are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020, on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



City of Patterson
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2020

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, 2020. 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 increased by \$5,395,676. The governmental activities increased by \$2,729,613 and business-type activities increased by \$2,666,063 at the end of fiscal year June 30, 2020. The increased in total net position is related to increase in Taxes revenue by 11%, increase in capital grants and contribution by 142% and increase in general government expenditures by 43% and increase in Enterprise Funds revenue by 7%, and increase in Enterprise Funds expenditure by 12%.
- **Long Term Debt:** The City of Patterson's total debt increased by \$6,528,598, because of the 2019 Water Revenue Bond Series A and Series B issuance in FY2019-20.
- **Governmental Funds:** As of June 30, 2020, the City's governmental funds reported combined ending fund balances of \$86,642,333, an increase of \$2,007,502 in comparison with the prior year due to increase in capital grants and contributions, taxes and transfers. Approximately 12.32 percent of the ending fund balance, \$10,677,229 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, 2020, the City's total net position increased by \$2,666,063 due to increase in water rate of 11%, sewer rate of 6%, and garbage rate of 6%.
- **General Fund:** At June 30, 2020, committed, assigned and unassigned fund balance of the general fund was \$8,626,522. Of these funds \$6,641,613 is committed or assigned for specific purposes in accordance with City policies and budgetary guidelines. The remaining balance is unassigned.

Overview of the Financial Statements

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

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

The *statement of net position* presents information on all 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 (Unaudited) (Continued)
For the Year Ended June 30, 2020

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 16 – 19 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-eight 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 thirteen governmental funds is combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* in 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 25 – 28 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 30 – 33 of this report.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

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 37 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 – 88 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 91 – 98 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 101 – 116 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 \$110,294,656 at the close of the most recent fiscal year.

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 92,726,942	\$ 92,916,030	\$ 25,446,614	\$ 13,434,898	\$ 118,173,556	\$ 106,350,928
Capital assets	61,308,231	60,456,520	49,218,998	49,263,527	110,527,229	109,720,047
Total assets	<u>154,035,173</u>	<u>153,372,550</u>	<u>74,665,612</u>	<u>62,698,425</u>	<u>228,700,785</u>	<u>216,070,975</u>
Deferred outflows of resources	2,220,438	2,004,661	1,844,909	1,547,766	4,065,347	3,552,427
Long-term liabilities	80,279,563	81,891,979	30,712,475	21,093,279	110,992,038	102,985,258
Other liabilities	8,221,900	8,382,768	1,834,966	1,827,914	10,056,866	10,210,682
Total liabilities	<u>88,501,463</u>	<u>90,274,747</u>	<u>32,547,441</u>	<u>22,921,193</u>	<u>121,048,904</u>	<u>113,195,940</u>
Deferred inflows of resources	909,176	987,105	513,396	541,377	1,422,572	1,528,482
Net Position:						
Net investment in capital assets	61,274,713	60,390,350	37,930,411	37,746,179	99,205,124	98,136,529
Restricted	10,752,749	11,658,062	983,202	469,817	11,735,951	12,127,879
Unrestricted	(5,182,490)	(7,933,053)	4,536,071	2,567,625	(646,419)	(5,365,428)
Total net position	<u>\$ 66,844,972</u>	<u>\$ 64,115,359</u>	<u>\$ 43,449,684</u>	<u>\$ 40,783,621</u>	<u>\$ 110,294,656</u>	<u>\$ 104,898,980</u>

By far, the largest portion of the City of Patterson's net positions, 90.35 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.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Additional portion of the City of Patterson's net position, 10.17 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance (deficit) of (\$646,419) 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 two categories of net assets with the exception of Unrestricted, both for the government as a whole, as well as for its separate governmental and business-type activities. At year-end, 88.32 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	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 5,872,870	\$ 5,687,097	\$ 13,649,198	\$ 12,657,675	\$ 19,522,068	\$ 18,344,772
Operating grants and contributions	2,040,401	2,064,434	-	34,318	2,040,401	2,098,752
Capital grants and contributions	3,609,391	2,262,266	8,493	-	3,617,884	2,262,266
Total program revenues	11,522,662	10,013,797	13,657,691	12,691,993	25,180,353	22,705,790
General revenues:						
Taxes	13,103,770	11,654,302	-	-	13,103,770	11,654,302
Investment earnings	4,145,959	4,179,507	205,023	171,436	4,350,982	4,350,943
Capital contributions	-	-	-	-	-	-
Other and transfers	4,927,410	4,547,233	2,655,069	2,574,579	7,582,479	7,121,812
Total general revenues	22,177,139	20,381,042	2,860,092	2,746,015	25,037,231	23,127,057
Total revenues	33,699,801	30,394,839	16,517,783	15,438,008	50,217,584	45,832,847
Expenses:						
General government	4,514,103	3,167,076	-	-	4,514,103	3,167,076
Police	5,838,153	6,711,694	-	-	5,838,153	6,711,694
Fire	5,367,429	4,937,738	-	-	5,367,429	4,937,738
Community development and planning	2,084,354	2,523,052	-	-	2,084,354	2,523,052
Public Works	4,687,210	4,455,175	-	-	4,687,210	4,455,175
Parks and recreation	4,536,510	4,618,872	-	-	4,536,510	4,618,872
Interest and fiscal charges	3,942,429	4,360,669	-	-	3,942,429	4,360,669
Water	-	-	5,404,924	4,561,024	5,404,924	4,561,024
Sewer	-	-	5,533,806	5,287,098	5,533,806	5,287,098
Garbage	-	-	2,912,990	2,545,016	2,912,990	2,545,016
Total expenses	30,970,188	30,774,276	13,851,720	12,393,138	44,821,908	43,167,414
Changes in net position	\$ 2,729,613	\$ (379,437)	\$ 2,666,063	\$ 3,044,870	\$ 5,395,676	\$ 2,665,433

Additional information on the change in net position can be found on page 16 – 17 of this report.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Governmental activities. Overall, governmental revenues increased by \$3,304,962 or 11.0 percent from prior year. Key elements of the change are as follows:

- Total taxes increased by \$1,449,468 or 12% due to an increase in property taxes by \$252,691, motor vehicle in lieu by \$177,838 and sales tax by \$1,003,156.
- Charges for services increased by \$185,773 or 3 percent mainly due to increase in residential building permits and plan check fees as a result of growth in residential and commercial developments. In addition, increases in special tax assessment for CFD 2003-1 Public Safety by \$83,000, Patterson Garden Fire Assessment by \$20,000, CFD 2013-1 Non Residential Maintenance service by \$20,000 contributed to the increase.
- Capital grants and contributions increased by \$1,347,125 due to State ATP Cycle 3 grants received to fund Street projects.

Overall, expenses increased by \$195,912 or 1.0 percent compared to prior year. Major increase in expenditures was in Fire salaries and benefits and overtime due to various fire incidents, capital outlay such as street projects and City Hall expansion.

Additional information on activities and change in net position can be found on pages 18 – 19 of this report.

Business-type activities. Water operating revenue increased by \$3,514,148 and expenses increased by \$369,294 in fiscal year 2020, resulting in operating income of \$3,753,713. Revenue increased due to an increase in number of customers, a full year of water rate increases of 11%, and one-time settlement to be spent on capital projects. Increase in water expense was due to increase in water capital projects. The Water Fund's net position was \$22,521,745. Of this amount, \$18,618,716 was invested in net investment in capital assets, \$446,310 was restricted \$3,456,720 was unrestricted.

Sewer operating revenue decreased by \$37,345 and expenses increased by \$240,093 in fiscal year 2020. The decrease in operating revenue is related to a waiver of penalties to provide relief to customers during the COVID-19 pandemic. The increase in expenses was due to salaries and benefits to back fill positions that were vacant in prior year. As of June 30, 2020, the Sewer fund's net position was \$19,839,332. Of this amount, \$19,266,056 was invested in net investment in capital assets, \$536,892 was restricted and \$36,384 was unrestricted.

Garbage operating revenue and expenses increased by \$150,102 and \$285,247 respectively in fiscal year 2020. The increase was due to an increase in garbage rates of 6% and an increase in number of customers, increase in salaries and benefits and increase in controlled costs of contract services. As of June 30, 2020, the Garbage Fund's net position was \$1,088,607. Of this amount \$45,639 was invested in net investment in capital assets and \$1,042,968 was unrestricted.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

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 current fiscal year, the City of Patterson's governmental funds reported combined ending fund balances of \$86,642,333, an increase of \$2,007,502 in comparison with the prior year. The increase was due to increase in Taxes \$1.4 million, capital grants and contribution by \$1.3 million and other revenue by \$380,177. The City's governmental funds ending fund balances of \$10,677,229 or 12.32 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, \$75,965,104, is either non-spendable or restricted for purposes imposed by creditors, grantors, contributors, laws or regulations of other governments or through enabling legislation.

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

Unrestricted net position of the Enterprise Funds at the end of the year amounted to \$4,603,450, an increase of \$2,035,825 from the prior year. This balance 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 \$8,626,522, while total fund balance was \$9,076,328. The general fund's ending fund balance increased by \$903,189 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 44.29 percent of the total general fund expenditures, most of which is committed or assigned to meet future long-term obligations.

Overall, General Fund revenues (including transfers in) increased year-over-year by \$525,008 and expenditures (including transfers out) increased by \$160,184. Tax related revenue increased by \$1,255,847 (excluding motor vehicle in lieu), due to increase in sales tax and property tax. Motor vehicle in lieu and Licenses, permits and fees was up \$177,838 and \$289,275, respectively. Franchise fee decreased by \$6,916 and intergovernmental grants experienced an overall increase of \$208,417. Charges for services decreased by \$34,105.

The overall increase in expenditures was attributed to increase in expenditures for uncollectible accounts of \$600,000 and unexpected COVID-19 expenditures \$142,000. In addition, there are decreases in various division salaries and benefits due to temporary program closures and hiring freeze.

City of Patterson
Management’s Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

General Fund Budgetary Highlights

For the fiscal year ended June 30, 2020, General Fund’s revenue final amended budget increased over the original budget by \$111,016 and actual revenue increased by \$993,150 from final amended budget. The expenditure final amended budget increased by \$204,343 over original budget and the actual expenditures were \$136,609 lower than the final amended budget. These can be briefly summarized as follows:

- The revenue final budget is higher than the original budget due to sales tax by (\$651,000), property tax by (\$19,000) and Transient Occupancy Tax by (\$80,000).
- The actual revenue is higher than final budget due to sales tax by \$660,000 and property tax by \$344,000 due to increase in residential and commercial developments and one time catch up of sales tax.
- The expenditure final budget is higher than original budget due to the COVID-19 expenditure (\$50,000) and the Naomi’s House Project (\$350,000) and HOST House project (\$100,000).
- General government actual expenditure is higher than final budget due to an increase in expenditures for uncollectible accounts of \$651,000 and reclassification of a sleeper program deposit to expenditures \$125,000.
- Police actual expenditure are lower than final budget due to delay in hiring the SCO and clerical staff by \$148,000.
- Fire actual expenditure lower than final budget due to reduce overtime by \$82,000.
- Public Works final budget expenditure lower than actual cost due to Green House Gas Reduction grant expenditure of \$116,000.
- Park and Recreation expenditure lower than actual cost due to temporary program closure as a result of COVID-19.

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, 2020, amounts to \$110,527,229, an increase of \$807,184 or 0.74 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	
	2020	2019	2020	2019
Land	\$ 5,271,125	\$ 5,271,125	\$ 6,196,328	\$ 6,145,971
Construction in progress	7,709,318	9,516,692	7,289,650	4,957,068
Infrastructure	48,327,788	45,668,703	35,733,020	38,160,486
Total	\$ 61,308,231	\$ 60,456,520	\$ 49,218,998	\$ 49,263,525

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

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

Long-term debt. At the end of the current fiscal year, the City of Patterson's total long-term debt outstanding increased to \$93,624,265 an increase of \$8,863,203 attributable to the normal scheduled debt service payments and 2019 Water Revenue Bond issued during current year. Sewer Revenue bonds and loan payable of \$6,569,527 are to be paid out of sewer revenues. 2019 Water Revenue bond \$17,269,352 are to be paid out of the water revenues.

	2020	2019
Governmental Activities:		
PPFA 2013 Heartland Ranch Revenue Bonds	\$ 2,725,976	\$ 3,134,422
PPFA 2013 Series A Revenue Bonds	58,705,000	60,460,000
Less: Bond Discount	(654,187)	(682,653)
PPFA 2013 Series B Revenue Bonds	5,740,000	5,890,000
2019 Lease Revenue Bonds	2,172,830	2,303,118
Capital leases	33,518	66,170
Settlement payable	364,000	364,000
Compensated Absences	468,489	355,174
Total governmental activities	\$ 69,555,626	\$ 71,890,231
Business-type Activities:		
Water Fund:		
2011 Water Revenue Bonds	\$ -	\$ 8,150,000
2019A Water Revenue Bonds	9,165,000	-
Add: Bond Premium	576,040	-
2019B Water Revenue Refunding Bonds	6,680,000	-
Add: Bond Premium	848,312	-
Compensated Absences	108,403	50,299
Total water fund	17,377,755	8,200,299
Sewer Fund:		
2009 Sewer Revenue Bonds	340,000	415,000
2017 Sewer Refunding Revenue Bonds	2,602,300	2,630,800
State Revolving Fund loan	493,475	536,209
Banc of America loan	1,388,999	1,412,601
CEC loan	1,744,753	1,940,415
Compensated Absences	94,969	59,072
Total sewer fund	6,664,496	6,994,097
Garbage Fund:		
Compensated Absences	26,388	11,040
Total garbage fund	26,388	11,040
Total business-type activities	\$ 24,068,639	\$ 15,205,436

Additional information on the City of Patterson's long-term debt can be found in Note 7 and Note 8 to the basic financial statements.

Economic Condition, Outlook and Activity

The City has enjoyed strong economic growth over the last several years. Although the economy has some uncertainty due to the COVID-19 Pandemic, the City of Patterson remains focused on several interested new businesses that have visited our business Parks over the last year. Factors that will impact our economic strength are online sales which, in some instances, do not provide the City with a "point-of-sale" taxable nexus. The City is still fortunate to have a more diverse revenue structure which can continue to benefit from Measure L; the ½ cent transaction and use tax over the next 25 years, SB1 Road Repair and Accountability Act revenue, new businesses such as the Hampton Hotel, Valero Gas Station, Hamen Truck Wash, Starbucks, Patterson Family Pharmacy, Rancho Fresco, and Cannabis retail and manufacturing. The City's water, sewer, and garbage rates were approved in the last few years and will provide stable enterprise funding to provide a high level of infrastructure maintenance in these areas.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

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

Several new businesses coming to Patterson this coming year include S2A Modular, Patterson Travel Center, and La Quinta Hotel. A new Javi's restaurant was also approved for a location in the Historic downtown core. The new truck wash located in the business park has opened, and the new Hampton hotel is taking guests as well. The 700,000 sf building in the Keystone Business Park is completed and awaiting new tenants. Self-Help Enterprise has broken ground and have walls up for about 10 Self-Help homes. The Self-Help Apartments have been mostly constructed and work continues on the interior and exterior to get them ready for occupancy. The Patterson Ranch Projects have installed streets and underground facilities and have built several model homes. To date approximately 20 homes have been sold. Patterson Ranch will provide approximately 250 affordable homes that fit into the middle-income affordable category.

Like many other cities, COVID-19 pandemic has impacted City of Patterson operations and financial positions. Particularly in recreational programs, building and park maintenance services and utility billings. Increase costs related to COVID-19 prevention is difficult to predict. Current resources are re-directed to COVID-19 related tasks and at times operations are run with lesser staffing, thus impacting the quality of service to both internal and external customers. Technology tools and new applications are being utilized and upgraded to allow City staff to work remotely to slow down the spread of COVID-19. Though FEMA and CARES grants from the Federal, State and County will assist with the burden of costs related to COVID-19, there are costs that the City incurred that are not reimburse by these grants. The City maintains a positive outlook and ready to combat the impact of COVID-19 pandemic by projecting operations and financials cut back in the next year.

Next Year's Budget

The budget includes \$1.3 million in departmental budget reductions in non-essential areas such as consulting services, software upgrades, and non-critical maintenance, staffing hours and head count. In addition, a temporary hiring freeze has been implemented. Furthermore, staff will continue providing services at current staffing levels, with no new positions included in the budget with the exception of our School Cross Walk program. Our previous vendor has halted their cross-walk program due to the pandemic and have become unresponsive.

The following factors were taken into consideration during the preparation of the City's budget for the fiscal year 2020-2021.

The pandemic has shown many signs of slowing in the economy. Stanislaus County reported 17.5% unemployment rate, while San Joaquin County reported a 16.6%.

Following the Federal Reserve's rate cuts in 2019, the yearly inflation rate stayed slightly higher than the typical average rate of 1.65 percent.

The expected decline in commercial and residential developments contributed to the decrease in major revenue sources such as building permits and sales tax.

The availability of both Federal, State grants and State Revolving Fund Loan (SRF) is uncertain at this time.

State legislation mandating a steady increase toward a minimum wage of \$15 per hour by 2022 points to further increases in weekly wages.

The accumulation of Measure L revenue provides the funding source to the street capital projects that are being carefully orchestrated to begin upon completion of various water capital pipeline projects.

City of Patterson
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2020

During the water rate study, the City incorporated the 5 year long range capital improvement plan. The City will begin the improvement of the water line projects, clarifier replacement project and street projects to enhance and improve the quality of our community's water, sewer and streets infrastructure.

The City's Sewer, Water, and Storm Drain Master Plans were all completed last year with great support from Staff, Stakeholders, and Council. These Master Plans will help provide organized and quality growth of the City and will continue to attract small and large businesses of all types.

The City is currently working on the Garbage rate study and Sewer, Water and Storm Drain Impact Fee Study. The garbage rate study is necessary to respond to the new regulation of organic green waste and incorporates the CPI index factor over 5 years. The Sewer, Water and Storm Drain Impact Fee Study is to align with the requirements and parameters of the recently completed Sewer, Water and Storm Drain Master Plans.

General Fund property tax 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 revenue from intergovernmental revenue to increase due to the Urban Greening State grant, San Joaquin Air District, FEMA and CARES grants in the General Fund.

General Fund operating expenditures are projected to increase. As well, City capital assets such as equipment need replacement and are experiencing increased operations and maintenance expenditures. Transfers out will increase to fund the Salado Creek Bike Trail project residing in Street Capital fund. In addition, COVID-19 related expenditures are expected to continue into the future, particularly over the next twelve months.

General Fund's fund balance reserve is projected to be at 22.53% by end of fiscal year 2021.

Enterprise Fund water revenue is projected to increase by 11% as water rate study being approved by council and went into effect March 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. However, the impact of COVID-19 pandemic to Enterprise funds is expected as the City provided financial relief to Utility Billing customers in the form of waiving penalties and credit card convenience fees.

Enterprise Fund expenses are projected to increase due to major capital projects, 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.

BASIC FINANCIAL STATEMENTS

This page intentionally left blank.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Patterson
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 20,292,793	\$ 10,746,920	\$ 31,039,713
Restricted cash and investments	-	469,514	469,514
Receivables:			
Accounts	4,530,238	1,560,194	6,090,432
Interest	28,133	13,838	41,971
Due from Fiduciary Funds	102,437	-	102,437
Prepaid items	104,997	6,037	111,034
Total current assets	25,058,598	12,796,503	37,855,101
Noncurrent assets:			
Cash and investments with fiscal agents	1,023,275	12,650,111	13,673,386
Investments held in trust	64,782,235	-	64,782,235
Notes and loans receivable	1,862,834	-	1,862,834
Capital assets, net	61,308,231	49,218,998	110,527,229
Total noncurrent assets	128,976,575	61,869,109	190,845,684
Total assets	154,035,173	74,665,612	228,700,785
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	-	346,490	346,490
OPEB-related deferred outflows of resources	473,259	232,797	706,056
Pension-related deferred outflows of resources	1,747,179	1,265,622	3,012,801
Total deferred outflows of resources	2,220,438	1,844,909	4,065,347

City of Patterson
Statement of Net Position (Continued)
June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
LIABILITIES			
Current liabilities:			
Accounts payable	1,785,150	694,830	2,479,980
Accrued liabilities	258,923	5,047	263,970
Accrued interest payable	1,223,111	74,102	1,297,213
Unearned revenue	479,479	-	479,479
Deposits payable	1,365,411	136,362	1,501,773
Due within one year:			
Compensated absences	468,489	229,760	698,249
Settlement liabilities	364,000	-	364,000
Long-term debt	2,277,337	694,865	2,972,202
Total current liabilities	<u>8,221,900</u>	<u>1,834,966</u>	<u>10,056,866</u>
Noncurrent liabilities:			
Due in more than one year:			
Long-term debt	66,445,800	23,144,014	89,589,814
Net OPEB liability	8,507,556	3,780,109	12,287,665
Aggregate net pension liability	5,326,207	3,788,352	9,114,559
Total noncurrent liabilities	<u>80,279,563</u>	<u>30,712,475</u>	<u>110,992,038</u>
Total liabilities	<u>88,501,463</u>	<u>32,547,441</u>	<u>121,048,904</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB-related deferred inflows of resources	810,931	420,832	1,231,763
Pension-related deferred inflows of resources	98,245	92,564	190,809
Total deferred inflows of resources	<u>909,176</u>	<u>513,396</u>	<u>1,422,572</u>
NET POSITION			
Net investment in capital assets	61,274,713	37,930,411	99,205,124
Restricted for:			
Special programs	10,752,749	469,514	-
Debt service	-	513,688	513,688
Total restricted	<u>10,752,749</u>	<u>983,202</u>	<u>513,688</u>
Unrestricted (deficit)	<u>(5,182,490)</u>	<u>4,536,071</u>	<u>10,575,844</u>
Total net position	<u>\$ 66,844,972</u>	<u>\$ 43,449,684</u>	<u>\$ 110,294,656</u>

City of Patterson
Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 4,514,103	\$ 374,895	\$ 149,688	\$ -
Police	5,838,153	86,776	187,739	-
Fire	5,367,429	1,741,172	667,121	-
Community development and planning	2,084,354	810,870	2,000	-
Public works	4,687,210	968,384	1,028,853	3,406,133
Parks and recreation	4,536,510	1,890,773	5,000	203,258
Interest and fiscal charges	3,942,429	-	-	-
Total governmental activities	30,970,188	5,872,870	2,040,401	3,609,391
Business-type Activities:				
Water	5,404,924	5,660,058	-	8,493
Sewer	5,533,806	4,610,985	-	-
Garbage	2,912,990	3,378,155	-	-
Total business-type activities	13,851,720	13,649,198	-	8,493
Total primary government	\$ 44,821,908	\$ 19,522,068	\$ 2,040,401	\$ 3,617,884

City of Patterson
Statement of Activities (Continued)
For the Year Ended June 30, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (3,989,520)	\$ -	\$ (3,989,520)
Police	(5,563,638)	-	(5,563,638)
Fire	(2,959,136)	-	(2,959,136)
Community development and planning	(1,271,484)	-	(1,271,484)
Public Works	716,160	-	716,160
Parks and recreation	(2,437,479)	-	(2,437,479)
Interest and fiscal charges	(3,942,429)	-	(3,942,429)
Total governmental activities	(19,447,526)	-	(19,447,526)
Business-type Activities:			
Water	-	263,627	263,627
Sewer	-	(922,821)	(922,821)
Garbage	-	465,165	465,165
Total business-type activities	-	(194,029)	(194,029)
Total primary government	(19,447,526)	(194,029)	(19,641,555)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes	3,621,765	-	3,621,765
Sales taxes	6,840,520	-	6,840,520
Franchise taxes	211,963	-	211,963
Motor vehicle in lieu	2,267,086	-	2,267,086
Other taxes	162,436	-	162,436
Total taxes	13,103,770	-	13,103,770
Investment earnings	4,145,959	205,023	4,350,982
Revenue from Fiduciary Fund	2,387,683	1,648,115	4,035,798
Miscellaneous	896,921	2,649,760	3,546,681
Transfers	1,642,806	(1,642,806)	-
Total general revenues and transfers	22,177,139	2,860,092	25,037,231
Changes in net position	2,729,613	2,666,063	5,395,676
Net Position:			
Beginning of year	64,115,359	40,783,621	104,898,980
End of year	\$ 66,844,972	\$ 43,449,684	\$ 110,294,656

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, 2020

	<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	\$ 5,130,105	\$ 430,333	\$ 14,732,355	\$ 20,292,793
Cash and investments with fiscal agents	-	1,023,275	-	1,023,275
Investments held in trust	-	64,782,235	-	64,782,235
Receivables:				
Accounts	2,752,371	-	1,777,867	4,530,238
Interest	6,957	549	20,627	28,133
Notes and loans	16,632	-	1,846,202	1,862,834
Due from other funds	4,008,613	-	-	4,008,613
Due from Fiduciary Funds	102,437	-	-	102,437
Prepaid items	104,997	-	-	104,997
Total assets	<u>\$ 12,122,112</u>	<u>\$ 66,236,392</u>	<u>\$ 18,377,051</u>	<u>\$ 96,735,555</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 1,479,910	\$ 1,221	\$ 304,019	\$ 1,785,150
Accrued liabilities	258,923	-	-	258,923
Due to other funds	-	1,127,813	2,880,800	4,008,613
Unearned revenue	102,873	-	376,606	479,479
Deposit and other liabilities	1,148,037	-	217,374	1,365,411
Total liabilities	<u>2,989,743</u>	<u>1,129,034</u>	<u>3,778,799</u>	<u>7,897,576</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	56,041	-	2,139,605	2,195,646
Total deferred inflows of resources	<u>56,041</u>	<u>-</u>	<u>2,139,605</u>	<u>2,195,646</u>
FUND BALANCES:				
Nonspendable	104,997	-	-	104,997
Restricted	344,809	65,107,358	10,407,940	75,860,107
Committed	3,751,813	-	4,986,655	8,738,468
Assigned	2,889,800	-	-	2,889,800
Unassigned (deficit)	1,984,909	-	(2,935,948)	(951,039)
Total Fund Balances	<u>9,076,328</u>	<u>65,107,358</u>	<u>12,458,647</u>	<u>86,642,333</u>
Total Liabilities, Deferred Inflows of Resource, and Fund Balances	<u>\$ 12,122,112</u>	<u>\$ 66,236,392</u>	<u>\$ 18,377,051</u>	<u>\$ 96,735,555</u>

City of Patterson
Reconciliation of the Governmental Funds
Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2020

Total fund balances of governmental funds	\$ 86,642,333
 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.	61,308,231
Pension-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.	
Pension-related deferred outflows of resources	1,747,179
Pension-related deferred inflows of resources	(98,245)
OPEB-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.	
OPEB-related deferred outflows of resources	473,259
OPEB-related deferred inflows of resources	(810,931)
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.	(1,223,111)
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.	2,195,646
Long-term liabilities are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet.	
Long-term debt	(68,723,137)
Settlement payable	(364,000)
Compensated absences	(468,489)
Net OPEB liability	(8,507,556)
Aggregated net pension liability	(5,326,207)
Net position of governmental activities	<u><u>\$ 66,844,972</u></u>

City of Patterson
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	<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	\$ 3,621,765	\$ -	\$ -	\$ 3,621,765
Sales	6,840,520	-	-	6,840,520
Franchise	211,963	-	-	211,963
Motor vehicle in lieu	2,267,086	-	-	2,267,086
Other	162,436	-	-	162,436
Licenses, permits, and fees	1,360,206	-	775,185	2,135,391
Charges for services	421,175	-	4,024,833	4,446,008
Intergovernmental:				
Federal grant and subsidies	319,619	-	1,045,713	1,365,332
Other governmental	625,154	-	4,234,745	4,859,899
Fines, forfeitures and penalties	66,683	-	-	66,683
Use of money and property	-	-	6,617	6,617
Interest	190,662	3,783,572	171,677	4,145,911
Revenue from Fiduciary Fund	1,208,542	955,141	224,000	2,387,683
Miscellaneous	916,055	-	64,966	981,021
Total revenues	<u>18,211,866</u>	<u>4,738,713</u>	<u>10,547,736</u>	<u>33,498,315</u>
EXPENDITURES:				
Current:				
General government	3,619,534	-	183,482	3,803,016
Police	5,373,752	-	-	5,373,752
Fire	2,762,055	-	2,295,210	5,057,265
Community development and planning	2,009,628	-	11,546	2,021,174
Public works	1,315,236	-	2,007,829	3,323,065
Park and recreation	3,713,674	-	-	3,713,674
Capital outlay	401,415	1,220	3,014,825	3,417,460
Debt service:				
Principal	130,288	2,313,446	32,652	2,476,386
Interest and fiscal charges	78,798	3,867,275	1,754	3,947,827
Total expenditures	<u>19,404,380</u>	<u>6,181,941</u>	<u>7,547,298</u>	<u>33,133,619</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,192,514)</u>	<u>(1,443,228)</u>	<u>3,000,438</u>	<u>364,696</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,169,765	-	1,169,493	3,339,258
Transfers out	(74,062)	-	(1,622,390)	(1,696,452)
Total financing sources (uses)	<u>2,095,703</u>	<u>-</u>	<u>(452,897)</u>	<u>1,642,806</u>
Net change in fund balances	903,189	(1,443,228)	2,547,541	2,007,502
FUND BALANCES:				
Beginning of year	8,173,139	66,550,586	9,911,106	84,634,831
End of year	<u>\$ 9,076,328</u>	<u>\$ 65,107,358</u>	<u>\$ 12,458,647</u>	<u>\$ 86,642,333</u>

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, 2020

Net change in fund balances - total governmental funds	\$ 2,007,502
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.	3,417,460
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.	(2,565,749)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position	
Principal payment of long-term debt	2,476,386
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.	33,864
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.	(113,315)
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.	(1,441,320)
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension related deferred outflows of resources	(81,661)
Changes in net pension liabilities	(297,908)
Changes in pension related deferred inflows of resources	(33,418)
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in OPEB related deferred outflows of resources	297,438
Changes in net OPEB liabilities	(1,052,547)
Changes in OPEB related deferred inflows of resources	111,347
Change in net position of governmental activities	\$ 2,729,613

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Patterson
Statement of Net Position
Proprietary Funds
June 30, 2020

	Major Funds			Total
	Water	Sewer	Garbage	
ASSETS				
Current assets:				
Cash and investments	\$ 6,021,344	\$ 3,240,651	\$ 1,484,925	\$ 10,746,920
Restricted cash and investments	-	469,514	-	469,514
Accounts receivable	686,298	495,094	378,802	1,560,194
Interest receivable	7,716	4,191	1,931	13,838
Prepaid items	368	5,301	368	6,037
Total current assets	6,715,726	4,214,751	1,866,026	12,796,503
Noncurrent assets:				
Cash and investments with fiscal agents	12,582,733	67,378	-	12,650,111
Capital assets, net	23,589,644	25,583,715	45,639	49,218,998
Total noncurrent assets	36,172,377	25,651,093	45,639	61,869,109
Total assets	42,888,103	29,865,844	1,911,665	74,665,612
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding	162,000	184,490	-	346,490
OPEB-related deferred outflows of resources	99,339	107,824	25,634	232,797
Pension-related deferred outflows of resources	513,811	624,651	127,160	1,265,622
Total deferred outflows of resources	775,150	916,965	152,794	1,844,909
LIABILITIES				
Current liabilities:				
Accounts payable	105,987	415,693	173,150	694,830
Accrued liabilities	2,029	-	3,018	5,047
Deposits payable	136,362	-	-	136,362
Accrued interest	48,820	25,282	-	74,102
Compensated absences - due within one year	108,403	94,969	26,388	229,760
Long-term liabilities - due within one year	305,000	389,865	-	694,865
Total current liabilities	706,601	925,809	202,556	1,834,966
Noncurrent liabilities:				
Long-term liabilities - due in more than one year	16,964,352	6,179,662	-	23,144,014
Net OPEB liability	1,715,089	1,722,302	342,718	3,780,109
Aggregate net pension liability	1,537,977	1,869,751	380,624	3,788,352
Total noncurrent liabilities	20,217,418	9,771,715	723,342	30,712,475
Total liabilities	20,924,019	10,697,524	925,898	32,547,441
DEFERRED INFLOWS OF RESOURCES				
OPEB-related deferred inflows of resources	179,910	200,268	40,654	420,832
Pension-related deferred inflows of resources	37,579	45,685	9,300	92,564
Total deferred inflows of resources	217,489	245,953	49,954	513,396
NET POSITION				
Net investment in capital assets	18,618,716	19,266,056	45,639	37,930,411
Restricted:				
Special programs	-	469,514	-	469,514
Debt Service	446,310	67,378	-	513,688
Total restricted	446,310	536,892	-	983,202
Unrestricted	3,456,719	36,384	1,042,968	4,536,071
Total net position	\$ 22,521,745	\$ 19,839,332	\$ 1,088,607	\$ 43,449,684

See accompanying Notes to the Basic Financial Statements.

City of Patterson
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Major Funds			Total
	Water	Sewer	Garbage	
OPERATING REVENUES:				
Charges for services	\$ 5,516,269	\$ 4,526,737	\$ 3,293,274	\$ 13,336,280
Fees, fines, and penalties	143,789	84,248	84,881	312,918
Miscellaneous	2,620,182	29,578	-	2,649,760
Total operating revenues	8,280,240	4,640,563	3,378,155	16,298,958
OPERATING EXPENSES:				
Salaries and benefits	2,380,638	2,566,165	746,340	5,693,143
Contractual and professional services	140,863	438,295	1,893,401	2,472,559
Supplies and operating costs	959,355	626,053	177,742	1,763,150
Depreciation	1,045,671	1,689,973	12,780	2,748,424
Total operating expenses	4,526,527	5,320,486	2,830,263	12,677,276
OPERATING INCOME (LOSS)	3,753,713	(679,923)	547,892	3,621,682
NONOPERATING REVENUES (EXPENSES):				
Intergovernmental :				
Federal grants and subsidies	8,493	-	-	8,493
Interest income	152,444	34,775	17,804	205,023
Interest expense	(871,883)	(199,198)	-	(1,071,081)
Total Nonoperating revenues (expenses)	(710,946)	(164,423)	17,804	(857,565)
INCOME (LOSS) BEFORE TRANSFERS	3,042,767	(844,346)	565,696	2,764,117
TRANSFERS				
Revenue from Fiduciary Fund	-	1,648,115	-	1,648,115
Capital contributions	(6,514)	(14,122)	(82,727)	(103,363)
Transfers in	86,858	41,197	-	128,055
Transfers out	(570,217)	(647,677)	(552,967)	(1,770,861)
Total Transfers	(489,873)	1,027,513	(635,694)	(98,054)
CHANGES IN NET POSITION	2,552,894	183,167	(69,998)	2,666,063
NET POSITION:				
Beginning of year	19,968,851	19,656,165	1,158,605	40,783,621
End of year	<u>\$ 22,521,745</u>	<u>\$ 19,839,332</u>	<u>\$ 1,088,607</u>	<u>\$ 43,449,684</u>

City of Patterson
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Major Funds			Total
	Water	Sewer	Garbage	
Cash Flows from Operating Activities:				
Cash received from customers	\$ 5,523,416	\$ 4,584,265	\$ 3,350,415	\$ 13,458,096
Cash paid to suppliers	(1,200,543)	(1,129,561)	(2,049,107)	(4,379,211)
Cash paid to employees	(2,024,301)	(2,158,195)	(609,376)	(4,791,872)
Other	2,620,182	29,578	-	2,649,760
Net cash provided by operating activities	4,918,754	1,326,087	691,932	6,936,773
Cash Flows from Noncapital Financing Activities:				
Transfers in	86,858	41,197	-	128,055
Transfers out	(570,217)	(647,677)	(552,967)	(1,770,861)
Net cash (used in) noncapital financing activities	(483,359)	(606,480)	(552,967)	(1,642,806)
Cash Flows from Capital and Related Financing Activities:				
Capital grants	8,493	-	-	8,493
Acquisition and construction of capital assets	(737,123)	(1,987,407)	(82,728)	(2,807,258)
Revenue from Fiduciary Fund	-	1,648,115	-	1,648,115
Proceeds from issuance of revenue bonds	17,671,244	-	-	17,671,244
Principal paid on revenue bonds and loan	(8,535,000)	(365,498)	-	(8,900,498)
Interest paid on capital debt	(1,035,080)	(190,743)	-	(1,225,823)
Net cash provided by (used in) capital and related financing activities	7,372,534	(895,533)	(82,728)	6,394,273
Cash Flows from Investing Activities:				
Interest	153,460	38,736	19,562	211,758
Net cash provided by investing activities	153,460	38,736	19,562	211,758
Net increase (decrease) in cash and cash equivalents	11,961,389	(137,190)	75,799	11,899,998
Cash and Cash Equivalents:				
Beginning of year	6,642,688	3,914,733	1,409,126	11,966,547
End of year	<u>\$ 18,604,077</u>	<u>\$ 3,777,543</u>	<u>\$ 1,484,925</u>	<u>\$ 23,866,545</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:				
Cash and investment	\$ 6,021,344	\$ 3,240,651	\$ 1,484,925	\$ 10,746,920
Restricted cash and investments	-	469,514	-	469,514
Cash and investments with fiscal agent	12,582,733	67,378	-	12,650,111
Total cash and investment	<u>\$ 18,604,077</u>	<u>\$ 3,777,543</u>	<u>\$ 1,484,925</u>	<u>\$ 23,866,545</u>

City of Patterson
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2020

	Major Funds			Total
	Water	Sewer	Garbage	
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 3,753,713	\$ (679,923)	\$ 547,892	\$ 3,621,682
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	1,045,671	1,689,973	12,780	2,748,424
Change in assets and liabilities:				
Accounts receivable	(128,334)	(26,720)	(27,740)	(182,794)
Prepaid items	63,986	355	-	64,341
OPEB-related deferred outflows of resources	(63,250)	(70,790)	(17,881)	(151,921)
Pension-related deferred outflows of resources	18,594	7,749	(19,275)	7,068
Accounts payable	(164,311)	(65,568)	22,036	(207,843)
Accrued liabilities	2,029	-	3,018	5,047
Deposits payable	(8,308)	-	-	(8,308)
Compensated absences	58,104	35,897	15,348	109,349
Net OPEB liability	223,823	250,509	63,276	537,608
Aggregate net pension liability	129,772	197,060	95,269	422,101
OPEB-related deferred inflows of resources	(23,678)	(26,501)	(38,048)	(88,227)
Pension-related deferred inflows of resources	10,943	14,046	35,257	60,246
Total adjustments	1,165,041	2,006,010	144,040	3,315,091
Net cash provided by (used in) operating activities	\$ 4,918,754	\$ 1,326,087	\$ 691,932	\$ 6,936,773

This page intentionally left blank.

FIDUCIARY FUND FINANCIAL STATEMENTS

This page intentionally left blank.

City of Patterson
Statement of Fiduciary Assets and Liabilities
Fiduciary Funds
June 30, 2020

ASSETS	<u>Agency Funds</u>
Cash and investments	\$ 8,609,168
Cash and investments with fiscal agents	4,891,632
Accounts receivable	101,657
Interest receivable	9,288
Notes receivable	1,026,547
Total assets	<u><u>\$ 14,638,292</u></u>
LIABILITIES	
Accounts payable	\$ 13,237
Due to City	102,437
Due to bondholders	14,522,618
Total liabilities	<u><u>\$ 14,638,292</u></u>

This page intentionally left blank.

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, 2020

Note 1 – Summary of Significant Accounting Policies.....	43
A. Financial Reporting Entity	43
B. Basis of Accounting and Measurement Focus.....	44
C. Cash and Investments	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. Other Postemployment Benefits (“OPEB”)	50
K. Property Taxes.....	51
L. Net Position	52
M. Fund Balances	52
N. Use of Estimates	53
O. New Governmental Accounting Standards Implemented	53
P. Upcoming Governmental Accounting Standards Implementation.....	53
Note 2 – Cash and Investments	56
A. Cash Deposits	57
B. Investments.....	57
C. External Investment Pool	58
D. Risk Disclosures	59
E. Fair Value Measurement	60
Note 3 – Loan and Notes Receivable	60
A. Governmental Activities.....	60
B. Fiduciary Fund.....	61
Note 4 – Interfund Transactions.....	62
A. Due From and To Other Funds.....	62
B. Transfers In and Out.....	62
Note 5 – Due from Fiduciary Funds	63
Note 6 – Capital Assets	63
A. Governmental Activities.....	63
B. Business-Type Activities.....	64
Note 7 – Long-Term Obligations	64
A. Governmental Activities.....	64
B. Business-Type Activities.....	68

City of Patterson
Index to the Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 8 – Compensated Absences	73
A. Governmental Activities.....	73
B. Business-Type Activities.....	73
Note 9 – Conduit Debt	73
Note 10 – Fund Balances	74
Note 11 – Risk Management	75
Note 12 – Pension Plans	76
A. Summary.....	76
B. General Information about Pension Plans	77
C. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions	78
D. Payable to the Pension Plan.....	82
Note 13 – Other Postemployment Benefits	82
A. Summary.....	82
B. General Information about OPEB	83
C. Net OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB	83
Note 14 – Deferred Compensation Plan	86
Note 15 – Other Required Disclosures	86
A. (Deficit) Net Position/Fund Balances.....	86
B. Expenditures Exceeding Appropriations	87
Note 16 – Settlement with Eli Development Corporation	87
Note 17 – Commitments and Contingencies	87
A. Litigation	87
B. Grants	87
C. COVID-19 Pandemic	88
D. Other Matters.....	88
Note 18 – Subsequent Events	88
A. Coronavirus Relief Funds Allocation	88

City of Patterson
Notes to the Basic Financial Statements
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The City 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 (“PPFA”) 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. The financial activities of the PPFA are reported in the debt service fund.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

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

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

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

B. Basis of Accounting and Measurement Focus

Fund Accounting

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

Deferred Outflows/Inflows of Resources

The Statement of Net Position 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, 2020

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 City defines available to be within 60 days.

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, 2020

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, 2020

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 and Investments

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

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

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

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, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash and Investments (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	20 years
Storm drains	75 years

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

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, 2020

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:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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. Other Postemployment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's Retiree Benefits Plan ("OPEB Plan") and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan (Note 11). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Other Postemployment Benefits (“OPEB”) (Continued)

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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

K. Property Taxes

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

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

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

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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

L. 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.

M. Fund Balances

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

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

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

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

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

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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Fund Balances (Continued)

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.

N. 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.

O. New Governmental Accounting Standards Implemented

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2020. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 95

In May 2020, GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. Application of this statement did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2020.

P. Upcoming Governmental Accounting Standards Implementation

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

GASB Statement No. 84

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Upcoming Governmental Accounting Standards Implementation (Continued)

GASB Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

GASB Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Application of this statement is effective for the City's fiscal year ending June 30, 2022.

GASB Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests– An Amendment of GASB Statements No. 14 and No. 61*. This Statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

GASB Statement No. 91

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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Upcoming Governmental Accounting Standards Implementation (Continued)

GASB Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

GASB Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

GASB Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Application of this statement is effective for the City’s fiscal year ending June 30, 2023.

GASB Statement No. 96

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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Upcoming Governmental Accounting Standards Implementation (Continued)

GASB Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Application of this statement is effective for the City’s fiscal year ending June 30, 2022.

Note 2 – Cash and Investments

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2020:

	Primary Government		Fiduciary Funds	Total
	Governmental Activities	Business-type Activities		
Cash and investments	\$ 20,292,793	\$ 10,746,920	\$ 8,609,168	\$ 39,648,881
Restricted cash and investments	-	469,514	-	469,514
Cash and investments with fiscal agents	1,023,275	12,650,111	4,891,632	18,565,018
Investments held in trust	64,782,235	-	-	64,782,235
Total cash and investments	\$ 86,098,303	\$ 23,866,545	\$ 13,500,800	\$ 123,465,648

Cash, cash equivalents, and investments, consisted of the following at June 30, 2020:

Cash and cash equivalents:	
Cash on hand	\$ 1,245
Deposits with financial institutions	21,996,839
Total cash and cash equivalents	21,998,084
Investments:	
Local obligation bonds	64,782,235
Money market mutual funds	18,565,021
Central San Joaquin Valley Risk Authority (CSJVRMA)	4,002,307
Local Agency Investment Fund (LAIF)	14,118,001
Total investments	101,467,564
Total cash and investments	\$ 123,465,648

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

A. Cash Deposits

The carrying amounts of the City's demand deposits were \$21,996,839 at June 30, 2020. Bank balances were \$22,165,494 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

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

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

B. Investments

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

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

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

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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

B. Investments (Continued)

Investments Authorized by Debt Agreements

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

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

C. 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, 2020 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, 2020, the City had \$14,118,001 invested in LAIF, which had invested 3.37% 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, 2020, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2020.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

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, 2020:

	Fair Value	Maturity			
		12 Months or Less	1-5 Years	6-10 Years	Thereafter
Investments:					
Local obligation bonds	\$ 64,782,235	\$ 1,483,337	\$ 6,957,625	\$ 11,737,196	\$ 44,604,077
Money market mutual funds	18,565,021	18,565,021	-	-	-
Central San Joaquin Valley Risk Authority (CSJVRMA)	4,002,307	4,002,307	-	-	-
Local Agency Investment Fund (LAIF)	14,118,001	14,118,001	-	-	-
Total investments	\$ 101,467,564	\$ 38,168,666	\$ 6,957,625	\$ 11,737,196	\$ 44,604,077

Disclosures Relating to Credit Risk

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

	Fair Value	Minimum	Credit Rating	
		Legal Rating	S & P	Moody's
Investments:				
Local obligation bonds	\$ 64,782,235	N/A	Not rated	Not rated
Money market mutual funds	18,565,021	N/A	AAAm	Aaa-mf
Central San Joaquin Valley Risk Authority (CSJVRMA)	4,002,307	N/A	Not rated	Not rated
Local Agency Investment Fund (LAIF)	14,118,001	N/A	Not rated	Not rated
Total investments	\$ 101,467,564			

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, 2020:

Issuer	Investment Type	Amount
West Patterson Financing Authority	Local obligation bonds	\$ 64,782,235

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 2 – Cash and Investments (Continued)

D. Risk Disclosures (Continued)

Disclosures Relating to Custodial Credit Risk

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

E. Fair Value Measurement

Fair value of assets measured on a recurring basis at June 30, 2020, are as follows:

Investments measured by fair value level:	June 30, 2020	Level 1	Level 2	Level 3
Central San Joaquin Valley Risk Authority (CSJVRMA)	4,002,307	-	4,002,307	-
Total investments by fair value level	4,002,307	\$ -	\$ 4,002,307	\$ -
Investments not subject to the fair value hierarchy:				
Local obligation bonds	\$ 64,782,235			
Local Agency Investment Funds (LAIF)	14,118,001			
Money market mutual funds	18,565,021			
Total investments not subject to the fair value hierarchy	97,465,257			
Total investments	\$ 101,467,564			

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

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

Note 3 – Loan and Notes Receivable

A. Governmental Activities

The City engages in programs designed to encourage business enterprises, construction or improvements in low-to- moderate income housing, or other projects. Under these programs, grants or loans are provided with favorable terms to businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms. Although these notes are expected to be repaid in full, their balance has been offset in the fund financial statements by deferred inflows of resources, as they are not expected to be repaid within the first 60 days of fiscal year 2020.

Summary of changes in loans and notes receivable for the year ended June 30, 2020 is as follows:

	Balance			Balance
	July 1, 2019	Additions	Deletions	June 30, 2020
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	693,846	-	(21,012)	672,834
Total loans and notes receivable	\$ 1,883,846	\$ -	\$ (21,012)	\$ 1,862,834

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 3 – Loan and Notes Receivable (Continued)

A. Governmental Activities (Continued)

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.

Greater Valley Housing Development Corporation

On February 1, 2007, the City entered into a loan agreement with the Greater Valley Housing Development Corporation in the amount of \$900,000. These funds were used to build an elderly housing project for low-income senior citizens known as the "Las Palmas Place Senior Apartments". Funding for this loan is derived from developer fees collected over the past few years. As of June 30, 2018, the City had advanced the full amount of \$900,000 to the Greater Valley Housing Development Corporation. The balance of this loan has been offset by 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 loans receivable at June 30, 2020 was \$672,834.

B. Fiduciary Fund

Notes receivable as of June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Darron Silva Promissory Note	\$ 1,045,000	\$ -	\$ (18,453)	\$ 1,026,547
Total notes receivable	\$ 1,045,000	\$ -	\$ (18,453)	\$ 1,026,547

Darron Silva Promissory Note

On November 21, 2018, the City of Patterson (City) entered into a promissory note secured by deed of trust dated February 19, 2019 with Darron Silva in the amount of \$1,045,000. On March 22, 2019 an amended promissory note secured by deed of trust was executed by the Darron Silva for the benefit of the City and encumbering the parcel. The promissory note bears 5% fixed interest rate per annum, payable at \$5,610 per month for a term of 5 years amortized over 30 years. The outstanding principal amount plus any accrued and unpaid interest shall be due and payable on August 1, 2024. The balance of the note receivable at June 30, 2020 was \$1,026,547.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 4 – Interfund Transactions

A. Due From and To Other Funds

Due from and to other funds as of June 30, 2020, was as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Patterson Public Financing Authority	\$ 1,127,813	Overdrawn Cash
General Fund	Public Safety	2,624,868	Overdrawn Cash
General Fund	Federal CDBG Grant 2003	222,021	Overdrawn Cash
General Fund	Community Facility Impact Fee	33,911	Overdrawn Cash
	Total	\$ 4,008,613	

B. Transfers In and Out

Transfers in and out for the year ended June 30, 2020, was as follows:

Transfers In	Transfers Out	Amount	Purpose
General Fund	CDBG	\$ 7,500	Administrative cost
General Fund	Federal HOME Funds	2,000	Administrative cost
General Fund	Gas Tax	485,000	Administrative cost
General Fund	CSA#15 Assessment District	4,404	Administrative cost
General Fund	Water	570,217	Capital projects
General Fund	Sewer	647,677	Administrative cost
General Fund	Garbage	452,967	Administrative cost
	Subtotal	2,169,765	
Public Safety	Patterson Garden Fire Suppression Assessment	500,000	Assessments
Public Safety	CFD 2015-2	85,000	Assessments
	Subtotal	585,000	
Community Facility Impact Fee	General Fund	32,865	Capital projects
Measure L Fund	Street Project Fund	112,279	Capital projects
Measure L Fund	Local Transportation Fund Non-Motorized	11,398	Capital projects
	Subtotal	123,677	
Street Project Fund	Gas Tax	257,951	Capital projects
Street Project Fund	CFD 2013-1	70,000	Capital projects
Street Project Fund	Garbage	100,000	Capital projects
	Subtotal	427,951	
Water Fund	Measure L Fund	86,858	Capital projects
Sewer Fund	General Fund	41,197	Debt service
	Total	\$ 3,467,313	

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 5 – Due from Fiduciary Funds

Due from fiduciary funds as of June 30, 2020, was as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	CFD 2018-1 Villages of Patterson Infrastructure	\$ 65,292	Overdrawn Cash
General Fund	CFD 2015-1 Arambel Business Park	37,145	Overdrawn Cash
	Total	\$ 102,437	

Note 6 – Capital Assets

A. Governmental Activities

Summary of changes in capital assets for governmental activities for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2020
Capital assets, not being depreciated					
Land	\$ 5,271,125	\$ -	\$ -	\$ -	\$ 5,271,125
Construction in progress	9,288,090	3,220,093	-	(4,798,865)	7,709,318
Total capital assets, not being depreciated	14,559,215	3,220,093	-	(4,798,865)	12,980,443
Capital assets, being depreciated					
Buildings	23,972,872	-	-	-	23,972,872
Improvements	15,781,179	44,866	-	-	15,826,045
Infrastructure	25,223,545	1,221	-	4,779,140	30,003,906
Equipments	6,285,067	151,280	-	19,725	6,456,072
Subtotal	71,262,663	197,367	-	4,798,865	76,258,895
Less: accumulated depreciation					
Buildings	(6,104,705)	(599,707)	-	-	(6,704,412)
Improvements	(7,497,441)	(760,640)	-	-	(8,258,081)
Infrastructure	(6,388,525)	(959,532)	-	-	(7,348,057)
Equipments	(5,374,687)	(245,870)	-	-	(5,620,557)
Subtotal	(25,365,358)	(2,565,749)	-	-	(27,931,107)
Total capital assets, being depreciated, net	45,897,305	(2,368,382)	-	4,798,865	48,327,788
Total capital assets, net	\$ 60,456,520	\$ 851,711	\$ -	\$ -	\$ 61,308,231

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2020 are as follows:

General government	\$ 449,197
Fire	275,928
Public works	1,165,324
Park and recreation	675,300
Total depreciation	\$ 2,565,749

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 6 – Capital Assets (Continued)

B. Business-Type Activities

Summary of changes in capital assets for business-type activities for the year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2020
Capital assets, not being depreciated					
Land	\$ 6,145,970	\$ 50,358	\$ -	\$ -	\$ 6,196,328
Construction in progress	5,068,038	2,441,899	-	(220,287)	7,289,650
Total capital assets, not being depreciated	11,214,008	2,492,257	-	(220,287)	13,485,978
Capital assets, being depreciated					
Infrastructure	63,313,826	211,638	-	109,956	63,635,420
Equipments	5,447,998	-	-	110,331	5,558,329
Subtotal	68,761,824	211,638	-	220,287	69,193,749
Less: accumulated depreciation					
Infrastructure	(27,349,041)	(2,292,359)	-	-	(29,641,400)
Equipments	(3,363,264)	(456,065)	-	-	(3,819,329)
Subtotal	(30,712,305)	(2,748,424)	-	-	(33,460,729)
Total capital assets, being depreciated, net	38,049,519	(2,536,786)	-	220,287	35,733,020
Total capital assets, net	\$ 49,263,527	\$ (44,529)	\$ -	\$ -	\$ 49,218,998

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2020 are as follows:

Water	\$ 1,045,671
Sewer	1,689,973
Garbage	12,780
Total depreciation	<u>\$ 2,748,424</u>

Note 7 – Long-Term Obligations

A. Governmental Activities

Summary of changes in long-term liabilities for the governmental activities for the year ended June 30, 2020 is as follows:

	Original Issuance	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due In More Than One Year
PPFA 2013 Heartland Ranch Revenue Bonds	\$ 4,963,568	\$ 3,134,422	\$ -	\$ (408,446)	\$ 2,725,976	\$ 433,971	\$ 2,292,005
PPFA 2013 Series A Revenue Bonds	67,190,000	60,460,000	-	(1,755,000)	58,705,000	1,535,000	57,170,000
Less: Bond Discount	(853,389)	(682,653)	-	28,466	(654,187)	-	(654,187)
PPFA 2013 Series B Revenue Bonds	6,465,000	5,890,000	-	(150,000)	5,740,000	140,000	5,600,000
2018 Lease Revenue Bonds	2,429,000	2,303,118	-	(130,288)	2,172,830	134,848	2,037,982
Capital leases	161,990	66,170	-	(32,652)	33,518	33,518	-
Settlement payable	1,300,000	364,000	-	-	364,000	364,000	-
Total long-term debt	\$ 81,656,169	\$ 71,535,057	\$ -	\$ (2,447,920)	\$ 69,087,137	\$ 2,641,337	\$ 66,445,800

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Obligations (Continued)

A. Governmental Activities (Continued)

2013 Heartland Ranch Revenue Bonds

On July 30, 2013, the Patterson Public Financing Authority issued \$4,963,568 of revenue refunding bonds (Series 2013 Heartland Ranch Revenue Bonds) to repay, in part, the principal of the Authority's 2002 Heartland Ranch Revenue bond. Interest on the bonds is payable semi-annually on March 2 and September 2 of each year through September 2, 2027, beginning on March 2, 2014. The interest rate on the bonds is 3.73 percent. Principal payments are due annually beginning on September 2, 2014. At June 30, 2020, the outstanding balance of the 2013 Heartland Ranch Revenue bonds was \$2,725,976.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 433,971	\$ 93,585	\$ 527,556
2022	443,630	77,218	520,848
2023	462,628	60,316	522,944
2024	470,959	42,905	513,864
2025	273,775	29,016	302,791
2026-2027	641,013	32,028	673,041
Total	<u>\$ 2,725,976</u>	<u>\$ 335,068</u>	<u>\$ 3,061,044</u>

2013 PPFA Series A Bonds

On August 14, 2013, the Patterson Public Financing Authority issued \$67,190,000 of special tax refunding bonds (Senior Series 2013A) to purchase, in part, the 2013-A1, 2013-A2, and 2013-B special tax bonds issued by the West Patterson Financing Authority. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2039, beginning on March 1, 2014. The interest rate on the bond is 3.00 percent. Principal payments are due annually beginning on September 1, 2014. The bonds are secured by a first pledge of the investment revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. At June 30, 2020, the outstanding balance of the 2013 PPFA Series A bonds was \$58,705,000.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 1,535,000	\$ 3,179,550	\$ 4,714,550
2022	1,655,000	3,115,750	4,770,750
2023	1,775,000	3,038,275	4,813,275
2024	1,870,000	2,944,813	4,814,813
2025	2,035,000	2,842,306	4,877,306
2026-2030	12,425,000	12,383,744	24,808,744
2031-2035	15,700,000	8,534,950	24,234,950
2036-2040	21,710,000	3,316,025	25,026,025
Total	<u>\$ 58,705,000</u>	<u>\$ 39,355,413</u>	<u>\$ 98,060,413</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Obligations (Continued)

A. Governmental Activities (Continued)

2013 PPFA Series B Bonds

On August 14, 2013, the Patterson Public Financing Authority issued \$6,465,000 of special tax refunding bonds (Subordinate Series 2013B) to purchase, in part, the 2013-A1, 2013-A2, and 2013-B special tax bonds Issued by the West Patterson Financing Authority. Interest on the bonds is payable semi-annually on March 1 and September 1 of each year through September 1, 2039, beginning on March 1, 2014. The interest rate on the bonds is 5.875 percent. Principal payments are due annually beginning on September 1, 2014. The bonds are secured by a first pledge of the investment revenues and funds on deposit in the Bond Fund, Reserve Fund, and Special Tax Fund. At June 30, 2020, the outstanding balance of the 2013 PPFA Series B bonds was \$5,740,000.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 140,000	\$ 333,113	\$ 473,113
2022	150,000	324,594	474,594
2023	165,000	315,341	480,341
2024	175,000	305,353	480,353
2025	195,000	294,484	489,484
2026-2030	1,200,000	1,276,344	2,476,344
2031-2035	1,565,000	866,709	2,431,709
2036-2040	2,150,000	334,288	2,484,288
Total	<u>\$ 5,740,000</u>	<u>\$ 4,050,226</u>	<u>\$ 9,790,226</u>

2018 Lease Revenue Bonds

In June 2018, the Patterson Public Financing Authority issued \$2,429,000 of Lease Revenue Bonds, Series 2018 through ZMFU II, INC., a corporation organized under the laws of the State of Utah. The proceeds were utilized to provide funding for acquisition of land for a multipurpose center and adjacent park site. The bonds mature annually in amounts ranging from \$62,400 to \$102,760. Interest is due and payable semiannually at a rate of 3.47 percent. At June 30, 2020, the outstanding balance of the 2018 Lease Revenue Bonds was \$2,172,830.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 134,848	\$ 74,237	\$ 209,085
2022	139,568	69,518	209,086
2023	144,453	64,633	209,086
2024	149,510	59,577	209,087
2025	154,743	54,344	209,087
2026-2030	858,845	186,584	1,045,429
2031-2034	590,863	36,394	627,257
Total	<u>\$ 2,172,830</u>	<u>\$ 545,287</u>	<u>\$ 2,718,117</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – 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, 2020, the outstanding balance of the capital lease was \$33,518.

The annual debt service requirements for the capital leases payable outstanding at June 30, 2020 are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 33,518	\$ 888	\$ 34,406

The City entered into capital lease-purchase agreements whereby the lessor acquired certain capital assets and leased them to the City with the option to purchase. The leased assets are included in capital assets and are summarized by major asset class below:

Equipment	\$ 235,421
Less: accumulated depreciation	(70,626)
Total	\$ 164,795

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, 2020, the remaining balance of the settlement payable was \$364,000.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – 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, 2020 is as follows:

	Original Issuance	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due In More Than One Year
Water Fund:							
2011 Water Revenue Bonds	\$ 10,200,000	\$ 8,150,000	\$ -	(8,150,000)	\$ -	\$ -	\$ -
2019A Water Revenue Bonds	9,215,000	-	9,215,000	(50,000)	9,165,000	65,000	9,100,000
Add: Bond Premium	-	-	585,803	(9,763)	576,040	-	576,040
2019B Water Revenue Refunding Bonds	7,015,000	-	7,015,000	(335,000)	6,680,000	240,000	6,440,000
Add: Bond Premium	-	-	855,441	(7,129)	848,312	-	848,312
Total water fund	26,430,000	8,150,000	17,671,244	(8,551,892)	17,269,352	305,000	16,964,352
Sewer Fund:							
2009 Sewer Revenue Bonds	3,195,000	415,000	-	(75,000)	340,000	80,000	260,000
2017 Sewer Refunding Revenue Bonds	2,712,200	2,630,800	-	(28,500)	2,602,300	29,400	2,572,900
State Revolving Fund loan	774,790	536,209	-	(42,734)	493,475	43,845	449,630
Banc of America loan	951,540	1,412,601	-	(23,602)	1,388,999	38,946	1,350,053
CEC loan	2,876,172	1,940,415	-	(195,662)	1,744,753	197,674	1,547,079
Total sewer fund	10,509,702	6,935,025	-	(365,498)	6,569,527	389,865	6,179,662
Total business-type activities	\$ 36,939,702	\$ 15,085,025	\$ 17,671,244	\$ (8,917,390)	\$ 23,838,879	\$ 694,865	\$ 23,144,014

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 were 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, 2020, the 2011 Water Revenue Bonds were refunded with the issuance of the 2019B Water Revenue Refunding Bonds.

2019A Water Revenue Bonds

On December 24, 2019, the Patterson Public Financing Authority issued \$9,215,000 Water Revenue Bonds, Series 2019A ("Series 2019A"). The City entered into an Installment Sale Agreement dated December 1, 2019 with the Patterson Public Financing Authority to assist with the financing of certain water system improvements in the amount of \$9,591,000. The Series 2019A bonds are scheduled to mature on each June 1 from 2020 to 2049 with serial bonds from 2020 to 2039 and principal amounts ranging from \$50,000 to \$120,000 and term bonds maturing in 2044 in the amount of \$3,415,000 and 2049 in the amount of \$4,080,000. Interest rates range from 2.75% to 4.00%. The Series 2019A bonds are secured by a pledge of Net Revenues of the water System and are on parity with the Water Revenue Bonds, Series 2010. The Series 2019A bonds were sold with a net original issue premium of \$585,803 and costs of issuance of \$209,803 (including the underwriter's discount, the fee for bond insurance and a surety fee for the reserve fund). At June 30, 2020, the outstanding balance of the 2019A Water Revenue Bonds was \$9,165,000.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Obligations (Continued)

B. Business-Type Activities (Continued)

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 65,000	\$ 318,644	\$ 383,644
2022	65,000	316,694	381,694
2023	70,000	314,744	384,744
2024	70,000	312,644	382,644
2025	75,000	310,544	385,544
2026-2030	395,000	1,507,719	1,902,719
2031-2035	475,000	1,422,319	1,897,319
2036-2040	1,085,000	1,327,713	2,412,713
2041-2045	3,555,000	828,950	4,383,950
2046-2050	3,310,000	202,350	3,512,350
Total	<u>\$ 9,165,000</u>	<u>\$ 6,862,321</u>	<u>\$ 16,027,321</u>

2019B Water Revenue Refunding Bonds

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

The Series 2019B bonds are scheduled to mature as serial bonds on each June 1 from 2020 to 2039 with an interest rate of 4.00%. The bonds are secured by a pledge of net revenues of the water system and are on parity with the Series 2019A bonds. The bonds were sold with a net original issue premium of \$855,441 and costs of issuance of \$158,580 (including the underwriter’s discount, the fee for bond insurance and a surety fee for the reserve fund).

Interest on the refunding bonds is payable each December 1 and June 1 beginning on June 1, 2020. Principal is payable each June 1 beginning June 1, 2020 to June 1, 2039. At June 30, 2020, the outstanding balance of the 2019B Sewer Refunding Revenue Bonds was \$6,680,000.

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 240,000	\$ 267,200	\$ 507,200
2022	250,000	257,600	507,600
2023	260,000	247,600	507,600
2024	270,000	237,200	507,200
2025	280,000	226,400	506,400
2026-2030	1,590,000	953,800	2,543,800
2031-2035	1,940,000	569,800	2,509,800
2036-2040	1,850,000	151,800	2,001,800
Total	<u>\$ 6,680,000</u>	<u>\$ 2,911,400</u>	<u>\$ 9,591,400</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Obligations (Continued)

B. Business-Type Activities (Continued)

2009 Sewer Revenue Bonds

In May 2009, the Patterson Financing Authority authorized the issuance of \$3,195,000 of revenue bonds (Series 2009) to (i) finance, together with other available moneys, certain wastewater system improvements, (ii) fund a reserve for the bonds, and (iii) to pay the cost of issuance of the bonds. The bonds were issued at a discount of \$9,180 and issuance costs totaled \$219,345. Principal is payable on June 1 of each year through June 2039. Interest is payable semi-annually, on each June 1 and December 1. The bonds are secured by a pledge and lien on the net revenues of the City's municipal wastewater enterprise. During fiscal year 2017-18 the bonds were partially refunded by the issuance of the 2017 Sewer Revenue Bonds. At June 30, 2020, the outstanding balance of the 2009 Sewer Revenue Bonds was \$340,000.

The annual debt service requirements are as follows:

Year Ending				
June 30	Principal	Interest	Total	
2021	\$ 80,000	\$ 16,150	\$	96,150
2022	85,000	12,350		97,350
2023	85,000	8,313		93,313
2024	90,000	4,275		94,275
Total	<u>\$ 340,000</u>	<u>\$ 41,088</u>	<u>\$</u>	<u>381,088</u>

2017 Sewer Refunding Revenue Bonds

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

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

Interest on the refinancing is payable each December 1 and June 1 beginning December 1, 2017. Principal is payable each June 1 beginning June 1, 2018 to June 1, 2039. The 2009 Bond that were not part of the refinancing continue to be paid as regularly scheduled until they are paid off on June 1, 2024. At June 30, 2020, the outstanding balance of the 2017 Sewer Refunding Revenue Bonds was \$2,602,300.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – Long-Term Obligations (Continued)

B. Business-Type Activities (Continued)

2017 Sewer Refunding Revenue Bonds (Continued)

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 29,400	\$ 88,478	\$ 117,878
2022	30,400	87,479	117,879
2023	31,500	86,445	117,945
2024	32,600	85,374	117,974
2025	128,700	84,266	212,966
2026-2030	717,400	352,451	1,069,851
2031-2035	844,800	222,187	1,066,987
2036-2039	787,500	68,054	855,554
Total	<u>\$ 2,602,300</u>	<u>\$ 1,074,734</u>	<u>\$ 3,677,034</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 the City bears a grant charge of 2.6%. The loan matures in October 2029. At June 30, 2020, the outstanding balance of the State Revolving Fund Loan was \$493,475.

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 43,845	\$ 12,830	\$ 56,675
2022	44,985	11,690	56,675
2023	46,155	10,521	56,676
2024	47,355	9,321	56,676
2025	48,586	8,089	56,675
2026-2030	262,549	20,829	283,378
Total	<u>\$ 493,475</u>	<u>\$ 73,280</u>	<u>\$ 566,755</u>

Banc of America Public Capital Loan

In 2014, the City entered into an agreement with Banc of America Public Capital for a loan in the amount of \$1,668,961 which was allocated between the General and Sewer Funds. Interest is calculated at 3.46% 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 from different funds that benefitted from solar panels, streetlights, and energy efficient fixtures. In 2015, the remaining General Fund balance of \$686,473 was transferred to the Sewer fund. At June 30, 2020, the outstanding balance of the Banc of America Public Capital Loan was \$1,388,999.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 7 – 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
2021	\$ 38,946	\$ 47,725	\$ 86,671
2022	55,538	46,235	101,773
2023	73,458	44,160	117,618
2024	92,790	41,452	134,242
2025	113,620	38,063	151,683
2026-2030	1,014,647	92,317	1,106,964
Total	<u>\$ 1,388,999</u>	<u>\$ 309,952</u>	<u>\$ 1,698,951</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 from the different funds that benefit from the solar panels, streetlights, and energy efficient fixtures. At June 30, 2020, the outstanding balance of the CEC loan was \$1,744,753.

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2021	\$ 197,674	\$ 16,956	\$ 214,630
2022	199,656	14,974	214,630
2023	201,658	12,973	214,631
2024	203,651	10,980	214,631
2025	205,721	8,910	214,631
2026-2029	736,393	14,813	751,206
Total	<u>\$ 1,744,753</u>	<u>\$ 79,606</u>	<u>\$ 1,824,359</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 8 – Compensated Absences

The City’s liability for vested and unpaid compensated absences (vacation and vested sick leave) was \$698,249 at June 30, 2020.

A. Governmental Activities

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

Summary of changes in compensated absences for the year ended June 30, 2020 is as follows:

				Balance June 30, 2020	Classification	
	Balance July 1, 2019	Additions	Deletions		Due Within One Year	Due In More Than One Year
Governmental Activities	\$ 355,174	\$ 441,454	\$ (328,139)	\$ 468,489	\$ 468,489	\$ -

B. Business-Type Activities

Summary of changes in compensated absences for the year ended June 30, 2020 is as follows:

				Balance June 30, 2020	Classification	
	Balance July 1, 2019	Additions	Deletions		Due Within One Year	Due In More Than One Year
Business-Type Activities:						
Water Fund	\$ 50,299	\$ 95,961	\$ (37,857)	\$ 108,403	\$ 108,403	\$ -
Sewer Fund	59,072	94,617	(58,720)	94,969	94,969	-
Garbage Fund	11,040	23,905	(8,557)	26,388	26,388	-
Total business-type activities	\$ 120,411	\$ 214,483	\$ (105,134)	\$ 229,760	\$ 229,760	\$ -

Note 9 – Conduit Debt

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

The outstanding balance of each of these issues as of June 30, 2020 was as follows:

Heartland Ranch Authority Bonds	\$ 2,522,607
Community Facilities District No. 2013-A1 Special Tax Bonds	32,012,608
Community Facilities District No. 2013-A2 Special Tax Bonds	26,332,775
Community Facilities District No. 2013-B Special Tax Bonds	3,818,720
Community Facilities District No. 2005-1 Business Park Special Tax Bonds	9,355,000
Community Facilities District No. 2015-1 Special Tax Bonds	4,710,000
Total	\$ 78,751,710

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 10 – Fund Balances

At June 30, 2020, fund balances classification is as follows:

	General Fund	Patterson Public Financing Authority	Other Governmental Funds	Total
Nonspendable:				
Prepaid items	\$ 104,997	\$ -	\$ -	\$ 104,997
Total nonspendable	<u>104,997</u>	<u>-</u>	<u>-</u>	<u>104,997</u>
Restricted:				
Debt services	344,809	65,107,358	-	65,452,167
Assessment Districts	-	-	3,249,468	3,249,468
Grants	-	-	433,241	433,241
Streets and Roads	-	-	1,718,200	1,718,200
Developer Housing In-Lieu	-	-	3,577,688	3,577,688
Police	-	-	1,045,262	1,045,262
Community Facilities Districts	-	-	349,076	349,076
Impact Fee	-	-	35,005	35,005
Total restricted	<u>344,809</u>	<u>65,107,358</u>	<u>10,407,940</u>	<u>75,860,107</u>
Committed:				
Contingencies	3,751,813	-	-	3,751,813
Capital projects	-	-	4,986,655	4,986,655
Total committed	<u>3,751,813</u>	<u>-</u>	<u>4,986,655</u>	<u>8,738,468</u>
Assigned:				
General government operations	969,526	-	-	969,526
Pension and OPEB	1,571,713	-	-	1,571,713
Capital projects	348,561	-	-	348,561
Total assigned	<u>2,889,800</u>	<u>-</u>	<u>-</u>	<u>2,889,800</u>
Unassigned (deficit)	<u>1,984,909</u>	<u>-</u>	<u>(2,935,948)</u>	<u>(951,039)</u>
Total	<u>\$ 9,076,328</u>	<u>\$ 65,107,358</u>	<u>\$ 12,458,647</u>	<u>\$ 86,642,333</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 11 – Risk Management

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

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

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, 2020, is as follows:

Total Assets	<u>\$ 140,373,479</u>
Total Liabilities	<u>\$ 120,609,137</u>
Net Position	<u>\$ 19,764,342</u>
Operating Revenues	<u>\$ 50,844,894</u>
Operating Expenses	<u>\$ 57,261,330</u>
Nonoperating Revenues (Expenses)	<u>\$ 7,399,962</u>
Change in Net Position	<u>\$ 983,526</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Pension Plans

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution after measurement date:			
Miscellaneous	\$ 421,168	\$ 682,144	\$ 1,103,312
Safety	494,902	-	494,902
Change in assumptions:			
Miscellaneous	71,996	116,609	188,605
Safety	98,547	-	98,547
Difference between expected and actual experience:			
Miscellaneous	149,866	242,731	392,597
Safety	195,039	-	195,039
Adjustments due to differences in proportions			
Miscellaneous	64,854	105,042	169,896
Safety	100,152	-	100,152
Differences between City's contributions and proportionate share of contributions			
Miscellaneous	73,532	119,096	192,628
Safety	77,123	-	77,123
Total deferred outflows of resources	\$ 1,747,179	\$ 1,265,622	\$ 3,012,801
Net pension liabilities:			
Miscellaneous	\$ 2,338,987	\$ 3,788,352	\$ 6,127,339
Safety	2,987,220	-	2,987,220
Total net pension liabilities	\$ 5,326,207	\$ 3,788,352	\$ 9,114,559
Deferred inflows of Resources:			
Miscellaneous	\$ 40,893	\$ 66,232	\$ 107,125
Safety	41,094	-	41,094
Adjustments due to differences in proportions			
Miscellaneous	16,258	26,332	42,590
Total deferred inflows of resources	\$ 98,245	\$ 92,564	\$ 190,809
Pension expenses:			
Miscellaneous	\$ 510,761	\$ 827,257	\$ 1,338,018
Safety	666,652	-	666,652
Total pension expenses	\$ 1,177,413	\$ 827,257	\$ 2,004,670

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Pension Plans (Continued)

B. General Information about Pension Plans

Plan Description

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

Employees Covered by Benefit Terms

At June 30, 2019, 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	51	51	14	6
Transferred and terminated employees	56	19	10	2
Retired employees and beneficiaries	33	-	33	-
Total	<u>140</u>	<u>70</u>	<u>57</u>	<u>8</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%	6.750%	9.000%	12.000%
Required employer contribution rate	12.514%	6.985%	20.707%	13.034%

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Pension Plans (Continued)

B. General Information about Pension Plans (Continued)

Contributions

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan are as follows:

	Miscellaneous	Safety	Total
Contributions - employer	\$ 1,103,312	\$ 494,902	\$ 1,598,214

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

Proportionate Share of Net Pension Liability and Pension Expense

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

	Plan Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Miscellaneous			
Balance at: 6/30/18 (Valuation date)	\$ 25,564,760	\$ 19,926,425	\$ 5,638,335
Balance at: 6/30/19 (Measurement date)	28,654,207	22,526,868	6,127,339
Net changes during 2018-2019	3,089,447	2,600,443	489,004
Safety			
Balance at: 6/30/18 (Valuation date)	\$ 11,150,352	\$ 8,394,137	\$ 2,756,215
Balance at: 6/30/19 (Measurement date)	12,121,995	9,134,775	2,987,220
Net changes during 2018-2019	971,643	740,638	231,005

The City’s net pension liability/(asset) for each Plan is measured as the proportionate share of the net pension liability/(asset). The net pension liability/(asset) of each of the Plans is measured as of June 30, 2019, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City’s proportion of the net pension liability/(asset) was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The City’s proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2018 and 2019 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2018	0.14961%	0.04697%	0.19658%
Proportion - June 30, 2019	0.15301%	0.04785%	0.20086%
Change - Increase/(Decrease)	0.00340%	0.00088%	0.00428%

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Pension Plans (Continued)

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

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

For the year ended June 30, 2020, the City recognized pension expense of \$1,338,018 and \$666,652, for the Miscellaneous and Safety plans, respectively. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 1,103,312	\$ -
Difference between expected and actual experience	392,597	-
Changes of assumptions	188,605	-
Net difference between projected and actual earnings on pension plan investments	-	107,125
Employer contributions in excess/(under) proportionate share of contributions	192,628	-
Adjustments due to difference in proportions	169,896	42,590
Total	<u>\$ 2,047,038</u>	<u>\$ 149,715</u>
Safety Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 494,902	\$ -
Difference between expected and actual experience	195,039	-
Changes of assumptions	98,547	-
Net difference between projected and actual earnings on pension plan investments	-	41,094
Employer contributions in excess/(under) proportionate share of contributions	77,123	-
Adjustments due to difference in proportions	100,152	-
Total	<u>\$ 965,763</u>	<u>\$ 41,094</u>
Aggregate Total		
	Deferred outflows of Resources	Deferred inflows of Resources
Contribution made after the measurement date	\$ 1,598,214	\$ -
Difference between expected and actual experience	587,636	-
Changes of assumptions	287,152	-
Net difference between projected and actual earnings on pension plan investments	-	148,219
Employer contributions in excess/(under) proportionate share of contributions	269,751	-
Adjustments due to difference in proportions	270,048	42,590
Total	<u>\$ 3,012,801</u>	<u>\$ 190,809</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Pension Plans (Continued)

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

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

For the Miscellaneous Plan and Safety Plan, \$1,103,312 and \$494,902, respectively, was reported as deferred outflows of resources related to pensions resulting from City’s contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous Plan	Safety Plan	Total
2020	\$ 653,763	\$ 318,576	\$ 972,339
2020	20,662	47,343	68,005
2021	97,937	55,852	153,789
2022	21,649	7,996	29,645
2023	-	-	-
Thereafter	-	-	-
Total	\$ 794,011	\$ 429,767	\$ 1,223,778

Actuarial Assumptions

The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65%
Mortality Rate Table	Derived using CalPERS’ Membership Data for all Funds. The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Pension Plans (Continued)

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

Discount Rate

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 pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11 +²</u>
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	7.00%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

¹ An expected inflation of 2.00% was used for this period.

² An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 7.15% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.00% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.15%. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. The difference was deemed immaterial to the Public Agency Cost Sharing Multiple-Employer Defined Benefit Pension Plan.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 12 – Pension Plans (Continued)

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

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

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

	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount	Discount Rate + 1%
	(6.15%)	Rate (7.15%)	(8.15%)
Miscellaneous	\$ 9,981,417	\$ 6,127,339	\$ 2,946,070
Safety	4,648,460	2,987,220	1,625,264
Total	\$ 14,629,877	\$ 9,114,559	\$ 4,571,334

Pension Plan Fiduciary Net Position

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

D. Payable to the Pension Plan

At June 30, 2020, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2020.

Note 13 – Other Postemployment Benefits

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made			
subsequent to the measurement date	\$ 119,731	\$ 58,896	\$ 178,627
Changes in assumptions	353,528	173,901	527,429
Total deferred outflows of resources	\$ 473,259	\$ 232,797	\$ 706,056
Net OPEB liability:			
Net OPEB liability	\$ 8,507,556	\$ 3,780,109	\$ 12,287,665
Total OPEB liability	\$ 8,507,556	\$ 3,780,109	\$ 12,287,665
Deferred inflows of Resources:			
Difference between expected and actual experience	\$ 290,835	\$ 150,928	\$ 441,763
Change in assumption	520,096	269,904	790,000
Total deferred inflows of resources	\$ 810,931	\$ 420,832	\$ 1,231,763
Net OPEB Expense	\$ 802,264	\$ 348,939	\$ 1,151,203

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 13 – Other Postemployment Benefits (Continued)

B. General Information about OPEB

Plan Description

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

Eligibility

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

Membership in the plan consisted of the following at June 30, 2019, the measurement date:

Active employees	123
Transferred and terminated employees	10
Retired employees and beneficiaries	12
Total	145

Contributions

The obligation of the City to contribute to the plan is established and may be amended by the City Council. The City Council has established a policy of funding the actuarially determined contribution (ADC) on a pay as you go basis. For the fiscal year ended June 30, 2019, the City's average contribution rate was 2.41 % of covered-employee payroll. Employees are not required to contribute to the plan.

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

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2019. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The net OPEB liability at June 30, 2020 was \$12,287,665.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 13 – Other Postemployment Benefits (Continued)

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

Actuarial Assumptions

The net OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	3.15%
Inflation	2.75%
Aggregate payroll increases	3.00%
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 1997-2015 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2017
Healthcare Trend Rate - Non-Medicare	An annual healthcare cost trend rate of 7.5% initially reduced by decrements to an ultimate of 4.0% in 2076.
Healthcare Trend Rate - Medicare	An annual healthcare cost trend rate of 6.5% initially reduced by decrements to an ultimate of 4.0% in 2076.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2018.

Discount Rate

The discount rate used to measure the net OPEB liability was 3.15% percent. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

Change in the Net OPEB Liability

	Net OPEB Liability
Balance at June 30, 2018	\$ 10,697,510
Changes Recognized for the Measurement Period:	
Service Cost	868,965
Interest on the total OPEB liability	393,931
Changes of benefit terms	-
Difference between expected and actual experience	-
Changes of assumptions	490,438
Benefit payments	(163,179)
Net Changes during July 1, 2018 to June 30, 2019	1,590,155
Balance at June 30, 2019 (Measurement Date)	<u>\$ 12,287,665</u>

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 13 – Other Postemployment Benefits (Continued)

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

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

The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.15 percent) or 1-percentage- point higher (4.15 percent) than the current discount rate:

Plan's Net OPEB Liability		
Discount Rate - 1% (2.15%)	Current Discount Rate (3.15%)	Discount Rate + 1% (4.15%)
\$ 14,299,390	\$ 12,287,665	\$ 10,658,147

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

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

Plan's Net OPEB Liability		
-1%	Healthcare Cost Trend Rates	1%
\$ 10,617,452	\$ 12,287,665	\$ 14,598,673

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

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$1,151,203. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	\$ -	\$ 441,763
Changes of assumptions	527,429	790,000
Employer contributions made subsequent to the measurement date	178,627	-
Total	\$ 706,056	\$ 1,231,763

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 10.9 years, which was determined as of June 30, 2019, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 13 – Other Postemployment Benefits (Continued)

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

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

Amount reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2021	\$ (112,978)
2022	(112,978)
2023	(112,978)
2024	(112,978)
2025	(112,978)
Thereafter	(139,444)
	<u>\$ (704,334)</u>

Note 14 – Deferred Compensation Plan

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

Note 15 – Other Required Disclosures

A. (Deficit) Net Position/Fund Balances

At June 30, 2020, the Governmental Activities in the Statement of Net Position had unrestricted deficit of \$(5,182,490) respectively.

At June 30, 2020, the following funds had a fund balances (deficit) or unrestricted net position (deficit):

Fund	Fund Type	Deficit
Public Safety	Special Revenue	\$ (2,631,617)
Federal CDBG Grant 2003	Special Revenue	(267,788)
CFD 2019-2 VOP Maintenance	Special Revenue	(3,156)
Community Facility Impact Fee	Capital Projects	(33,911)
Heartland Ranch Infrastructure	Capital Projects	(1,382)

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

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 15 – Other Required Disclosures (Continued)

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2020, expenditures exceeded appropriations in the following funds/functions:

Fund	Function	Excess Expenditures
General Fund	General government	\$ 579,240
Patterson Public Financing Authority Debt Service Fund	Debt service: Principal	75,000
Patterson Public Financing Authority Debt Service Fund	Debt service: Interest and fiscal charges	70,495
Patterson Gardens Fire Suppression Assessment Special Revenue Fund	Fire	717
Public Safety Special Revenue Fund	Fire	99,079
CFD 2013-1 Special Revenue Fund	General government	108,336
CFD 2013-1 Special Revenue Fund	Public works	10,305

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 – 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.

City of Patterson
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2020

Note 17 – Commitments and Contingencies (Continued)

C. COVID-19 Pandemic

In December 2019, a novel strain of coronavirus has spread around the world resulting in business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be estimated at this time.

D. Other Matters

As of January 30, 2020, in the opinion of City Management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

Note 18 - Subsequent Events

A. Coronavirus Relief Funds Allocation

On June 29, 2020, the State approved the budget and authorized the Department of Finance to allocate \$1,289,065,000 to address the public health and public safety impacts of COVID-19 including homelessness. Pursuant to the provisions of Control Section 11.90, cities with populations between 300,000 and 500,000 were allocated \$225 million and cities with populations of less than 300,000 were allocated \$275 million. Based on the City's population, the City is allocated \$284,898 and will be received in six installments starting July 2020.

REQUIRED SUPPLEMENTARY INFORMATION

This page intentionally left blank.

City of Patterson
Notes to the Budgetary Comparison Schedule
Budgetary Information
For the Year Ended June 30, 2020

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, 2020 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2020 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 appropriating unused appropriations from year to year until project completion.
6. A budget review is presented to the City Council by the City Manager mid-year and approved additions or changes are legally adopted through Council resolution.
7. Formal budgetary integration is employed as a management control device during the year for the General Fund, Special Revenue Funds, and the Capital Project Funds.
8. Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with United States generally accepted accounting principles.
9. The City did not adopt a budget for the following fund: Police Asset Forfeiture Special Revenue Fund.

This page intentionally left blank

City of Patterson
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Property	\$ 3,258,723	\$ 3,277,723	\$ 3,621,765	\$ 344,042
Sales	5,538,908	6,180,790	6,840,520	659,730
Franchise	200,000	200,000	211,963	11,963
Motor vehicle in lieu	2,000,000	2,000,000	2,267,086	267,086
Other	212,755	132,755	162,436	29,681
Licenses, permits, and fees	2,418,450	1,599,250	1,360,206	(239,044)
Charges for services	476,394	431,635	421,175	(10,460)
Intergovernmental:				
Federal grant and subsidies	304,900	304,900	319,619	14,719
Other governmental	945,534	926,982	625,154	(301,828)
Fines, forfeitures and penalties	95,000	102,126	66,683	(35,443)
Interest	36,700	36,700	190,662	153,962
Revenue from Fiduciary Fund	1,349,050	1,349,050	1,208,542	(140,508)
Miscellaneous	271,286	676,805	916,055	239,250
Total revenues	<u>17,107,700</u>	<u>17,218,716</u>	<u>18,211,866</u>	<u>993,150</u>
EXPENDITURES:				
Current:				
General government	2,847,431	3,040,294	3,619,534	(579,240)
Police	5,701,707	5,525,346	5,373,752	151,594
Fire	2,782,155	2,903,430	2,762,055	141,375
Community development and planning	2,024,326	2,056,256	2,009,628	46,628
Public works	1,449,528	1,454,524	1,315,236	139,288
Park and recreation	4,128,233	3,804,906	3,713,674	91,232
Capital outlay	194,180	547,147	401,415	145,732
Debt service:				
Principal	130,288	130,288	130,288	-
Interest and fiscal charges	78,798	78,798	78,798	-
Total expenditures	<u>19,336,646</u>	<u>19,540,989</u>	<u>19,404,380</u>	<u>136,609</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(2,228,946)</u>	<u>(2,322,273)</u>	<u>(1,192,514)</u>	<u>1,129,759</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,544,047	2,544,047	2,169,765	(374,282)
Transfers out	(205,141)	(74,062)	(74,062)	-
Total other financing sources (uses)	<u>2,338,906</u>	<u>2,469,985</u>	<u>2,095,703</u>	<u>(171,047)</u>
Net change in fund balances	<u>\$ 109,960</u>	<u>\$ 147,712</u>	<u>903,189</u>	<u>\$ 653,343</u>
FUND BALANCE:				
Beginning of year			<u>8,173,139</u>	
End of year			<u>\$ 9,076,328</u>	

City of Patterson
Schedule of Proportionate Share of the Net Pension Liability
Last Ten Years
For the Year Ended June 30, 2020

Miscellaneous Plan						
Measurement period, year ended	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹
Plan's proportion of the net pension liability	0.1530113%	0.1496090%	0.1499839%	0.1499839%	0.1557567%	0.1455000%
Plan's proportionate share of the net pension liability	\$ 6,127,339	\$ 5,638,335	\$ 5,912,437	\$ 5,141,345	\$ 4,273,133	\$ 3,638,246
Plan's covered-employee payroll	\$ 4,471,812	\$ 4,341,565	\$ 4,215,111	\$ 4,092,341	\$ 3,973,147	\$ 3,857,424
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	137.02%	129.87%	140.27%	125.63%	107.55%	94.32%
Plan's fiduciary net position	\$ 22,526,868	\$ 19,926,425	\$ 16,132,739	\$ 13,690,393	\$ 12,687,998	\$ 12,287,961
Plan's fiduciary net position as a percentage of the total pension liability	78.62%	77.94%	73.18%	72.70%	74.81%	77.16%
Plan's proportionate share of aggregate employer contributions	\$ 1,043,720	\$ 900,310	\$ 821,442	\$ 693,115	\$ 748,691	\$ 691,154

¹ Information only presented from the implementation year

City of Patterson
Schedule of Proportionate Share of the Net Pension Liability (Continued)
Last Ten Years
For the Year Ended June 30, 2020

Safety Plan						
Measurement period, year ended	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹
Plan's proportion of the net pension liability	0.047853%	0.046974%	0.045984%	0.046120%	0.046242%	0.026700%
Plan's proportionate share of the net pension liability	\$ 2,987,220	\$ 2,756,215	\$ 2,747,657	\$ 2,388,655	\$ 1,905,383	\$ 1,661,368
Plan's covered-employee payroll	\$ 1,329,174	\$ 1,290,460	\$ 1,252,874	\$ 1,216,383	\$ 1,177,974	\$ 1,094,057
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	224.74%	213.58%	219.99%	196.37%	161.75%	151.85%
Plan's fiduciary net position	\$ 9,134,775	\$ 8,394,137	\$ 7,539,289	\$ 6,653,977	\$ 6,545,084	\$ 6,325,433
Plan's fiduciary net position as a percentage of the total pension liability	75.36%	75.28%	73.23%	73.58%	77.45%	79.20%
Plan's proportionate share of aggregate employer contributions	\$ 457,665	\$ 393,732	\$ 337,685	\$ 312,567	\$ 364,763	\$ 312,579

¹ Information only presented from the implementation year

**City of Patterson
Schedule of Plan Contributions
Last Ten Years
For the Year Ended June 30, 2020**

Miscellaneous Plan

Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 ¹
Contractually determined contribution (actuarially determined)	\$ 1,103,312	\$ 1,043,720	\$ 900,310	\$ 821,442	\$ 693,115	\$ 748,691	\$ 691,154
Contributions in relation to the actuarially determined contributions	(1,103,312)	(1,043,720)	(900,310)	(821,442)	(693,115)	(748,691)	(691,154)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,605,966	\$ 4,471,812	\$ 4,341,565	\$ 4,215,111	\$ 4,092,341	\$ 3,973,147	\$ 3,857,424
Contributions as a percentage of covered payroll	23.95%	23.34%	20.74%	19.49%	7.53%	7.46%	32.34%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2020 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Patterson
Schedule of Plan Contributions (Continued)
Last Ten Years
For the Year Ended June 30, 2020

Safety Plan

Fiscal Year:	<u>2019-20</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2013-14¹</u>
Contractually determined contribution (actuarially determined)	\$ 494,902	\$ 457,665	\$ 393,732	\$ 337,685	\$ 312,567	\$ 364,763	\$ 312,579
Contributions in relation to the actuarially determined contributions	(494,902)	(457,665)	(393,732)	(337,685)	(312,567)	(364,763)	(312,579)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,369,049	\$ 1,329,174	\$ 1,290,460	\$ 1,252,874	\$ 1,216,383	\$ 1,177,974	\$ 1,094,057
Contributions as a percentage of covered payroll	36.15%	34.43%	30.51%	26.95%	7.53%	7.46%	32.34%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2020 were derived from the June 30, 2018 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2018 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2016 Funding Valuation Report.
Inflation	2.63%
Salary increases	Varies by entry age and service
Payroll growth	2.875%
Investment rate of return	7.00% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2014 CalPERS Experience Study for the period from 1997 and 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

¹ Information only presented from the implementation year

City of Patterson
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Years
For the Year Ended June 30, 2020

Other Postemployment Benefits			
Measurement period, year ending:	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017¹</u>
Total OPEB liability			
Service cost	\$ 868,965	\$ 951,252	\$ 1,055,000
Interest	393,931	394,277	327,000
Changes of benefit terms	-	(891,666)	-
Differences between expected and actual experience	-	(552,203)	-
Changes of assumptions	490,438	102,481	(1,129,000)
Benefit payments, including refunds of member contributions	(163,179)	(179,631)	(175,000)
Change in total OPEB liability	<u>1,590,155</u>	<u>(175,490)</u>	<u>78,000</u>
Total OPEB liability - beginning	<u>10,697,510</u>	<u>10,873,000</u>	<u>10,795,000</u>
Total OPEB liability - ending (a)	<u>\$ 12,287,665</u>	<u>\$ 10,697,510</u>	<u>\$ 10,873,000</u>
OPEB fiduciary net position			
Contributions - employer	\$ 163,179	\$ 179,631	\$ 175,000
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(163,179)	(179,631)	(175,000)
Administrative expense	-	-	-
Change in plan fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>-</u>	<u>-</u>	<u>-</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 12,287,665</u>	<u>\$ 10,697,510</u>	<u>\$ 10,873,000</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 8,196,189	\$ 7,352,843	\$ 6,620,000
Plan net OPEB liability as a percentage of covered-employee payroll	149.92%	145.49%	164.24%

¹ Information only presented from the implementation year

SUPPLEMENTARY INFORMATION

City of Patterson
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2020

Special Revenue Funds

	Landscape Maintenance District	Benefit Assessment Districts	CSA #15 Assessment District	Patterson Gardens Fire Suppression Assessment	Public Safety
ASSETS					
Cash and investments	\$ 712,575	\$ 2,362,975	\$ 11,945	\$ 201,625	\$ -
Receivables:					
Accounts	14,947	4,097	239	4,475	9,517
Interest	2,295	3,161	21	257	-
Notes and loans	-	-	-	-	-
Total assets	\$ 729,817	\$ 2,370,233	\$ 12,205	\$ 206,357	\$ 9,517
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 56,919	\$ 11,542	\$ 683	\$ -	\$ 16,266
Due to other funds	-	-	-	-	2,624,868
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	56,919	11,542	683	-	2,641,134
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES:					
Restricted	672,898	2,358,691	11,522	206,357	-
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	(2,631,617)
Total fund balances	672,898	2,358,691	11,522	206,357	(2,631,617)
Total liabilities, deferred inflows of resources and fund balances	\$ 729,817	\$ 2,370,233	\$ 12,205	\$ 206,357	\$ 9,517

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

Special Revenue Funds

	Beautification Committee	CDBG HA Loan Fund	State HCD Rehab Program	Federal CDBG Grant	First Time Home Buyers
ASSETS					
Cash and investments	\$ 40,528	\$ -	\$ 154,991	\$ -	\$ 51,996
Receivables:					
Accounts	-	-	-	11,959	-
Interest	52	-	197	-	66
Notes and loans	-	293,489	54,877	-	168,776
Total assets	\$ 40,580	\$ 293,489	\$ 210,065	\$ 11,959	\$ 220,838
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 1,591	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	222,021	-
Unearned revenue	-	-	-	57,726	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	1,591	-	-	279,747	-
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	293,489	54,877	-	168,776
Total deferred inflows of resources	-	293,489	54,877	-	168,776
FUND BALANCES:					
Restricted	38,989	-	155,188	-	52,062
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	(267,788)	-
Total fund balances	38,989	-	155,188	(267,788)	52,062
Total liabilities, deferred inflows of resources and fund balances	\$ 40,580	\$ 293,489	\$ 210,065	\$ 11,959	\$ 220,838

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

Special Revenue Funds

	Federal HOME Funds	Neighborhood Stabilization Program	Gas Tax	Local Transportation Fund	Local Transportation Fund Non Motorized
ASSETS					
Cash and investments	\$ 188,847	\$ 5,318	\$ 278,627	\$ 298,074	\$ 81,389
Receivables:					
Accounts	2,000	-	110,954	-	-
Interest	240	7	-	379	93
Notes and loans	225,750	28,560	-	-	-
Total assets	\$ 416,837	\$ 33,885	\$ 389,581	\$ 298,453	\$ 81,482
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,982
Due to other funds	-	-	-	-	-
Unearned revenue	9,410	-	-	297,142	12,328
Deposits and other liabilities	-	-	-	-	-
Total liabilities	9,410	-	-	297,142	20,310
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	225,750	28,560	-	-	-
Total deferred inflows of resources	225,750	28,560	-	-	-
FUND BALANCES:					
Restricted	181,677	5,325	389,581	1,311	61,172
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	181,677	5,325	389,581	1,311	61,172
Total liabilities, deferred inflows of resources and fund balances	\$ 416,837	\$ 33,885	\$ 389,581	\$ 298,453	\$ 81,482

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds				
	Street Project Fund	Measure L Fund	Developer Housing In-Lieu Fee	Police Asset Forfeiture	Westside Drainage Study
ASSETS					
Cash and investments	\$ 123,757	\$ 3,513,447	\$ 1,043,934	\$ 146,389	\$ 65,271
Receivables:					
Accounts	1,523,139	93,329	-	-	-
Interest	1,012	5,796	1,328	186	83
Notes and loans	-	-	1,074,750	-	-
Total assets	<u>\$ 1,647,908</u>	<u>\$ 3,612,572</u>	<u>\$ 2,120,012</u>	<u>\$ 146,575</u>	<u>\$ 65,354</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 153,723	\$ 34,884	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	142,748	-
Total liabilities	<u>153,723</u>	<u>34,884</u>	<u>-</u>	<u>142,748</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	293,403	-	1,074,750	-	-
Total deferred inflows of resources	<u>293,403</u>	<u>-</u>	<u>1,074,750</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Restricted	1,200,782	3,577,688	1,045,262	3,827	65,354
Committed	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>1,200,782</u>	<u>3,577,688</u>	<u>1,045,262</u>	<u>3,827</u>	<u>65,354</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,647,908</u>	<u>\$ 3,612,572</u>	<u>\$ 2,120,012</u>	<u>\$ 146,575</u>	<u>\$ 65,354</u>

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds			Capital Projects Funds	
	CFD 2013-1	CFD 2015-2	CFD 2018-2 VOP Maintenance	Community Facility Impact Fee	General Government Impact Fee
ASSETS					
Cash and investments	\$ 345,255	\$ 34,960	\$ 24,263	\$ -	\$ 375,251
Receivables:					
Accounts	1,305	-	-	-	-
Interest	439	45	31	-	477
Notes and loans	-	-	-	-	-
Total assets	<u>\$ 346,999</u>	<u>\$ 35,005</u>	<u>\$ 24,294</u>	<u>\$ -</u>	<u>\$ 375,728</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 1,750	\$ -	\$ -	\$ -	\$ 10,882
Due to other funds	-	-	-	33,911	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	27,450	-	-
Total liabilities	<u>1,750</u>	<u>-</u>	<u>27,450</u>	<u>33,911</u>	<u>10,882</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Restricted	345,249	35,005	-	-	-
Committed	-	-	-	-	364,846
Unassigned (deficit)	-	-	(3,156)	(33,911)	-
Total fund balances	<u>345,249</u>	<u>35,005</u>	<u>(3,156)</u>	<u>(33,911)</u>	<u>364,846</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 346,999</u>	<u>\$ 35,005</u>	<u>\$ 24,294</u>	<u>\$ -</u>	<u>\$ 375,728</u>

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

Capital Projects Funds

	<u>Public Safety Impact Fee</u>	<u>Parkland In-Lieu Fee</u>	<u>Street Improvement Impact Fee</u>	<u>Water Impact Fee</u>	<u>Storm Drain Impact Fee</u>
ASSETS					
Cash and investments	\$ 554,270	\$ 60,889	\$ 1,163,960	\$ 1,079,527	\$ 1,266,585
Receivables:					
Accounts	-	-	-	-	-
Interest	705	77	-	1,375	1,612
Notes and loans	-	-	-	-	-
Total assets	<u>\$ 554,975</u>	<u>\$ 60,966</u>	<u>\$ 1,163,960</u>	<u>\$ 1,080,902</u>	<u>\$ 1,268,197</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,797
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,797</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Restricted	-	-	-	-	-
Committed	554,975	60,966	1,163,960	1,080,902	1,260,400
Unassigned (deficit)	-	-	-	-	-
Total fund balances	<u>554,975</u>	<u>60,966</u>	<u>1,163,960</u>	<u>1,080,902</u>	<u>1,260,400</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 554,975</u>	<u>\$ 60,966</u>	<u>\$ 1,163,960</u>	<u>\$ 1,080,902</u>	<u>\$ 1,268,197</u>

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

Capital Projects Funds

	<u>Sewer Impact Fee</u>	<u>Delta Mendota Storm Gate</u>	<u>Aquatic Center Construction</u>	<u>Future Water Acquisition</u>	<u>Heartland Ranch Infrastructure</u>
ASSETS					
Cash and investments	\$ 69,268	\$ 173,158	\$ 102,334	\$ 132,988	\$ 45,736
Receivables:					
Accounts	-	-	-	1,906	-
Interest	88	220	130	169	58
Notes and loans	-	-	-	-	-
Total assets	<u>\$ 69,356</u>	<u>\$ 173,378</u>	<u>\$ 102,464</u>	<u>\$ 135,063</u>	<u>\$ 45,794</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,176</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Restricted	-	-	-	-	-
Committed	69,356	173,378	102,464	133,157	-
Unassigned (deficit)	-	-	-	1,906	(1,382)
Total fund balances	<u>69,356</u>	<u>173,378</u>	<u>102,464</u>	<u>135,063</u>	<u>(1,382)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 69,356</u>	<u>\$ 173,378</u>	<u>\$ 102,464</u>	<u>\$ 135,063</u>	<u>\$ 45,794</u>

(Continued)

City of Patterson
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2020

	Downtown Assistance Fee	Total Non-major Governmental Funds
ASSETS		
Cash and investments	\$ 22,223	\$ 14,732,355
Receivables:		
Accounts	-	1,777,867
Interest	28	20,627
Notes and loans	-	1,846,202
Total assets	\$ 22,251	\$ 18,377,051
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES:		
Accounts payable	\$ -	\$ 304,019
Due to other funds	-	2,880,800
Unearned revenue	-	376,606
Deposits and other liabilities	-	217,374
Total liabilities	-	3,778,799
 DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue	-	2,139,605
Total deferred inflows of resources	-	2,139,605
 FUND BALANCES:		
Restricted	-	10,407,940
Committed	22,251	4,986,655
Unassigned (deficit)	-	(2,935,948)
Total fund balances	22,251	12,458,647
 Total liabilities, deferred inflows of resources and fund balances	\$ 22,251	\$ 18,377,051

(Concluded)

City of Patterson
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2020

	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 services	1,637,855	478,231	8,499	510,850	1,092,447
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Interest	12,247	26,191	210	2,506	-
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	-	28,578
Total revenues	1,650,102	504,422	8,709	513,356	1,121,025
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	6,217	2,288,993
Community development and planning	-	-	11,546	-	-
Public works	1,718,086	236,797	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,718,086	236,797	11,546	6,217	2,288,993
REVENUES OVER (UNDER) EXPENDITURES	(67,984)	267,625	(2,837)	507,139	(1,167,968)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	585,000
Transfers out	-	-	(4,404)	(500,000)	-
Total financing sources (uses)	-	-	(4,404)	(500,000)	585,000
Net change in fund balances	(67,984)	267,625	(7,241)	7,139	(582,968)
FUND BALANCES:					
Beginning of year	740,882	2,091,066	18,763	199,218	(2,048,649)
End of year	\$ 672,898	\$ 2,358,691	\$ 11,522	\$ 206,357	\$ (2,631,617)

(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, 2020

Special Revenue Funds

	Beautification Committee	CDBG HA Loan Fund	State HCD Rehab Program	Federal CDBG Grant	First Time Home Buyers
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	47	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	688	-	3,656
Interest	470	-	2,616	-	3,065
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	470	-	3,304	47	6,721
EXPENDITURES:					
Current:					
General government	-	-	-	47	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	1,590	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,590	-	-	47	-
REVENUES OVER (UNDER) EXPENDITURES	(1,120)	-	3,304	-	6,721
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(7,500)	-
Total financing sources (uses)	-	-	-	(7,500)	-
Net change in fund balances	(1,120)	-	3,304	(7,500)	6,721
FUND BALANCES:					
Beginning of year	40,109	-	151,884	(260,288)	45,341
End of year	\$ 38,989	\$ -	\$ 155,188	\$ (267,788)	\$ 52,062

(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, 2020

	Special Revenue Funds				
	Federal HOME Funds	Neighborhood Stabilization Program	Gas Tax	Local Transportation Fund	Local Transportation Fund Non Motorized
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	2,000	-	-	-	-
Other governmental	-	-	963,042	-	37,679
Use of money and property	1,772	501	-	-	-
Interest	3,199	498	1,949	3,459	716
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	32,576	-	-	-	-
Total revenues	39,547	999	964,991	3,459	38,395
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	8,038
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	-	-	8,038
REVENUES OVER (UNDER)					
EXPENDITURES	39,547	999	964,991	3,459	30,357
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(2,000)	-	(742,951)	-	(11,398)
Total financing sources (uses)	(2,000)	-	(742,951)	-	(11,398)
Net change in fund balances	37,547	999	222,040	3,459	18,959
FUND BALANCES:					
Beginning of year	144,130	4,326	167,541	(2,148)	42,213
End of year	\$ 181,677	\$ 5,325	\$ 389,581	\$ 1,311	\$ 61,172

(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, 2020

Special Revenue Funds

	Street Project Fund	Measure L Fund	Developer Housing In-Lieu Fee	Police Asset Forfeiture	Westside Drainage Study
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	-	-
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	1,043,666	-	-	-	-
Other governmental	1,887,928	1,325,071	-	-	-
Use of money and property	-	-	-	-	-
Interest	4,366	39,440	12,114	1,717	757
Revenue from Fiduciary Fund	224,000	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	3,159,960	1,364,511	12,114	1,717	757
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	34,899	-	-	-	-
Capital outlay	2,500,547	230,071	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	2,535,446	230,071	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	624,514	1,134,440	12,114	1,717	757
OTHER FINANCING SOURCES (USES):					
Transfers in	427,951	123,677	-	-	-
Transfers out	(112,279)	(86,858)	-	-	-
Total financing sources (uses)	315,672	36,819	-	-	-
Net change in fund balances	940,186	1,171,259	12,114	1,717	757
FUND BALANCES:					
Beginning of year	260,596	2,406,429	1,033,148	2,110	64,597
End of year	\$ 1,200,782	\$ 3,577,688	\$ 1,045,262	\$ 3,827	\$ 65,354

(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, 2020

	Special Revenue Funds			Capital Projects Funds	
	CFD 2013-1	CFD 2015-2	CFD 2018-2 VOP Maintenance	Community Facility Impact Fee	General Government Impact Fee
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	-	163,098	24,329
Charges for services	193,107	89,465	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Interest	4,175	638	292	-	5,162
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	197,282	90,103	292	163,098	29,491
EXPENDITURES:					
Current:					
General government	108,738	24	-	-	57,204
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	14,305	-	2,152	-	-
Capital outlay	-	-	-	32,865	206,438
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	123,043	24	2,152	32,865	263,642
REVENUES OVER (UNDER)					
EXPENDITURES	74,239	90,079	(1,860)	130,233	(234,151)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	32,865	-
Transfers out	(70,000)	(85,000)	-	-	-
Total financing sources (uses)	(70,000)	(85,000)	-	32,865	-
Net change in fund balances	4,239	5,079	(1,860)	163,098	(234,151)
FUND BALANCES:					
Beginning of year	341,010	29,926	(1,296)	(197,009)	598,997
End of year	\$ 345,249	\$ 35,005	\$ (3,156)	\$ (33,911)	\$ 364,846

(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, 2020

Capital Projects Funds

	Public Safety Impact Fee	Parkland In-Lieu Fee	Street Improvement Impact Fee	Water Impact Fee	Storm Drain Impact Fee
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	5,287	-	2,967	514,969	-
Charges for services	-	-	14,379	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	21,025	-	-	-	-
Use of money and property	-	-	-	-	-
Interest	6,547	715	7,873	10,035	14,714
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	32,859	715	25,219	525,004	14,714
EXPENDITURES:					
Current:					
General government	-	17,469	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	4,516	-	21,771	-	10,579
Debt service:					
Principal	32,652	-	-	-	-
Interest and fiscal charges	1,754	-	-	-	-
Total expenditures	38,922	17,469	21,771	-	10,579
REVENUES OVER (UNDER)					
EXPENDITURES	(6,063)	(16,754)	3,448	525,004	4,135
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-
Net change in fund balances	(6,063)	(16,754)	3,448	525,004	4,135
FUND BALANCES:					
Beginning of year	561,038	77,720	1,160,512	555,898	1,256,265
End of year	\$ 554,975	\$ 60,966	\$ 1,163,960	\$ 1,080,902	\$ 1,260,400

(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, 2020

Capital Projects Funds

	Sewer Impact Fee	Delta Mendota Storm Gate	Aquatic Center Construction	Future Water Acquisition	Heartland Ranch Infrastructure
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses, permits, and fees	-	-	42,435	-	-
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Interest	804	2,009	985	1,527	530
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous	-	-	-	3,812	-
Total revenues	804	2,009	43,420	5,339	530
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	-	-	-
REVENUES OVER (UNDER)					
EXPENDITURES	804	2,009	43,420	5,339	530
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total financing sources (uses)	-	-	-	-	-
Net change in fund balances	804	2,009	43,420	5,339	530
FUND BALANCES:					
Beginning of year	68,552	171,369	59,044	129,724	(1,912)
End of year	\$ 69,356	\$ 173,378	\$ 102,464	\$ 135,063	\$ (1,382)

(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, 2020

	Downtown Assistance Fee	Total Non-major Governmental Funds
REVENUES:		
Taxes:		
Property	\$ -	\$ -
Licenses, permits, and fees	22,100	775,185
Charges for services	-	4,024,833
Intergovernmental:		
Federal grant and subsidies	-	1,045,713
Other governmental	-	4,234,745
Use of money and property	-	6,617
Interest	151	171,677
Revenue from Fiduciary Fund	-	224,000
Miscellaneous	-	64,966
Total revenues	22,251	10,547,736
EXPENDITURES:		
Current:		
General government	-	183,482
Fire	-	2,295,210
Community development and planning	-	11,546
Public works	-	2,007,829
Capital outlay	-	3,014,825
Debt service:		
Principal	-	32,652
Interest and fiscal charges	-	1,754
Total expenditures	-	7,547,298
REVENUES OVER (UNDER) EXPENDITURES	22,251	3,000,438
OTHER FINANCING SOURCES (USES):		
Transfers in	-	1,169,493
Transfers out	-	(1,622,390)
Total financing sources (uses)	-	(452,897)
Net change in fund balances	22,251	2,547,541
FUND BALANCES:		
Beginning of year	-	9,911,106
End of year	\$ 22,251	\$ 12,458,647

(Concluded)

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Patterson Public Financing Authority Debt Service Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ 3,533,504	\$ 3,533,504	\$ 3,783,572	\$ 250,068
Miscellaneous	955,141	955,141	955,141	-
Total revenues	<u>4,488,645</u>	<u>4,488,645</u>	<u>4,738,713</u>	<u>250,068</u>
EXPENDITURES:				
Capital outlay	-	8,205	1,220	6,985
Debt service:				
Principal	1,983,446	2,238,446	2,313,446	(75,000)
Interest and fiscal charges	3,796,780	3,796,780	3,867,275	(70,495)
Total expenditures	<u>5,780,226</u>	<u>6,043,431</u>	<u>6,181,941</u>	<u>(138,510)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,291,581)</u>	<u>(1,554,786)</u>	<u>(1,443,228)</u>	<u>111,558</u>
Net change in fund balances	<u>\$ (1,291,581)</u>	<u>\$ (1,554,786)</u>	<u>(1,443,228)</u>	<u>\$ 111,558</u>
FUND BALANCE:				
Beginning of year			<u>66,550,586</u>	
End of year			<u>\$ 65,107,358</u>	

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Landscape Maintenance District Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 1,649,009	\$ 1,649,009	\$ 1,637,855	\$ (11,154)
Interest	6,114	6,114	12,247	6,133
Total revenues	<u>1,655,123</u>	<u>1,655,123</u>	<u>1,650,102</u>	<u>(5,021)</u>
EXPENDITURES:				
Current:				
Public works	1,870,378	1,870,378	1,718,086	152,292
Total expenditures	<u>1,870,378</u>	<u>1,870,378</u>	<u>1,718,086</u>	<u>152,292</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(215,255)</u>	<u>(215,255)</u>	<u>(67,984)</u>	<u>147,271</u>
Net change in fund balance	<u>\$ (215,255)</u>	<u>\$ (215,255)</u>	<u>(67,984)</u>	<u>\$ 147,271</u>
FUND BALANCE:				
Beginning of year			<u>740,882</u>	
End of year			<u>\$ 672,898</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Taxes:				
Charges for services	\$ 526,411	\$ 526,411	\$ 478,231	\$ (48,180)
Interest	14,600	14,600	26,191	11,591
Total revenues	<u>541,011</u>	<u>541,011</u>	<u>504,422</u>	<u>(36,589)</u>
EXPENDITURES:				
Public works	725,277	725,277	236,797	488,480
Total expenditures	<u>725,277</u>	<u>725,277</u>	<u>236,797</u>	<u>488,480</u>
Net change in fund balance	<u>\$ (184,266)</u>	<u>\$ (184,266)</u>	267,625	<u>\$ 451,891</u>
FUND BALANCE:				
Beginning of year			<u>2,091,066</u>	
End of year			<u>\$ 2,358,691</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 8,500	\$ 8,500	\$ 8,499	\$ (1)
Interest	151	151	210	59
Total revenues	<u>8,651</u>	<u>8,651</u>	<u>8,709</u>	<u>58</u>
EXPENDITURES:				
Current:				
Community development and planning	16,385	16,385	11,546	4,839
Total expenditures	<u>16,385</u>	<u>16,385</u>	<u>11,546</u>	<u>4,839</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(7,734)</u>	<u>(7,734)</u>	<u>(2,837)</u>	<u>4,897</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(4,404)	(4,404)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,404)</u>	<u>(4,404)</u>
Net change in fund balance	<u>\$ (7,734)</u>	<u>\$ (7,734)</u>	<u>(7,241)</u>	<u>\$ 493</u>
FUND BALANCE:				
Beginning of year			<u>18,763</u>	
End of year			<u>\$ 11,522</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 504,351	\$ 504,351	\$ 510,850	\$ 6,499
Interest	612	612	2,506	1,894
Total revenues	<u>504,963</u>	<u>504,963</u>	<u>513,356</u>	<u>8,393</u>
EXPENDITURES:				
Current:				
Fire	5,500	5,500	6,217	(717)
Total expenditures	<u>5,500</u>	<u>5,500</u>	<u>6,217</u>	<u>(717)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>499,463</u>	<u>499,463</u>	<u>507,139</u>	<u>7,676</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(500,000)	(500,000)	(500,000)	-
Total financing sources (uses)	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (537)</u>	<u>\$ (537)</u>	7,139	<u>\$ 7,676</u>
FUND BALANCE:				
Beginning of year			199,218	
End of year			<u>\$ 206,357</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 990,450	\$ 990,450	\$ 1,092,447	\$ 101,997
Miscellaneous	23,175	62,000	28,578	(33,422)
Total revenues	<u>1,013,625</u>	<u>1,052,450</u>	<u>1,121,025</u>	<u>68,575</u>
EXPENDITURES:				
Current:				
Fire	2,123,814	2,189,914	2,288,993	(99,079)
Total expenditures	<u>2,123,814</u>	<u>2,189,914</u>	<u>2,288,993</u>	<u>(99,079)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,110,189)</u>	<u>(1,137,464)</u>	<u>(1,167,968)</u>	<u>(30,504)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	585,000	585,000	585,000	-
Transfers out	(378,686)	(378,686)	-	378,686
Total financing sources (uses)	<u>206,314</u>	<u>206,314</u>	<u>585,000</u>	<u>378,686</u>
Net change in fund balance	<u>\$ (903,875)</u>	<u>\$ (931,150)</u>	<u>(582,968)</u>	<u>\$ 348,182</u>
FUND BALANCE:				
Beginning of year			<u>(2,048,649)</u>	
End of year			<u>\$ (2,631,617)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest	\$ 200	\$ 200	\$ 470	\$ 270
Total revenues	<u>200</u>	<u>200</u>	<u>470</u>	<u>270</u>
EXPENDITURES:				
Current:				
Public works	-	1,800	1,590	210
Total expenditures	<u>-</u>	<u>1,800</u>	<u>1,590</u>	<u>210</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>200</u>	<u>(1,600)</u>	<u>(1,120)</u>	<u>480</u>
Net change in fund balance	<u>\$ 200</u>	<u>\$ (1,600)</u>	<u>(1,120)</u>	<u>\$ 480</u>
FUND BALANCE:				
Beginning of year			<u>40,109</u>	
End of year			<u>\$ 38,989</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	\$ 601	\$ 601	\$ 688	\$ 87
Interest	1,218	1,218	2,616	1,398
Total revenues	<u>1,819</u>	<u>1,819</u>	<u>3,304</u>	<u>1,485</u>
Net change in fund balance	<u>\$ 1,819</u>	<u>\$ 1,819</u>	3,304	<u>\$ 1,485</u>
FUND BALANCE:				
Beginning of year			<u>151,884</u>	
End of year			<u>\$ 155,188</u>	

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Federal CDBG Grant Special Revenue Fund
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ 139,043	\$ 150,000	\$ 47	\$ (149,953)
Total revenues	<u>139,043</u>	<u>150,000</u>	<u>47</u>	<u>(149,953)</u>
EXPENDITURES:				
Current:				
General government	79	79	47	32
Total expenditures	<u>79</u>	<u>79</u>	<u>47</u>	<u>32</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>138,964</u>	<u>149,921</u>	<u>-</u>	<u>(149,921)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(7,500)	(7,500)	(7,500)	-
Total financing sources (uses)	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>-</u>
Net change in fund balance	<u>\$ 131,464</u>	<u>\$ 142,421</u>	<u>(7,500)</u>	<u>\$ (149,921)</u>
FUND BALANCE:				
Beginning of year			<u>(260,288)</u>	
End of year			<u>\$ (267,788)</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	\$ 3,067	\$ 3,067	\$ 3,656	\$ 589
Interest	2,885	2,885	3,065	180
Total revenues	<u>5,952</u>	<u>5,952</u>	<u>6,721</u>	<u>769</u>
Net change in fund balance	<u>\$ 5,952</u>	<u>\$ 5,952</u>	6,721	<u>\$ 769</u>
FUND BALANCE:				
Beginning of year			<u>45,341</u>	
End of year			<u>\$ 52,062</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ 130,000	\$ 130,000	\$ 2,000	\$ (128,000)
Use of money and property	1,669	1,669	1,772	103
Interest	2,193	2,193	3,199	1,006
Miscellaneous	-	-	32,576	32,576
Total revenues	<u>133,862</u>	<u>133,862</u>	<u>39,547</u>	<u>(94,315)</u>
EXPENDITURES:				
Capital outlay	<u>130,000</u>	<u>130,000</u>	-	<u>130,000</u>
Total expenditures	<u>130,000</u>	<u>130,000</u>	-	<u>130,000</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>3,862</u>	<u>3,862</u>	<u>39,547</u>	<u>35,685</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	-
Total financing sources (uses)	<u>(2,000)</u>	<u>(2,000)</u>	<u>(2,000)</u>	-
Net change in fund balance	<u>\$ 1,862</u>	<u>\$ 1,862</u>	37,547	<u>\$ 35,685</u>
FUND BALANCE:				
Beginning of year			<u>144,130</u>	
End of year			<u>\$ 181,677</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Use of money and property	\$ 509	\$ 509	\$ 501	\$ (8)
Interest	537	537	498	(39)
Total revenues	<u>1,046</u>	<u>1,046</u>	<u>999</u>	<u>(47)</u>
Net change in fund balance	<u>\$ 1,046</u>	<u>\$ 1,046</u>	999	<u>\$ (47)</u>
FUND BALANCE:				
Beginning of year			<u>4,326</u>	
End of year			<u>\$ 5,325</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental:				
Other governmental	955,022	955,022	963,042	8,020
Interest	284	284	1,949	1,665
Total revenues	<u>955,306</u>	<u>955,306</u>	<u>964,991</u>	<u>9,685</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(470,255)	(1,113,084)	(742,951)	370,133
Total financing sources (uses)	<u>(470,255)</u>	<u>(1,113,084)</u>	<u>(742,951)</u>	<u>370,133</u>
Net change in fund balance	<u>\$ 485,051</u>	<u>\$ (157,778)</u>	222,040	<u>\$ 379,818</u>
FUND BALANCE:				
Beginning of year			<u>167,541</u>	
End of year			<u>\$ 389,581</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Other governmental	\$ 17,670	\$ 18,025	\$ -	\$ (18,025)
Interest	<u>3,591</u>	<u>3,591</u>	<u>3,459</u>	<u>(132)</u>
Total revenues	<u>21,261</u>	<u>21,616</u>	<u>3,459</u>	<u>(18,157)</u>
Net change in fund balance	<u>\$ 21,261</u>	<u>\$ 21,616</u>	3,459	<u>\$ (18,157)</u>
FUND BALANCE:				
Beginning of year			<u>(2,148)</u>	
End of year			<u>\$ 1,311</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Other governmental	\$ -	\$ 37,679	\$ 37,679	\$ -
Interest	412	412	716	304
Total revenues	<u>412</u>	<u>38,091</u>	<u>38,395</u>	<u>304</u>
EXPENDITURES:				
Capital outlay	5,590	25,000	8,038	16,962
Total expenditures	<u>5,590</u>	<u>25,000</u>	<u>8,038</u>	<u>16,962</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(5,178)</u>	<u>13,091</u>	<u>30,357</u>	<u>17,266</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(20,017)	(20,017)	(11,398)	8,619
Total financing sources (uses)	<u>(20,017)</u>	<u>(20,017)</u>	<u>(11,398)</u>	<u>8,619</u>
Net change in fund balance	<u>\$ (25,195)</u>	<u>\$ (6,926)</u>	18,959	<u>\$ 25,885</u>
FUND BALANCE:				
Beginning of year			42,213	
End of year			<u>\$ 61,172</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal grant and subsidies	\$ 1,484,610	\$ 1,484,610	\$ 1,043,666	\$ (440,944)
Other governmental	2,370,766	2,370,766	1,887,928	(482,838)
Interest	9,656	9,656	4,366	(5,290)
Revenue from Fiduciary Fund	224,000	224,000	224,000	-
Miscellaneous	-	-	-	-
Total revenues	<u>4,089,032</u>	<u>4,089,032</u>	<u>3,159,960</u>	<u>(929,072)</u>
EXPENDITURES:				
Current:				
Public works	63,200	63,200	34,899	28,301
Capital outlay	4,721,264	3,316,021	2,500,547	815,474
Total expenditures	<u>4,784,464</u>	<u>3,379,221</u>	<u>2,535,446</u>	<u>843,775</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(695,432)</u>	<u>709,811</u>	<u>624,514</u>	<u>(85,297)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,686,364	1,756,364	427,951	(1,328,413)
Transfers out	(769,543)	(769,543)	(112,279)	657,264
Total financing sources (uses)	<u>916,821</u>	<u>986,821</u>	<u>315,672</u>	<u>(671,149)</u>
Net change in fund balance	<u>\$ 221,389</u>	<u>\$ 1,696,632</u>	940,186	<u>\$ (756,446)</u>
FUND BALANCE:				
Beginning of year			260,596	
End of year			<u>\$ 1,200,782</u>	

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure L Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental:				
Other governmental	\$ 1,124,762	\$ 1,124,762	\$ 1,325,071	\$ 200,309
Interest	5,889	5,889	39,440	33,551
Total revenues	<u>1,130,651</u>	<u>1,130,651</u>	<u>1,364,511</u>	<u>233,860</u>
EXPENDITURES:				
Current:				
Community development and planning	730,000	730,000	-	730,000
Capital outlay	3,531,269	715,906	230,071	485,835
Total expenditures	<u>4,261,269</u>	<u>1,445,906</u>	<u>230,071</u>	<u>1,215,835</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(3,130,618)</u>	<u>(315,255)</u>	<u>1,134,440</u>	<u>1,449,695</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	123,677	123,677
Transfers out	-	-	(86,858)	(86,858)
Total financing sources (uses)	<u>-</u>	<u>-</u>	<u>36,819</u>	<u>36,819</u>
Net change in fund balance	<u>\$ (3,130,618)</u>	<u>\$ (315,255)</u>	<u>1,171,259</u>	<u>\$ 1,486,514</u>
FUND BALANCE:				
Beginning of year			<u>2,406,429</u>	
End of year			<u>\$ 3,577,688</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ 13,514	\$ 13,514	\$ 12,114	\$ (1,400)
Total revenues	<u>13,514</u>	<u>13,514</u>	<u>12,114</u>	<u>(1,400)</u>
EXPENDITURES:				
Current:				
Community development and planning	730,000	730,000	-	730,000
Total expenditures	<u>730,000</u>	<u>730,000</u>	<u>-</u>	<u>730,000</u>
Net change in fund balance	<u>\$ (716,486)</u>	<u>\$ (716,486)</u>	12,114	<u>\$ 728,600</u>
FUND BALANCE:				
Beginning of year			<u>1,033,148</u>	
End of year			<u>\$ 1,045,262</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ 521	\$ 521	\$ 757	\$ 236
Total revenues	<u>521</u>	<u>521</u>	<u>757</u>	<u>236</u>
Net change in fund balance	<u>\$ 521</u>	<u>\$ 521</u>	757	<u>\$ 236</u>
FUND BALANCE:				
Beginning of year			<u>64,597</u>	
End of year			<u>\$ 65,354</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 56,266	\$ 56,266	\$ 193,107	\$ 136,841
Interest	1,800	1,800	4,175	2,375
Miscellaneous	-	-	-	-
Total revenues	<u>58,066</u>	<u>58,066</u>	<u>197,282</u>	<u>139,216</u>
EXPENDITURES:				
Current:				
General government	402	402	108,738	(108,336)
Public works	4,000	4,000	14,305	(10,305)
Total expenditures	<u>4,402</u>	<u>4,402</u>	<u>123,043</u>	<u>(118,641)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>53,664</u>	<u>53,664</u>	<u>74,239</u>	<u>20,575</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(70,000)	(70,000)	-
Total financing sources (uses)	<u>-</u>	<u>(70,000)</u>	<u>(70,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 53,664</u>	<u>\$ (16,336)</u>	4,239	<u>\$ 20,575</u>
FUND BALANCE:				
Beginning of year			<u>341,010</u>	
End of year			<u>\$ 345,249</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 88,592	\$ 88,592	\$ 89,465	\$ 873
Interest	301	301	638	337
Total revenues	<u>88,893</u>	<u>88,893</u>	<u>90,103</u>	<u>1,210</u>
EXPENDITURES:				
Current:				
General government	25	25	24	1
Total expenditures	<u>25</u>	<u>25</u>	<u>24</u>	<u>1</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>88,868</u>	<u>88,868</u>	<u>90,079</u>	<u>1,211</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(85,000)	(85,000)	(85,000)	-
Total financing sources (uses)	<u>(85,000)</u>	<u>(85,000)</u>	<u>(85,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,868</u>	<u>\$ 3,868</u>	5,079	<u>\$ 1,211</u>
FUND BALANCE:				
Beginning of year			<u>29,926</u>	
End of year			<u>\$ 35,005</u>	

City of Patterson
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CFD 2018-2 VOP Maintenance Special Revenue Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES:				
Interest	\$ 225	\$ 225	\$ 292	\$ 67
Total revenues	<u>225</u>	<u>225</u>	<u>292</u>	<u>67</u>
EXPENDITURES:				
Current:				
Public works	2,999	2,999	2,152	847
Total expenditures	<u>2,999</u>	<u>2,999</u>	<u>2,152</u>	<u>847</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(2,774)</u>	<u>(2,774)</u>	<u>(1,860)</u>	<u>914</u>
Net change in fund balance	<u>\$ (2,774)</u>	<u>\$ (2,774)</u>	<u>(1,860)</u>	<u>\$ 914</u>
FUND BALANCE:				
Beginning of year			<u>(1,296)</u>	
End of year			<u>\$ (3,156)</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, 2020

	West Patterson Financing Authority	West Patterson Business Park	Heartland Ranch 2013	VOP Infrastructure	Total
ASSET					
Cash and investments	\$ 5,155,186	\$ 3,084,598	\$ 369,384	\$ -	\$ 8,609,168
Cash and investments with fiscal agents	3,150,281	1,576,524	164,827	-	4,891,632
Accounts receivable	48,903	4,889	5,351	42,514	101,657
Interest receivable	5,124	3,695	469	-	9,288
Notes receivable	1,026,547	-	-	-	1,026,547
Total assets	\$ 9,386,041	\$ 4,669,706	\$ 540,031	\$ 42,514	\$ 14,638,292
LIABILITIES					
Accounts payable	\$ 8,000	\$ 2,737	\$ 2,500	\$ -	\$ 13,237
Due to City	-	65,292	-	37,145	102,437
Due to bondholders	9,378,041	4,601,677	537,531	5,369	14,522,618
Total liabilities	\$ 9,386,041	\$ 4,669,706	\$ 540,031	\$ 42,514	\$ 14,638,292

City of Patterson
Statement of Changes in Assets and Liabilities
All Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>West Patterson Financing Authority</u>				
Assets:				
Cash and investments	\$ 5,115,071	\$ 40,115	\$ -	\$ 5,155,186
Cash and investments with fiscal agents	3,161,564	-	(11,283)	3,150,281
Accounts receivable	59,073	-	(10,170)	48,903
Interest receivable	10,534	-	(5,410)	5,124
Notes receivable	1,045,000	-	(18,453)	1,026,547
Total assets	\$ 9,391,242	\$ 40,115	\$ (45,316)	\$ 9,386,041
Liabilities:				
Accounts payable	\$ -	\$ 8,000	\$ -	\$ 8,000
Due to bondholders	\$ 9,391,242	\$ -	\$ (13,201)	\$ 9,378,041
Total liabilities	\$ 9,391,242	\$ 8,000	\$ (13,201)	\$ 9,386,041
	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>West Patterson Business Park</u>				
Assets:				
Cash and investments	\$ 1,103,486	\$ 1,981,112	\$ -	\$ 3,084,598
Cash and investments with fiscal agents	5,290,659	-	(3,714,135)	1,576,524
Accounts receivable	6,064	-	(1,175)	4,889
Interest receivable	2,401	1,294	-	3,695
Total assets	\$ 6,402,610	\$ 1,982,406	\$ (3,715,310)	\$ 4,669,706
Liabilities:				
Accounts payable	\$ 532	\$ 2,205	\$ -	\$ 2,737
Due to City	62,600	2,692	-	65,292
Due to bondholders	6,339,478	-	(1,737,801)	4,601,677
Total liabilities	\$ 6,402,610	\$ 4,897	\$ (1,737,801)	\$ 4,669,706
	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>Heartland Ranch 2013</u>				
Assets:				
Cash and investments	\$ 799,129	\$ -	\$ (429,745)	\$ 369,384
Cash and investments with fiscal agents	87,254	77,573	-	164,827
Accounts receivable	4,685	666	-	5,351
Interest receivable	1,857	-	(1,388)	469
Total assets	\$ 892,925	\$ 78,239	\$ (431,133)	\$ 540,031
Liabilities:				
Accounts payable	\$ 1,500	\$ 1,000	\$ -	\$ 2,500
Due to bondholders	891,425	-	(353,894)	537,531
Total liabilities	\$ 892,925	\$ 1,000	\$ (353,894)	\$ 540,031

City of Patterson
Statement of Changes in Assets and Liabilities (Continued)
All Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>VOP Infrastructure</u>				
Assets:				
Accounts receivable	\$ -	\$ 42,514	\$ -	\$ 42,514
Other assets	50,364	-	(50,364)	-
Total assets	\$ 50,364	\$ 42,514	\$ (50,364)	\$ 42,514
Liabilities:				
Accounts payable	\$ 639	\$ -	\$ (639)	\$ -
Due to City	44,522	-	(7,377)	37,145
Due to bondholders	5,203	166	-	5,369
Total liabilities	\$ 50,364	\$ 166	\$ (8,016)	\$ 42,514
	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>ALL AGENCY FUNDS</u>				
Assets:				
Cash and investments	\$ 7,017,686	\$ 2,021,227	\$ (429,745)	\$ 8,609,168
Cash and investments with fiscal agents	8,539,477	77,573	(3,725,418)	4,891,632
Accounts receivable	69,822	43,180	(11,345)	101,657
Interest receivable	14,792	1,294	(6,798)	9,288
Notes receivable	1,045,000	-	(18,453)	1,026,547
Other assets	50,364	-	(50,364)	-
Total assets	\$ 16,737,141	\$ 2,143,274	\$ (4,242,123)	\$ 14,638,292
Liabilities:				
Accounts payable	\$ 2,671	\$ 11,205	\$ (639)	\$ 13,237
Due to City	107,122	2,692	(7,377)	102,437
Due to bondholders	16,627,348	166	(2,104,896)	14,522,618
Total liabilities	\$ 16,737,141	\$ 14,063	\$ (2,112,912)	\$ 14,638,292

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	148
Helps readers understand how the City's financial position and well-being have changed over time.	
Revenue Capacity Information	158
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	173
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	175
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				
	2020	2019	2018	2017	2016
Governmental activities:					
Net investment in capital assets	\$ 61,274,713	\$ 60,390,350	\$ 60,721,785	\$ 55,621,936	\$ 55,756,984
Restricted	10,752,749	11,572,138	8,385,204	6,391,176	5,270,127
Unrestricted net position (deficit)	(5,182,490)	(7,892,944)	(4,612,193)	1,816,668	1,909,873
Total Net Asset	\$ 66,844,972	\$ 64,069,544	\$ 64,494,796	\$ 63,829,780	\$ 62,936,984
Business-type activities:					
Net investment in capital assets	\$ 37,930,411	\$ 37,746,179	\$ 37,346,159	\$ 38,857,716	\$ 35,232,028
Restricted	983,202	469,817	469,905	-	4,102,582
Unrestricted net position (deficit)	4,536,071	2,567,625	(77,313)	517,319	1,250,675
Total Net Asset	\$ 43,449,684	\$ 40,783,621	\$ 37,738,751	\$ 39,375,035	\$ 40,585,285

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				
	2015	2014	2013	2012	2011
Governmental activities:					
Net investment in capital assets	\$ 50,237,700	\$ 47,460,440	\$ 46,822,970	\$ 42,804,314	\$ 41,633,066
Restricted	4,867,200	4,866,877	4,983,481	5,670,040	5,875,879
Unrestricted net position (deficit)	987,000	7,418,444	11,140,880	15,213,609	18,288,877
Total Net Asset	\$ 56,091,900	\$ 59,745,761	\$ 62,947,331	\$ 63,687,963	\$ 65,797,822
Business-type activities:					
Net investment in capital assets	\$ 34,725,800	\$ 34,941,039	\$ 36,814,164	\$ 38,967,545	\$ 40,214,015
Restricted	5,303,228	5,437,345	5,772,477	5,809,966	6,393,524
Unrestricted net position (deficit)	1,737,680	4,704,599	3,395,687	2,879,695	2,491,841
Total Net Asset	\$ 41,766,708	\$ 45,082,983	\$ 45,982,328	\$ 47,657,206	\$ 49,099,380

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				
	2020	2019	2018	2017	2016
Expenses					
Governmental activities:					
General government	\$ 4,514,103	\$ 3,167,076	\$ 3,328,847	\$ 2,259,261	\$ 2,003,932
Police	5,838,153	6,711,694	6,880,924	4,458,567	4,156,842
Fire	5,367,429	4,937,738	2,699,018	3,532,864	3,594,435
Community development and planning	2,084,354	2,523,052	1,724,146	3,024,928	1,258,725
Public works	4,687,210	4,455,175	4,790,738	2,631,811	4,652,522
Parks and recreation	4,536,510	4,618,872	4,473,167	3,277,134	2,696,555
Interest and fiscal charges	3,942,429	4,360,669	3,847,304	3,955,958	3,935,590
Total governmental activities	30,970,188	30,774,276	27,744,144	23,140,523	22,298,601
Business-type activities:					
Water	5,404,924	4,561,024	4,917,985	4,481,750	3,567,751
Sewer	5,533,806	5,287,098	5,297,929	4,893,962	4,221,112
Garbage	2,912,990	2,545,016	2,397,523	2,310,200	2,080,840
Total business-type activities	13,851,720	12,393,138	12,613,437	11,685,912	9,869,703
Total expenses	44,821,908	43,167,414	40,357,581	34,826,435	32,168,304
Program Revenues					
Governmental activities:					
Charges for services:					
General government	374,895	653,327	4,797	678,608	108,119
Police	86,776	198,638	300,973	218,337	268,929
Fire	1,741,172	1,620,028	720,761	587,593	413,973
Community development and planning	810,870	530,975	65,114	645,985	390,721
Public works	968,384	920,656	2,362,593	2,161,045	2,000,190
Parks and recreation	1,890,773	1,763,473	1,690,041	1,481,692	1,804,685
Operating grants and contributions	2,040,401	2,064,434	2,767,848	1,590,404	998,122
Capital grants and contributions	3,609,391	2,262,266	1,877,817	1,112,733	342,867
Total governmental activities	11,522,662	10,013,797	9,789,944	8,476,397	6,327,606
Business-type activities:					
Water	5,660,058	4,764,097	4,197,555	3,680,373	3,389,473
Sewer	4,610,985	4,665,525	4,344,858	4,011,227	3,855,492
Garbage	3,378,155	3,228,053	3,079,843	2,921,089	2,800,845
Operating grants and contributions	-	34,318	68,852	701,283	-
Capital grants and contributions	8,493	-	-	-	(1,582)
Total business-type activities	13,657,691	12,691,993	11,691,108	11,313,972	10,044,228
Total program revenues	25,180,353	22,705,790	21,481,052	19,790,369	16,371,834
Net (Expense) Program Revenues					
Governmental activities	(19,447,526)	(20,760,479)	(17,954,200)	(14,664,126)	(15,970,995)
Business-type activities	(194,029)	298,855	(922,329)	(371,940)	174,525
Total Primary Government	\$ (19,641,555)	\$ (20,461,624)	\$ (18,876,529)	\$ (15,036,066)	\$ (15,796,470)

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Expenses					
Governmental activities:					
General government	\$ 2,650,997	\$ 3,945,285	\$ 2,807,815	\$ 2,333,516	\$ 1,137,344
Police	3,298,276	3,987,323	3,821,033	3,261,512	3,305,964
Fire	3,381,961	3,339,030	2,809,442	2,245,100	1,957,740
Community development and planning	1,213,617	1,460,591	1,136,097	1,116,622	1,585,362
Public works	4,043,774	4,412,453	3,835,002	3,509,406	3,564,561
Parks and recreation	2,558,315	2,463,941	2,223,206	2,157,614	1,755,783
Interest and fiscal charges	4,118,232	80,122	60,882	68,414	125,929
Total governmental activities	21,265,172	19,688,745	16,693,477	14,692,184	13,432,683
Business-type activities:					
Water	3,734,709	3,474,567	3,363,991	3,216,668	2,524,277
Sewer	4,091,034	3,867,142	3,406,173	3,386,088	3,048,082
Garbage	2,069,439	1,971,695	2,003,563	1,666,878	1,735,341
Total business-type activities	9,895,182	9,313,404	8,773,727	8,269,634	7,307,700
Total expenses	31,160,354	29,002,149	25,467,204	22,961,818	20,740,383
Program Revenues					
Governmental activities:					
Charges for services:					
General government	166,427	38,738	92,657	74,190	132,150
Police	392,009	217,030	244,926	207,306	445,911
Fire	681,690	376,520	505,790	334,540	327,501
Community development and planning	885,242	385,554	676,548	676,078	228,818
Public works	2,296,599	1,802,849	1,716,066	1,957,980	1,791,514
Parks and recreation	1,780,112	1,628,009	1,557,024	1,521,838	1,352,457
Operating grants and contributions	1,318,671	1,236,474	1,173,683	1,121,738	1,514,416
Capital grants and contributions	556,120	861,536	2,061,872	601,377	1,111,481
Total governmental activities	8,076,870	6,546,710	8,028,566	6,495,047	6,904,248
Business-type activities:					
Water	3,972,456	4,156,756	4,039,314	3,528,681	3,183,221
Sewer	3,406,079	3,275,496	3,004,341	2,708,584	2,505,838
Garbage	2,667,681	2,475,705	2,274,016	2,147,980	1,953,379
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	-	-	1,138,000
Total business-type activities	10,046,216	9,907,957	9,317,671	8,385,245	8,780,438
Total program revenues	18,123,086	16,454,667	17,346,237	14,880,292	15,684,686
Net (Expense) Program Revenues					
Governmental activities	(13,188,302)	(13,142,035)	(8,664,911)	(8,197,137)	(6,528,435)
Business-type activities	151,034	594,553	543,944	115,611	1,472,738
Total	\$ (13,037,268)	\$ (12,547,482)	\$ (8,120,967)	\$ (8,081,526)	\$ (5,055,697)

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

	Fiscal Year				
	2020	2019	2018	2017	2016
General Revenues:					
Governmental activities:					
Taxes:					
Property tax	\$ 3,621,765	\$ 3,386,596	\$ 3,417,541	\$ 3,414,365	\$ 3,172,489
Sales tax	6,840,520	5,837,364	5,027,535	5,502,627	5,045,260
Franchise tax	211,963	205,047	206,354	274,792	188,834
Motor vehicle in lieu	2,267,086	2,089,248	1,947,375	1,844,519	1,693,793
Other taxes	162,436	136,047	717,288	137,847	549,654
Use of money and property	-	473,114	-	-	4,530,279
Revenue from Fiduciary Fund	2,387,683	1,745,012	1,681,843	-	-
Investment earnings	4,145,959	4,179,507	4,515,819	4,312,058	6,075,652
Other revenue	896,921	1,038,772	203,070	633,427	188,402
Transfers (Note 6)	1,642,806	1,290,335	1,271,753	895,861	1,371,990
Special / Extraordinary item	-	-	-	-	-
Total governmental activities	22,177,139	20,381,042	18,988,578	17,015,496	22,816,353
Business-type activities:					
Use of money and property	205,023	171,436	74,144	31,002	14,451
Revenue from Fiduciary Fund	1,648,115	3,850,536	500,786	-	-
Other revenue	2,649,760	14,378	64,483	26,549	-
Transfers (Note 6)	(1,642,806)	(1,290,335)	(1,271,753)	(895,861)	(1,371,990)
Total business-type activities	2,860,092	2,746,015	(632,340)	(838,310)	(1,357,539)
Total general revenues	25,037,231	23,127,057	18,356,238	16,177,186	21,458,814
Change in Net Position					
Governmental activities	2,729,613	(379,437)	1,034,378	2,351,370	6,845,358
Business-type activities:	2,666,063	3,044,870	(1,554,669)	(1,210,250)	(1,183,014)
Total	\$ 5,395,676	\$ 2,665,433	\$ (520,291)	\$ 1,141,120	\$ 5,662,344

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

	Fiscal Year				
	2015	2014	2013	2012	2011
General Revenues:					
Governmental activities:					
Taxes:					
Property tax	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703	\$ 1,900,394	\$ 2,113,461
Sales tax	3,732,177	3,394,908	2,358,667	1,542,190	1,385,013
Franchise tax	179,313	174,558	161,946	168,451	173,004
Motor vehicle in lieu	1,596,755	1,288,025	1,238,447	1,199,856	1,326,975
Other taxes	719,718	769,476	595,982	676,915	622,234
Use of money and property	4,491,782	117,176	205,181	159,602	251,643
Revenue from Fiduciary Fund					
Investment earnings	-	809,908	-	980,003	-
Other revenue	159,416				
Transfers (Note 6)	2,117,754	201,549	307,230	217,324	202,452
Special / Extraordinary item	-	1,083,500	2,253,123	791,584	(301,480)
Total governmental activities	15,654,221	9,907,225	9,224,279	7,636,319	5,773,302
Business-type activities:					
Use of money and property	13,985	34,679	34,301	32,583	24,170
Revenue from Fiduciary Fund	-	-	-	-	-
Other revenue	-	-	-	-	-
Transfers (Note 6)	(2,117,754)	(1,083,500)	(2,253,123)	(980,003)	301,480
Total business-type activities	(2,103,769)	(1,048,821)	(2,218,822)	(947,420)	325,650
Total general revenues	13,550,452	8,858,404	7,005,457	6,688,899	6,098,952
Change in Net Position					
Governmental activities	2,465,919	(3,234,810)	559,368	(560,818)	(755,133)
Business-type activities:	(1,952,735)	(454,268)	(1,674,878)	(831,809)	1,798,388
Total	\$ 513,184	\$ (3,689,078)	\$ (1,115,510)	\$ (1,392,627)	\$ 1,043,255

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

	Fiscal Year				
	2020	2019	2018	2017	2016
FUND BALANCES:					
General Fund					
Nonspendable	\$ 104,997	\$ 84,466	\$ 73,526	\$ 68,630	\$ 78,491
Restricted	344,809	290,150	146,789	144,229	51,773
Committed	3,751,813	3,725,949	3,658,050	3,642,337	3,626,143
Assigned	2,889,800	2,879,593	2,883,371	2,879,809	1,879,546
Unassigned	1,984,909	1,192,981	873,038	1,502,483	1,564,376
Total General Fund	\$ 9,076,328	\$ 8,173,139	7,634,774	8,237,488	7,200,329
All Other Governmental Funds					
Nonspendable	-	-	2,865	574	-
Restricted	75,515,298	74,293,766	75,770,466	76,995,568	78,162,371
Committed	4,986,655	4,905,500	4,905,500	6,016,084	5,734,508
Assigned	-	40,109	-	-	38,985
Unassigned (deficit)	(2,935,948)	(2,777,683)	(1,283,973)	(729,053)	(283,235)
Total All Other Governmental Funds	77,566,005	76,461,692	79,394,858	82,283,173	83,652,629
Total Fund Balance	\$ 86,642,333	\$ 84,634,831	\$ 87,029,632	\$ 90,520,661	\$ 90,852,958

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

	Fiscal Year				
	2015	2014	2013	2012	2011
FUND BALANCES:					
General Fund					
Nonspendable	\$ -	\$ 850	\$ 850	\$ -	\$ -
Restricted	40,508	81,663	209,823	173,885	294,037
Committed	3,605,039	3,605,039	3,594,200	3,580,604	3,564,292
Assigned	2,051,675	2,246,696	3,555,248	5,389,558	6,476,305
Unassigned	568,385	283,289	-	195,478	239,958
Total General Fund	6,265,607	6,217,537	7,360,121	9,339,525	10,574,592
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted	78,664,140	2,935,022	3,445,665	4,024,858	5,385,329
Committed	6,335,270	5,833,844	6,516,526	6,465,547	6,322,805
Assigned	105	-	-	-	-
Unassigned (deficit)	(135,283)	(152,677)	(25,708)	(35,484)	(151,513)
Total All Other Governmental Funds	84,864,232	8,616,189	9,936,483	10,454,921	11,556,621
Total Fund Balance	\$ 91,129,839	\$ 14,833,726	\$ 17,296,604	\$ 19,794,446	\$ 22,131,213

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues:					
Taxes:					
Property	\$ 3,621,765	\$ 3,386,596	\$ 3,417,541	\$ 3,414,365	\$ 3,172,489
Sales	6,840,520	5,837,364	5,027,535	5,502,627	5,045,260
Franchise	211,963	205,047	206,354	274,792	188,834
Motor vehicle in lieu	2,267,086	2,089,248	1,947,375	1,844,519	1,693,793
Other	162,436	136,047	131,701	137,847	549,654
License, permits, and fees	2,135,391	1,360,937	2,055,853	1,791,391	983,115
Charges for current services	4,446,008	4,369,186	5,519,738	3,849,087	3,763,566
Intergovernmental	6,225,231	3,483,936	2,028,281	1,989,969	1,340,990
Fines, forfeitures and penalties	66,683	181,044	146,100	157,307	239,936
Investment earnings	4,152,528	4,198,697	4,535,040	4,312,058	4,530,279
Revenue from Fiduciary Fund	2,387,683	1,745,012	1,681,843	-	-
Miscellaneous revenues	981,021	1,189,088	355,285	612,457	188,402
Total Revenues	\$ 33,498,315	\$ 28,182,202	27,052,646	23,886,419	21,696,318
Expenditures:					
Current:					
General government	3,803,016	2,899,263	2,656,904	2,507,830	2,704,512
Police	5,373,752	5,374,098	6,377,259	4,218,306	4,290,965
Fire	5,057,265	4,696,647	2,437,226	3,574,689	3,274,834
Community development and planning	2,021,174	2,545,955	1,654,039	1,485,366	1,240,042
Public Works	3,323,065	3,267,381	3,707,312	2,874,435	2,691,886
Parks and recreation	3,713,674	4,014,566	3,719,906	2,466,882	1,940,339
Capital outlay	3,417,460	2,776,974	7,237,219	2,080,160	1,432,210
Debt service:					
Principal	2,476,386	2,225,040	2,250,465	2,060,273	1,765,836
Interest and fiscal charges	3,947,827	4,067,414	4,204,098	3,954,933	4,016,686
Total Expenditures	33,133,619	31,867,338	34,244,428	25,222,874	23,357,310
Excess (deficiency) of revenue over (under) expenditures	364,696	(3,685,136)	(7,191,782)	(1,336,455)	(1,660,992)
Other financing sources (uses)					
Proceeds from capital leases	-	-	-	161,990	-
Proceeds from loan repayments	-	-	-	-	12,116
Proceeds from issuance of bonds	-	-	2,429,000	-	-
Transfers in	3,339,258	3,818,998	4,107,492	3,012,930	4,711,665
Transfers out	(1,696,452)	(2,528,663)	(2,835,739)	(2,117,069)	(3,339,675)
Total Other Financing Sources	1,642,806	1,290,335	3,700,753	1,057,851	1,384,106
Net Change in Fund Balance	\$ 2,007,502	\$ (2,394,801)	\$ (3,491,029)	\$ (278,604)	\$ (276,886)

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				
	2015	2014	2013	2012	2011
Revenues:					
Taxes:					
Property	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703	\$ 1,900,394	\$ 2,113,461
Sales	3,732,177	3,394,908	2,358,667	1,542,190	1,385,013
Franchise	179,313	174,558	161,946	168,451	173,004
Motor vehicle in lieu	1,596,755	1,288,025	1,238,447	1,199,856	1,326,975
Other	719,718	769,476	595,982	676,915	622,234
License, permits, and fees	2,016,921	557,204	1,165,199	1,152,693	368,757
Charges for current services	4,021,749	3,680,478	3,497,197	3,426,554	3,450,489
Intergovernmental	1,844,850	2,138,010	1,437,603	1,723,115	2,542,044
Fines, forfeitures and penalties	193,350	211,018	130,614	192,685	459,105
Investment earnings	4,577,761	117,176	205,181	159,602	202,762
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous revenues	1,565,122	416,362	307,229	217,324	196,721
Total Revenues	23,105,022	14,815,340	13,201,768	12,359,779	12,840,565
Expenditures:					
Current:					
General government	2,744,062	2,602,651	2,260,009	1,756,247	1,319,972
Police	4,039,064	3,916,598	3,800,959	3,229,131	3,305,964
Fire	3,069,601	2,822,442	2,500,294	2,096,942	1,790,490
Community development and planning	1,374,632	1,254,394	973,757	991,918	1,287,622
Public Works	2,746,358	3,114,271	2,736,664	2,811,602	2,433,966
Parks and recreation	1,841,033	1,741,109	1,555,750	1,182,646	1,053,444
Capital outlay	1,873,381	3,344,428	2,464,827	1,548,410	3,687,843
Debt service:					
Principal	3,105,901	286,833	282,583	300,578	334,669
Interest and fiscal charges	4,123,116	80,122	60,882	68,414	77,048
Total Expenditures	24,917,148	19,162,848	16,635,725	13,985,888	15,291,018
Excess (deficiency) of revenue over (under) expenditures	(1,812,126)	(4,347,508)	(3,433,957)	(1,626,109)	(2,450,453)
Other financing sources (uses)					
Proceeds from capital leases	-	-	-	-	-
Proceeds from loan repayments	760	717,421	208,962	197,739	192,348
Proceeds from issuance of bonds	-	-	-	-	-
Transfers in	4,655,106	3,295,570	2,435,589	2,668,660	2,328,731
Transfers out	(3,223,826)	(2,212,070)	(1,779,196)	(1,877,076)	(2,630,211)
Total Other Financing Sources	1,432,040	1,800,921	865,355	989,323	(109,132)
Net Change in Fund Balance	\$ (380,086)	\$ (2,546,587)	\$ (2,185,827)	\$ (636,786)	\$ (2,559,585)

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2020	2019	2018	2017	2016
Revenues:					
Taxes:					
Property	\$ 3,621,765	\$ 3,386,596	\$ 3,417,541	\$ 2,931,682	\$ 3,172,489
Sales	6,840,520	5,837,364	5,027,535	5,502,627	5,045,260
Franchise	211,963	205,047	206,534	274,792	188,834
Motor vehicle in lieu	2,267,086	2,089,248	1,947,375	1,844,519	1,693,793
Other	162,436	136,047	131,701	137,847	549,654
Total Revenues	\$ 13,103,770	\$ 11,654,302	\$ 10,730,686	\$ 10,691,467	\$ 10,650,030

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2015	2014	2013	2012	2011
Revenues:					
Taxes:					
Property	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703	\$ 1,900,394	\$ 2,113,461
Sales	3,732,177	3,394,908	2,358,667	1,542,190	1,385,013
Franchise	179,313	174,558	161,946	168,451	173,004
Motor vehicle in lieu	1,596,755	1,288,025	1,238,447	1,199,856	1,326,975
Other	719,718	769,476	595,982	676,915	622,234
Total Revenues	\$ 8,885,269	\$ 7,695,092	\$ 6,458,745	\$ 5,487,806	\$ 5,620,687

Source: City of Patterson Finance Department

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

Type of Customer	Fiscal Year				
	2020	2019	2018	2017	2016
Residential	1,095,305 cf	1,018,052 cf	1,049,166 cf	1,116,364 cf	884,153 cf
Commercial/Industrial	165,164	151,297	123,676	99,656	122,608
Irrigation	444,466	334,844	287,977	260,565	204,934
Total	1,704,935 cf	1,504,193 cf	1,460,819 cf	1,476,585 cf	1,211,695 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	
2020	\$ 13.62	\$ 3.14	\$ 49.94	
2019	\$ 12.27	\$ 2.82	\$ 49.94	
2018	\$ 11.06	\$ 2.54	\$ 44.44	
2017	\$ 11.06	\$ 2.54	\$ 44.44	
2016	\$ 11.04	\$ 2.76	\$ 41.92	
2015	\$ 11.04	\$ 2.76	\$ 39.55	
2014	\$ 10.62	\$ 2.65	\$ 37.31	
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	

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 Ten Fiscal Years

	Fiscal Year End				
	2011-12	2012-13	2013-14	2014-15	2015-16*
Residential Property	-	-	-	-	1,067,738,189
Commercial Property	-	-	-	-	106,365,150
Industrial Property	-	-	-	-	278,228,208
Other Property	1,146,822,457	1,174,200,272	1,243,040,268	1,490,319,496	187,566,714
Unsecured Property	21,466,697	22,827,604	22,211,957	69,354,774	81,491,675
Less Tax-Exempt Property	19,891,800	19,583,220	18,900,554	18,375,785	35,591,679
Taxable Assessed Value	1,148,397,354	1,177,444,656	1,246,351,671	1,541,298,485	1,685,798,257
Total Direct Tax Rate (1)	1.124542	1.132936	1.126574	1.092819	1.097113
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
Factor of Taxable Assessed Value (2)	1.000000	1.000000	1.000000	1.000000	1.467680

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

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

(-) indicates data not available

*Other property includes state unitary \$88,243.

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

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

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

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

	2016-17	2017-18	2018-19	2019-20
Residential Property	1,125,435,937	1,221,805,158	1,336,735,402	1,420,672,172
Commercial Property	134,692,261	141,903,335	162,332,795	175,943,468
Industrial Property	461,416,004	460,796,304	464,865,277	470,160,844
Other Property	62,594,490	66,537,768	73,659,817	141,632,148
Unsecured Property	87,592,650	84,553,479	82,368,182	87,689,106
Less Tax-Exempt Property	36,416,220	38,086,325	38,436,037	42,869,663
Taxable Assessed Value	1,835,315,122	1,937,329,719	2,081,525,436	2,253,228,075
Total Direct Tax Rate (1)	1.095707	1.104825	1.106684	1.141246
Estimated Actual Taxable Value (2)	2,515,245,600	2,880,528,379	3,191,213,893	3,457,556,850
Factor of Taxable Assessed Value (2)	1.370471	1.486855	1.533113	1.534490

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

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

(-) indicates data not available

*Other property includes state unitary \$88,243.

(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 Three Fiscal Years

Category	Fiscal Year			
	2016-17	2017-18	2018-19	2019-20
Agriculture	14,009,788	14,548,636	11,793,401	14,729,866
Commercial	134,692,261	141,903,335	162,332,795	175,943,468
Industrial	461,416,004	460,796,304	464,865,277	470,160,844
Institution	-	-	-	-
Miscellaneous	51,905	52,942	54,000	55,079
Residential	1,125,435,937	1,221,805,158	1,336,735,402	1,420,672,172
Rural	1,337,947	712,923	727,181	5,866,493
Unknown	5,164,703	1,245,101	1,096,217	9,299,298
Vacant	41,941,904	49,709,923	59,900,775	111,593,169
Unitary	88,243	88,243	88,243	88,243
Gross Secured Value	1,784,138,692	1,890,862,565	2,037,593,291	2,208,408,632
Unsecured	87,592,650	84,553,479	82,368,182	87,689,106
Exemptions	36,416,220	38,086,325	38,436,037	42,869,663
Net Taxable Value	1,835,315,122	1,937,329,719	2,081,525,436	2,253,228,075

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytic
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 Ten Fiscal Years

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Basic City and County Levy:									
City of Patterson	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770
All Others:									
County General Fund	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442
Co Supt of Schools	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947
County Fire Service	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658
Patterson Cemetery	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696
Patterson Hospital District	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410
Turlock Mosquito Abatement	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318
Patterson Unified School District	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426
Yosemite Community College	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620
County School Service Fund	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908
Schools-equalization aid	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355
Schools-tuition	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
Override Assessments									
Patterson U - 1996	0.017613	0.018016	0.016664	0.011640	0.010596	0.010415	0.009953	0.009910	0.008517
Patterson U - 01A	0.070130	0.074108	0.069589	0.045680	0.043932	0.043952	0.042364	0.042913	0.037489
Patterson U - 01B	0.012167	0.012052	0.011402	0.008691	0.007974	0.007850	0.000000	0.000000	0.009804
Patterson U - 2008A	0.000000	0.000000	0.001938	0.004985	0.007691	0.010456	0.010179	0.011078	0.009759
Patterson U - 2016 GO Ref	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.018261	0.016809	0.005718
Patterson U - 2018A	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.046179
YCCD 2005 A	0.005962	0.000000	0.000000	0.000000	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	0.007585	0.009093	0.008839
YCCD 2010 D	0.000666	0.000399	0.000390	0.000334	0.000467	0.000459	0.000359	0.000410	0.000405
YCCD 2012 Ref	0.000000	0.007469	0.007567	0.005826	0.008285	0.008500	0.008753	0.007962	0.007286
YCCD 2015 Ref	0.000000	0.000000	0.000000	0.000000	0.006550	0.004885	0.007371	0.008509	0.007250
TOTAL	0.124542	0.132936	0.126574	0.092819	0.097113	0.095707	0.104825	0.106684	0.141246
TOTAL TAX RATE	1.124542	1.132936	1.126574	1.092819	1.097113	1.095707	1.104825	1.106684	1.141246

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

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.

This page intentionally left blank.

City of Patterson
Table 9
Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2019-20		2010-11	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
Wr Griffin Patterson Llc	104,246,116	4.63%		
W W Grainger Inc	94,655,404	4.20%	10,237,000	0.90%
Bit Holdings Seventy-Seven Inc	78,529,389	3.49%		
Longs Drug Stores California Inc	63,720,009	2.83%	60,783,174	5.34%
Westcore Ii Patterson Llc	54,908,000	2.44%		
Amazon.Com Services Inc	41,792,310	1.85%		
Kohls Department Stores Inc	41,114,980	1.82%	46,144,040	4.05%
Lba Rv-Company Xvii Lp	36,294,710	1.61%		
Wal Mart Real Estate Business Trust	25,545,343	1.13%		
Restoration Hardware Inc	16,669,290	0.74%		
Sierra Pacific Refrig Serv Ltd	13,800,943	0.61%	11,134,815	0.98%
Pilot Travel Centers Llc	12,368,625	0.55%		
Ramos John J & Brenda J	12,307,557	0.55%	10,547,140	0.93%
Buzz Oates Llc	10,224,734	0.45%		
Krishna Hospitality Llc	8,640,410	0.38%		
Patterson Ranch Development Llc	8,500,000	0.38%		
Traina Pacific Llc	7,554,829	0.34%		
Patterson Marketplace Llc	7,497,680	0.33%	6,291,176	0.55%
Three D Patterson Llc	6,753,292	0.30%	5,869,926	0.52%
Eagle Valley Investments	6,306,995	0.28%		
Boersma Properties Llc	5,830,424	0.26%		
Save Mart Supermarkets	5,506,960	0.24%	5,068,395	0.44%
Ormand Robert	4,748,781	0.21%		
Majestic Brisa Partners Llc	4,710,931	0.21%		
Proto	4,313,000	0.19%		
Patterson Industrial Center Ll			29,181,344	2.56%
Patterson Vegetable Company Ll			16,689,274	1.46%
Westfalia Separator Inc			5,695,726	0.50%
Patterson Hotel Associates			4,282,740	0.38%
Keystone Flex Ii Associates Ll			4,167,515	0.37%
Ormond Peter M			4,085,000	0.36%
Hensley Investment Co Llc			3,995,589	0.35%
Snider Paul H			3,790,995	0.33%
Patterson Plaza Associates Llc			3,555,000	0.31%
Westside Property Management			3,521,388	0.31%
Sperry Commercial Lp			3,361,948	0.30%
Proto Llc			3,250,000	0.29%
525 Baldwin Llc			2,456,784	0.22%
Teg Investments			2,393,281	0.21%
Ornellas Mary S			2,179,663	0.19%
Federal Natl Mortgage Assoc			2,150,000	0.19%
Trinidad/Benham Corp			2,071,460	0.18%
Total Top 25 Taxpayers	676,540,712	30.03%	252,903,373	22.20%
Total Taxable Value	2,253,228,075	100.00%	1,139,216,417	100.00%

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics
2019-20 Total Taxable Value includes State Unitary \$88,243.

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

2019-20	
Taxpayer	Business Type
76	Service Stations
76	Service Stations
A Wireless	Electronics/Appliance Stores
Chevron	Service Stations
Chevron Patterson	Service Stations
CVS	Drug Stores
Del Don Chemical	Garden/Ag Supplies
Flying J Travel Plaza	Service Stations
G's Food Mart	Service Stations
JM Equipments	Warehse/Farm/Const Equip
Kwik Serv Gas	Service Stations
Lowry Cardlock Fuel	Petroleum Prod/Equipment
McAuley Ford	New Motor Vehicle
McDonalds	Quick-Service Restaurant
Patterson Lumber	Building Materials
Patterson Mobil	Service Stations
People's Remedy	Cannabis Related
Plow & Hearth	Fulfilment Centers
Restoration Hardware	Fulfilment Centers
San Joaquin Equip.	Warehse/Farm/Const Equip
Save Mart	Grocery Stores
Thompson Chevrolet Buick	New Motor Vehicle
True Value Hardware	Building Materials
WWGrainger	Electrical Equipment
Walmart Supercenter	Discount Dept Store

Source: HdL Companies

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

2010-2011	
Taxpayer	Business Type
76	Service Stations
76	Service Stations
Auto Zone	Auto Repair
Big O Tires	Automotive Supply Stores
Carls Jr	Quick Service Restaurant
Chevron Patterson	Service Stations
CVS	Drug Stores
Del Don Chemical	Garden/Ag Supplies
Design Mobile Systems	Trailers/RVs
Dollar Tree	Variety Stores
G's Food Mart	Service Stations
JM Equipment	Warehse/Farm/Cons Equip
Kwik Serv Gas	Service Stations
Lowry Cardlock Fuel	Petroleum Prod/Equipment
McAuley Ford	Auto Sales - New
McDonalds	Restaurants
Patterson Exxon	Service Stations
Phillin Station	Service Stations
San Joaquin Equipment Co	Warehse/Farm/Cons Equip
Save Mart	Grocery Store
Storeroom Solutions	Light Industrial/Printers
Taco Bell	Quick Service Restaurant
Thompson Chevrolet Buick	New Motor Vehicle
True Value	Hardware
Walgreens	Drug Stores

Source: HdL Companies

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

CATEGORY NAME	2011 Q1	2012 Q1	2013 Q1	2014 Q1	2015 Q1
All Other Outlets	31,538	16,502	254,533	339,350	389,253
Apparel Stores	245	301	357	233	799
Auto Dealers & Auto	61,021	63,804	71,100	89,599	107,648
Bldg. Matrl. & Farm	48,476	56,007	60,320	59,860	102,671
Drug Stores	11,371	13,143	10,176	9,079	9,002
Eating & Drinking Pl	35,574	41,980	44,396	51,559	53,868
Food Stores	19,300	19,509	15,938	14,677	18,922
Home Furnishings & A	2,361	2,624	3,255	4,366	5,519
General Merchandise	3,274	3,517	77,738	91,259	72,612
Other Retail Stores	2,313	898	1,392	1,655	3,149
Packaged Liquor Stor	608	550	467	1,209	689
Service Station	76,802	84,261	79,145	80,038	73,795
TOTAL	292,883	303,096	618,817	742,884	837,927

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	2016 Q1	2017 Q1	2018 Q1	2019 Q1	2020 Q1
All Other Outlets	592,368	597,886	567,498	536,620	934,427
Apparel Stores	597	774	526	1,116	894
Auto Dealers & Auto	104,804	123,336	123,204	111,997	113,273
Bldg. Matrl. & Farm	62,643	60,911	32,749	69,889	94,280
Drug Stores	8,922	9,318	4,655	23,628	17,646
Eating & Drinking Pl	58,015	56,766	56,023	74,473	51,621
Food Stores	16,884	14,235	13,203	13,447	11,203
Home Furnishings & A	9,228	12,564	10,601	9,814	12,462
General Merchandise	79,659	80,118	83,482	84,760	86,678
Other Retail Stores	3,345	3,495	5,543	4,237	-2,373
Packaged Liquor Store	997	8,353 *	4,945	2,877	6,607
Service Station	63,428	142,584	174,114	202,665	188,080
TOTAL	1,000,890	1,110,340	1,076,543	1,135,523	1,514,798

* HdL combined business type Packaged Liquor Stores with Convenience Stores in 4Q16 thus causing a spike in 1Q17 and forward.

This page intentionally left blank.

City of Patterson
Table 12
Demographic and Economic Statistics
Last Nine Fiscal Years

Fiscal Year	Population (1)	Personal Income (2)	Per Capita		**Public School Enrollment	County		City		County Population (1)
			Personal Income (2)	Median Age (4)		Unemployment Rate (%) (3)	Unemployment Rate (%) (3)			
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	
2017-18	23,414	503,526,733	21,505	30.6	6,103	7.1%	7.2%	7.2%	555,624	
2018-19	23,764	539,051,882	22,684	30.8	6,077	5.6%	5.5%	5.5%	558,972	
2019-20	23,074	544,361,808	23,592	31.3	6,179	16.1%	14.9%	14.9%	557,709	

Source: MuniServices, LLC / Avenu Insights & Analytics, 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

Business Name	2019-20	
	Number of Employees	Percent of Total Employment (%)
Amazon Fulfillment Center*	820	8.54%
Patterson Joint Unified School District	735	7.66%
CVS Caremark Distribution Center	392	4.08%
Grainger Distribution Center	373	3.89%
Walmart Supercenter	301	3.14%
City of Patterson*	224	2.33%
Restoration Hardware	197	2.05%
King's Roofing	100	1.04%
Save Mart	85	0.89%
Mc Donald's	80	0.83%
Total Top 10 Employers	3,307	34.45%
Total City Labor Force (1)	9,600	

Source: MuniServices, LLC / Avenu Insights & Analytics
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.
(1) Total City Labor Force provided by EDD Labor Force Data.
*Includes full and part time

City of Patterson
Table 14
Direct and Overlapping Governmental Activities Debt

2019-20 Assessed Valuation: \$2,271,415,475

<u>OVERLAPPING TAX AND ASSESSMENT DEBT</u>	Total Debt 6/30/2020	% Applicable (1)	City's Share of Debt 6/30/20
Yosemite Community College District	\$ 263,383,748	3.191%	\$ 8,404,575
Patterson Joint Unified School District	57,575,270	70.819	40,774,230
City of Patterson Community Facilities District No. 2001-1	64,445,000	100.000	64,445,000
City of Patterson Community Facilities District No. 2005-1	9,355,000	100.000	9,355,000
City of Patterson Community Facilities District No. 2015-1	4,710,000	100.000	4,710,000
City of Patterson 1915 Act Bonds	2,725,976	100.000	2,725,976
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 130,414,781
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Stanislaus County Certificates of Participation	\$ 22,160,000	4.329%	\$959,306
Stanislaus County Board of Education Certificates of Participation	1,850,000	4.329	\$80,087
Patterson Joint Unified School District General Fund Obligations	10,995,000	70.819	\$7,786,549
City of Patterson General Fund Obligations	2,172,830	100.000	\$2,172,830
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$10,998,772
TOTAL DIRECT DEBT			\$2,172,830
TOTAL OVERLAPPING DEBT			\$ 139,240,723
COMBINED TOTAL DEBT			\$ 141,413,553 (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 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	5.74%
Total Direct Debt (\$2,172,830).....	0.10%
Combined Total Debt	6.23%

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	Number Authorized
	15-16	16-17	17-18	18-19	19-20
Administration					
City Manager	1	1	1	1	1
Human Resources Director	0	1	1	1	1
Human Resources Manager	1	0	0	0	0
City Clerk	1	1	1	1	1
HR Analyst	0	1	1	1	1
Executive Administrative Assistant Confidential	0	0	1	1	1
Secretary - Confidential	1	1	0	0	0
Deputy City Clerk	0	0	0	0	1
Administrative Assistant	1	1	1	1	0
IT Manager	0	0	0	0	1
IT Technician II	0	0	0	0	1
	5	6	6	6	8
Finance					
Finance Director	1	1	1	1	1
Supervising Accountant	0	1	1	1	1
Revenue & Utility Billing Manager	1	1	1	1	1
Accountant	1	0	0	1	1
Accounting Technician	0	1	1	1	1
Account Clerk, Senior	4	3	3	3	3
Account Clerk	1	2	2	3	3
	8	9	9	11	11
Recreation & Community Services					
Recreation & Community Services Director	1	1	1	1	1
Recreation & Community Services Manager	0	1	1	1	1
Recreation & Community Services Supervisor	1	0	0	1	4
Account Clerk, Senior	0	0	0	0	0
Recreation Coordinator II	1	1	1	3	0
Recreation Coordinator I	2	3	3	1	0
Account Clerk	1	1	2	2	2
Facilities & Maintenance Supervisor	1	1	1	1	1
Maintenance Worker III	1	1	1	1	1
Maintenance Worker I	0	0	1	1	1
	8	9	11	12	11
Fire					
Chief	1	1	1	1	1
Division Chief	2	2	2	2	2
Fire Captain - Paramedic	1	2	2	2	2
Fire Captain	5	3	3	4	4
Fire Engineer - Paramedic	0	1	1	1	1
Fire Engineer	5	4	4	5	5
Fire Fighters - Paramedic	4	3	6	6	6
Fire Fighters	1	0	0	0	0
Fire Marshall	0	1	1	0	0
Fire Prevention Specialist	1	0	0	1	1
Administrative Manager	1	1	1	1	1
Secretary II	1	1	1	1	1
Code Enforcement Officer II	1	1	1	1	1
Code Enforcement Officer I	1	1	1	1	1
	24	21	24	26	26

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	Number Authorized
	15-16	16-17	17-18	18-19	19-20
Planning & Community Development					
Community Development Director	0	0	1	1	1
Planner	1	1	1	1	1
Associate Planner	1	1	1	1	1
Planning Technician II	2	2	2	2	2
	4	4	5	5	5
Engineering, Building & Capital Projects					
Director of Engineering	1	1	1	1	1
Associate Engineer	1	0	1	1	1
Assistant Engineer	1	2	1	1	1
Secretary I	1	1	1	1	1
	4	4	4	4	4
Capital Projects					
Capital Project Manager	1	1	1	1	1
Building & Permits					
Permit Technician II	1	1	1	1	1
Public Works					
Director of Public Works	1	1	1	1	1
Deputy Director of Public Works Ops & Maint	1	1	1	1	1
Sr. Administrative Manager	1	1	1	1	1
Public Works Inspector III	1	1	1	1	1
Public Works Inspector II	0	0	0	0	1
Public Works Inspector I	0	1	1	1	0
Management Analyst	2	3	3	3	3
Secretary II	3	2	2	2	2
Maintenance Worker I	0	0	0	1	1
	9	10	10	11	11
Equipment Mechanic					
Mechanic - Crew Leader	1	1	1	1	1
Mechanic II	0	1	1	1	1
Mechanic I	1	0	0	0	0
	2	2	2	2	2
Building Maintenance					
Maintenance Worker II	1	2	1	1	1
Maintenance Worker I	0	0	1	1	1
	1	2	2	2	2
Parks					
Parks Supervisor	1	1	1	1	1
Maintenance Worker III	5	6	6	4	5
Maintenance Worker II	1	1	1	3	3
Maintenance Worker I	0	1	2	3	1
	7	9	10	11	10
Streets					
Public Works Supervisor - Streets	0.5	0.5	0.5	0.5	0.5
Maintenance Worker II	1	1	1	1	1
Maintenance Worker I	1	1	1	1	1
	2.5	2.5	2.5	2.5	2.5

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	Number Authorized
	15-16	16-17	17-18	18-19	19-20
Urban Forestry					
Public Works Supervisor - Tree	1	1	1	1	1
Maintenance Worker III	1	1	1	1	1
Maintenance Worker II	2	1	1	1	1
Maintenance Worker I	1	2	2	2	2
	5	5	5	5	5
Water					
Public Works Supervisor - Water	1	1	1	1	1
Water Operator III	2	3	3	4	4
Water Operator II	0	0	0	0	1
Water Operator I	3	1	1	1	0
Electrical & Instrumentation Manager	0	0	0.5	0.5	0.5
Electrician - Crew Leader	0	0.5	0	0	0
Electrician Technician II	0	0	0.5	0.5	0.5
	6	5.5	6	7	7
Sewer					
Wastewater Manager	1	1	1	1	1
Chief Waste Water Operator	1	1	1	1	1
Wastewater Operator III	1	1	1	2	2
Wastewater Operator II	2	2	2	1	1
Wastewater Operator I	0	1	1	1	1
Electrical & Instrumentation Manager	0	0	0.5	0.5	0.5
Electrician - Crew Leader	0	0.5	0	0	0
Electrician Technician II	0	0	0.5	0.5	0.5
Maintenance Worker I	1	0	0	0	0
	6	6.5	7	7	7
Collection					
Public Works Supervisor - Collections	0.5	0.5	0.5	0.5	0.5
Maintenance Worker III	2	1	1	3	3
Maintenance Worker II	1	2	2	0	0
Maintenance Worker I	0	0	0	0	1
	3.5	3.5	3.5	3.5	4.5
Total Allocated Positions	97	101	109	117	118

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



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Patterson, California (the "City"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

To the Honorable Mayor and Members of the City Council
of the City of Patterson
Patterson, California
Page 2

Purpose of this Report

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

The Pen Group, LLP

Walnut Creek, California
December 28, 2020