

# CITY OF PATTERSON



## ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2021







**CITY OF PATTERSON**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

**CITY OF PATTERSON, CALIFORNIA**

Prepared and Issued by  
Finance Department

**SAADIAH RYAN**  
Finance Director



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**Annual Comprehensive Financial Report**  
**For the Year Ended June 30, 2021**  
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# City of Patterson

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

December 29, 2021

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

We are pleased to present the City of Patterson's ("City") Annual Comprehensive Financial Report ("ACFR") for the year ended June 30, 2021. The information in this ACFR is prepared in accordance with Generally Accepted Accounting Principles ("GAAP") and included an unmodified opinion on the report by the City's independent certified accountants. Although we rely on the standards and expertise of these external auditors, the responsibility for the accuracy and fairness of this report rests with the City.

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

## **CITY PROFILE**

The City was incorporated in 1919 and is located in Stanislaus County, on Highway 33, along the Interstate 5 corridor, and is approximately 280 miles north of Los Angeles, 92 miles south of Sacramento, 89 miles southeast of San Francisco and 45 miles southeast of Livermore. The City has a permanent staffing level of 121 City employees and serves approximately 23,300 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 and Advance Life Support Services (ALS).

Community Development includes Economic Development, Housing, Code Enforcement 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 Crossing Guards.

## **ECONOMIC CONDITION AND OUTLOOK**

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 the online sales which, in some instances, do not provide the City with a “point-of-sale” taxable nexus. The City is still fortunate to have a more diverse revenue structure which can continue to benefit from Measure L; the ½ cents transaction and use tax over 25 years, SB1 revenue, new businesses such as the 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.

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 built 20 Self-Help homes and are permitted to build 20 more. The Self Help Apartments have been constructed and they have 100% occupancy along with a waiting list. The Patterson Ranch Projects have installed streets and underground facilities and have built several model homes. To date approximately 200 homes have been sold. Patterson Ranch will provide approximately 250 affordable homes that fit into the middle-income affordable category.

The City received CARES grant in the amount of \$1.06 million in FY 2021 to help City funding some of the operation and maintenance costs related to COVID-19 prevention and public safety related costs.

The American Rescue Plan Act will also be contributing to our General Fund. The City expects to see \$4.2 million over a two-year period that can be used to help stimulate our economy and provide much needed economic stimulus and programming to assist businesses and our volunteer organizations.

In response to the COVID-19 pandemic, the current year budget includes \$1.3 million in departmental budget reductions in non-essential areas such as consulting services, software upgrades, and non-critical maintenance, and the staffing hours and head count. In addition, a temporary hiring freeze had 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 City is fortunate to experience an unexpected Sales tax increase approximately \$3.18 million in FY 2021. Majority of the increase is due to change in sales tax reporting by one of top sale tax producers in the business and industry group. The City is looking forward to lifting the cost cutting measures and hiring freeze to run operations as normal.

## **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 2020-2021 budget process:

- Continued progression of our Strategic Plan.
- Increase in project revenues through grants, Measure L, and SB1 for street maintenance, and infrastructure projects.
- Leverage technology to improve efficiency and service delivery.
- Continued application processes for grant opportunities to fund COVID-19 expenditures, public safety and Parks renovation project.
- Continue review and analysis of development and redevelopment activities with new marketing materials, including the new City tag line and design of our Wayfinding strategies.

Some of the specific projects underway in Fiscal Year 2020-2021 included the following:

- I-5 Interchange PS&E design and construction
- Salado Creek Bike Trail Project
- Street maintenance projects-Las Palmas Overlay Phase 1
- Kinshire Street Rehabilitation - Design & construction Phase I

New Commercial Development included:

- Loves Travel Center
- La Quinta Hotel
- Caligrows Cannabis Campus
- Del Lago Family Fun Center

New Residential Development included:

- Patterson Ranch will provide approximately 250 affordable homes that fit into the middle-income affordable category.
- K.HOV Homes is expected to develop 12 units/parcels.
- K.B. Homes is expected to develop 56 units/parcels.

### **Acknowledgements**

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

Respectfully submitted,



Ken Irwin  
City Manager



**CITY OF PATTERSON**  
**Annual Comprehensive Financial Report**

**FISCAL YEAR**  
**2020 - 2021**

**City Council**

**MAYOR**  
**Dennis McCord**

**COUNCIL MEMBERS**  
**Shivaugn Alves, District A**  
**Alfred Parham, District B**  
**Dominic Farinha, District C**  
**Cynthia Homen, District D**

**Executive Staff**

**Kenneth Irwin, City Manager**

**Maricela Vela, City Clerk**

**Joshua Clayton, 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**

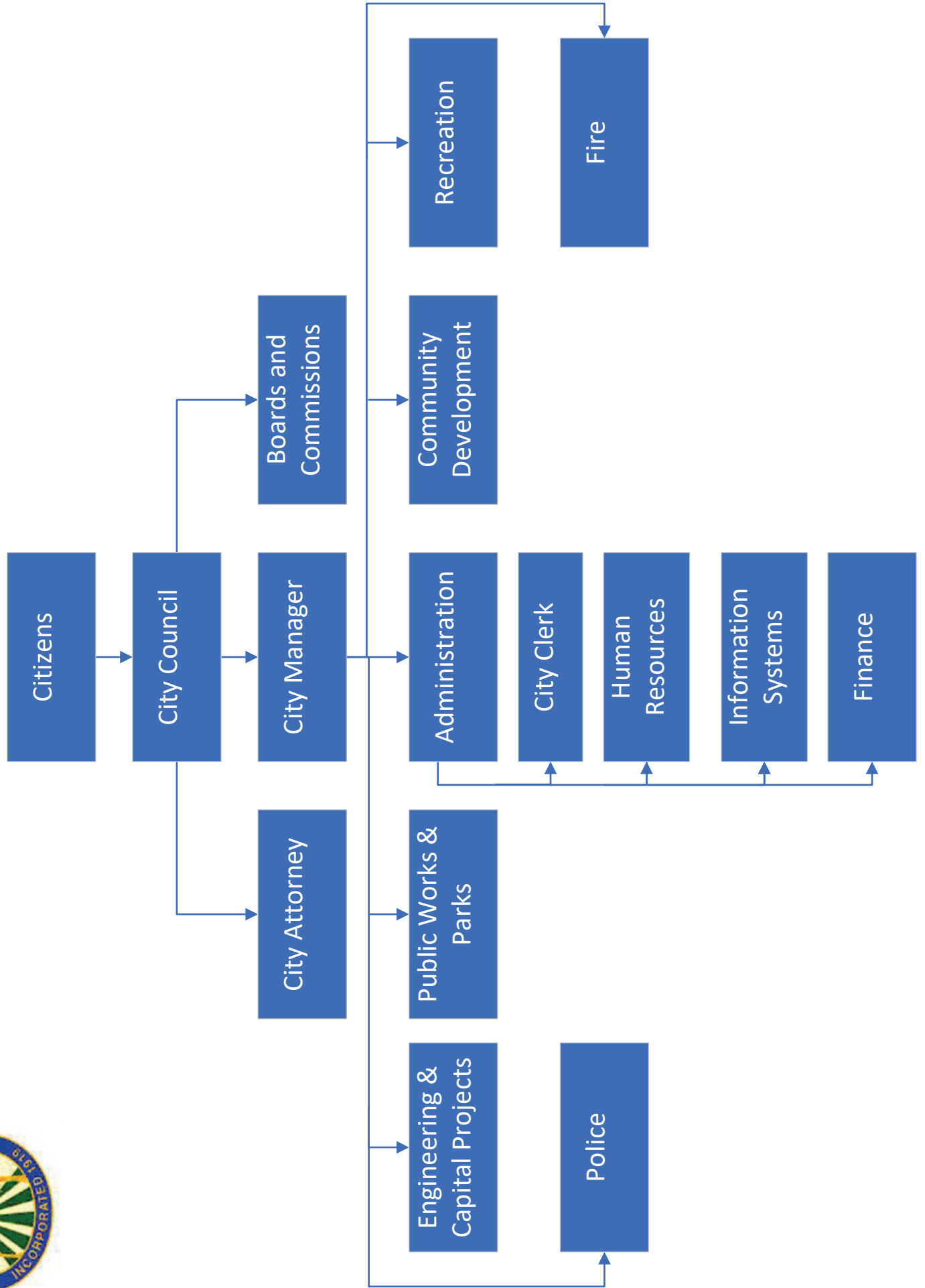
**David James, Community Development Director**

**Nubia Goldstein, City Attorney**

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



# Organizational Chart





## 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, 2021, 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, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of a Matter**

#### *Implementation of GASB Statement No. 84*

As discussed in Note 1 to the financial statements, the City implemented GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation, the City converted the former agency funds, which previously reported assets and liabilities only, to custodial funds and reported a restatement of its net position in the amount of \$14,522,618. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and 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 Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members  
of the City Council of the City of Patterson  
Patterson, California  
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The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2021, 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.

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

Walnut Creek, California  
December 29, 2021

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**City of Patterson**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2021**

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As management of the City of Patterson, California, (City) we offer readers of the City of Patterson's Annual Comprehensive Financial Report this narrative overview and analysis of the financial performance of the City for the year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's Annual Comprehensive Financial Report, which follow this discussion.

**Financial Highlights**

- **Changes in Net Position:** The government's total net position increased by \$7,659,234. The governmental activities increased by \$8,053,145 and business-type activities decreased by \$393,911 at the end of fiscal year June 30, 2021. The increased in total net position is related to increase in Taxes revenue by 27%, increase in capital grants and contribution by 20%, increase in operating grants and contribution by 75% and decrease in governmental expenditures by 5% and decrease in Enterprise Funds expenditure by 4% due to cost cutting measure in response to COVID-19 pandemic unknown impact to City's financial performance.
- **Long Term Debt:** The City of Patterson's total debt decreased by \$2,963,972, because of debt service payments.
- **Governmental Activities:** As of June 30, 2021, the City's governmental activities reported an ending net position of \$74,898,117, an increase of \$8,053,145 when compared with the prior year due to increase in operating grants and contributions, capital grants and contributions, taxes, and other revenues.
- **Business-Type Activities:** As of June 30, 2021, the City's total net position decreased by \$393,911 due to decrease in Water operating revenue by 23% and Sewer operating revenue by 4%. The decrease in water operations revenue was due to receiving Water settlement in the amount \$2.6 million in FY 2020. In addition, annual Sewer revenue rate increase of 6% was delayed and took effect in January of 2022.
- **General Fund:** As of June 30, 2021, committed, assigned and unassigned fund balance of the general fund was \$13,715,262. Of these funds \$6,658,766 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 are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves. Certain accounts in 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 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, 2021**

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

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

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

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

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

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

The City of Patterson maintains thirty-eight 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 26 – 32 of this report.

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

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

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

**City of Patterson**  
**Management’s Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 47 – 92 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 95 – 102 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 106 – 146 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 \$117,953,890 at the close of the most recent fiscal year.

	<b>Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Current and other assets	\$ 99,614,197	\$ 92,726,942	\$ 26,550,394	\$ 25,446,614	\$ 126,164,591	\$ 118,173,556
Capital assets, not being depreciated	13,203,658	12,980,443	10,939,954	13,485,978	24,143,612	26,466,421
Capital assets, being depreciated, net	48,341,854	48,327,788	36,548,941	35,733,020	84,890,795	84,060,808
Total Assets	<u>161,159,709</u>	<u>154,035,173</u>	<u>74,039,289</u>	<u>74,665,612</u>	<u>235,198,998</u>	<u>228,700,785</u>
Deferred Outflow of Resources	<u>2,968,951</u>	<u>2,220,438</u>	<u>2,162,688</u>	<u>1,844,909</u>	<u>5,131,639</u>	<u>4,065,347</u>
Long-term liabilities outstanding	78,861,283	80,279,563	30,407,404	30,712,475	109,268,687	110,992,038
Other liabilities	8,674,105	8,221,900	1,851,325	1,834,966	10,525,430	10,056,866
Total Liabilities	<u>87,535,388</u>	<u>88,501,463</u>	<u>32,258,729</u>	<u>32,547,441</u>	<u>119,794,117</u>	<u>121,048,904</u>
Deferred Inflow of Resources	<u>1,695,155</u>	<u>909,176</u>	<u>887,475</u>	<u>513,396</u>	<u>2,582,630</u>	<u>1,422,572</u>
Net Positions:						
Net Investment in Capital Assets	59,507,530	61,274,713	36,978,338	37,930,411	96,485,868	99,205,124
Restricted	14,976,923	10,752,749	3,133,810	983,202	18,110,733	11,735,951
Unrestricted	413,664	(5,182,490)	2,943,625	4,536,071	3,357,289	(646,419)
Net Position	<u>\$ 74,898,117</u>	<u>\$ 66,844,972</u>	<u>\$ 43,055,773</u>	<u>\$ 43,449,684</u>	<u>\$ 117,953,890</u>	<u>\$ 110,294,656</u>

By far, the largest portion of the City of Patterson’s net positions, 81.80 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, 2021**

Additional portion of the City of Patterson's net position, 15.35 percent, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,357,289 may be used to meet the government's ongoing obligation to citizens and creditors but is subject to designation for specific City programs.

At the end of the current fiscal year, the City of Patterson is able to report positive balances in all categories of net position for the government as a whole, as well as for its separate governmental and business-type activities. At year-end, 85.88 percent of the City of Patterson's business-type activities' net assets were invested in capital assets.

	<b>Changes in Net Position</b>					
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
<b>REVENUES</b>						
Program revenues						
Charges for services	\$ 6,918,926	\$ 5,872,870	\$ 14,354,933	\$ 13,649,198	\$ 21,273,859	\$ 19,522,068
Operating grants and contributions	3,564,498	2,040,401	-	-	3,564,498	2,040,401
Capital grants and contributions	4,333,162	3,609,391	-	8,493	4,333,162	3,617,884
Total program revenues	<u>14,816,586</u>	<u>11,522,662</u>	<u>14,354,933</u>	<u>13,657,691</u>	<u>29,171,519</u>	<u>25,180,353</u>
General revenues						
Taxes	16,696,612	13,103,770	-	-	16,696,612	13,103,770
Investment earnings	3,442,805	4,145,959	43,762	205,023	3,486,567	4,350,982
Revenue from Fiduciary Fund	527,556	-	155,744	-	683,300	-
Miscellaneous	379,911	3,284,604	63,988	4,297,875	443,899	7,582,479
Total general revenues	<u>21,046,884</u>	<u>20,534,333</u>	<u>263,494</u>	<u>4,502,898</u>	<u>21,310,378</u>	<u>25,037,231</u>
TOTAL REVENUES	<u>35,863,470</u>	<u>32,056,995</u>	<u>14,618,427</u>	<u>18,160,589</u>	<u>50,481,897</u>	<u>50,217,584</u>
<b>EXPENSES</b>						
General government	4,196,700	4,514,103	-	-	4,196,700	4,514,103
Police	5,859,954	5,838,153	-	-	5,859,954	5,838,153
Fire	5,592,559	5,367,429	-	-	5,592,559	5,367,429
Community development and planning	1,829,511	2,084,354	-	-	1,829,511	2,084,354
Public works	5,414,262	4,687,210	-	-	5,414,262	4,687,210
Parks and recreation	2,747,819	4,536,510	-	-	2,747,819	4,536,510
Interest and fiscal charges	3,818,561	3,942,429	-	-	3,818,561	3,942,429
Water	-	-	5,056,402	5,404,924	5,056,402	5,404,924
Sewer	-	-	5,532,181	5,533,806	5,532,181	5,533,806
Garbage	-	-	2,774,714	2,912,990	2,774,714	2,912,990
TOTAL EXPENSES	<u>29,459,366</u>	<u>30,970,188</u>	<u>13,363,297</u>	<u>13,851,720</u>	<u>42,822,663</u>	<u>44,821,908</u>
CHANGES IN NET POSITION BEFORE TRANSFERS	6,404,104	1,086,807	1,255,130	4,308,869	7,659,234	5,395,676
Transfers	1,649,041	1,642,806	(1,649,041)	(1,642,806)	-	-
<b>CHANGES IN NET POSITION</b>	<u>8,053,145</u>	<u>2,729,613</u>	<u>(393,911)</u>	<u>2,666,063</u>	<u>7,659,234</u>	<u>5,395,676</u>
Net position at beginning of year	66,844,972	64,115,359	43,449,684	40,783,621	110,294,656	104,898,980
Net position at end of year	<u>\$ 74,898,117</u>	<u>\$ 66,844,972</u>	<u>\$ 43,055,773</u>	<u>\$ 43,449,684</u>	<u>\$ 117,953,890</u>	<u>\$ 110,294,656</u>

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

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**Governmental activities.** Overall, governmental revenues increased by \$3.81 million or 11.9 percent from prior year. Key elements of the change are as follows:

- Total taxes increased by \$3.59 million or 27% due to an increase in property taxes by \$307,301, and sales tax by \$3.18 million. The number of residential and commercial developments completed in FY2021 have increased and triggered the increase in property tax. Sales tax increased significantly in the business and industry sector, due to a change in reporting of sales tax by one of the top sales tax producers.
- Charges for services increased by \$1.04 million or 18 percent mainly due to increase in Cannabis fines approximately \$200,000 as well as other Community/Senior Center Fee, Aquatic Center Fee, City Hall Annex Fees increased approximately \$636,000. An increase in parking fines, residential developments, and the assessment fees associated with those developments contributed to the increase as well.
- Capital grants and contributions increased by \$723,771 due to an increase in San Joaquin Valley Air Pollution Control District grant approximately \$239,000 to purchase several electric vehicles. Amount received under the Urban Greening Grant increased by \$196,000 to fund Salado Creek bike trail project. Additionally, there was an increase in Measure L revenue funding local streets & roads in the amount of \$359,000. Finally, salary reimbursement from West Stanislaus Fire increase by \$91,000 due to various fire incidents in Northern California.
- Operating grants and contributions increased by \$1.52 million due to the CARES COVID-19 grant in the amount of \$1.06 million received in FY2021, SJVAPCD grant revenue by approximately \$ 240,000, and salary and vehicle reimbursement from Fire District by approximately \$147,000.

Overall, expenses decreased by \$1,510,822 or 0.05 percent compared to the prior year. Major decrease in expenditures were related to Park and Recreation's operations and maintenance due to program closures, capital outlay, and delay in City Hall expansion.

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

**Business-type activities.** Water operating revenue decreased by \$1.9 million, and expenses decreased by \$12,000 in fiscal year 2021, resulting in operating income of \$1.86 million. Revenue decreased due to water settlement revenue of \$2.6 million received in FY 2020. The financial impact is being mitigated by an increase in number of customers and water rate increases of 11%. Decrease in water expense was due to cost cutting measures and delay of water capital projects because of the uncertainty of COVID-19 pandemic. The Water Fund's net position was \$23,291,054. Of this amount, \$18,453,272 was invested in net investment in capital assets, \$3,066,323 was restricted \$1,771,459 was unrestricted.

Sewer operating revenue decreased by \$178,545 and expenses increased by \$28,521 in fiscal year 2021. The decrease in operating revenue is related to delaying the 6% Sewer rate increase until January 1, 2022, and 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, 2021, the Sewer fund's net position was \$18,441,737. Of this amount, \$18,492,207 was invested in net investment in capital assets, \$67,487 was restricted and (\$117,957) was unrestricted.

Garbage operating revenue increased by \$199,989 in fiscal year 2021. The increase was due to an increase in garbage rates of 6% and an increase in number of customers. Garbage expenses decreased by \$55,549 in fiscal year 2021 was due to cost cutting measures. As of June 30, 2021, the Garbage Fund's net position was \$1,322,982. Of this amount \$32,859 was invested in net investment in capital assets and \$1,290,123 was unrestricted.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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

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

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

As of the end of current fiscal year, the City of Patterson's governmental funds reported combined ending fund balances of \$93,285,593, an increase of \$6,643,260 in comparison with the prior year. The increase was due to increase in Taxes \$3.59 million, charges of services by \$1.04 million, operating grant and contribution by \$1.5 million, capital grants and contribution by \$723,000 and decrease in other revenue by \$1.2 million. The City's governmental funds ending fund balances of \$16,893,199 or 18.11 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, \$76,392,394, 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 \$2,943,625, a decrease of \$1,659,825 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 \$13,248,685, while total fund balance was \$13,715,262. The general fund's ending fund balance increased by \$4,638,934 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 68.16 percent of the total general fund expenditures, most of which is committed or assigned to meet future long-term obligations. The key factors in the increase of General Fund's fund balance as follows:

- Overall, General Fund revenues (including transfers in) increased year-over-year by \$3,696,022 and expenditures (including transfers out) decreased by \$39,723. Tax related revenue increased by \$3,496,280 due to increases in property tax current secured and real estate transfer tax by \$210,000 as City residential and commercial real estate construction completed in FY 2021 an influx of residents moved to Patterson. Sales tax increased significantly due to one of the sales tax producers reporting change, and commercial businesses opened in FY 2021 such as Valero gas station, restaurants, Hamen truck wash, Starbucks to name a few. Motor vehicle in lieu followed similar trend as property tax increasing by \$107,000. Transient Occupancy Tax increased by \$85,000 due to the opening of Hampton Inn operating full year in FY 2021. Intergovernmental grants experienced an overall increase of \$2.24 million due to San Joaquin Valley Air Pollution Control grant increasing by \$239,000 to fund electric vehicles, CARES grant by \$1.6 million to fund COVID-19 related expenditures, Urban Greening grant increased by \$196,000, and other reimbursements from the Fire District.
- The overall decrease in expenditures was attributed to cost cutting measures at various division salaries and benefits observing hiring freeze, Recreation program closures and delay in capital outlay.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

**General Fund Budgetary Highlights**

For the fiscal year ended June 30, 2021, General Fund's revenue final amended budget increased over the original budget by \$113,000 and actual revenue increased by \$2.5 million from final amended budget. The expenditure final amended budget increased by \$723,000 over original budget and the actual expenditures were \$1.94 million 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 projected higher by \$1.3 million, property tax by \$341,000, increase in CARES grant by \$284,000, decrease in License, permits and fees by \$477,000 and decrease in State Urban Greening Grant by \$1.6 million.
- The actual revenue is higher than final budget due to sales tax increase by \$2.9 million due to a sales tax reporting change from one of the top sales tax producers.
- The expenditure final budget is higher than original budget by \$723,000 due budget adjustment up for Fire overtime by \$78,000 and overtime-strike team by \$24,000, Naomi House project by \$288,000, General contract services HR by \$35,000, capital outlay \$105,000 and North and South Park Improvement project by \$109,000.
- General government actual expenditure is lower than final budget due to COVID-19 expenditure actual lower than budget by \$356,000.
- Police actual expenditures are lower than final budget due to delay in hiring the SCO and clerical staff and salary vacancy savings by \$306,000, SRO services and COPS grant came in lower than budget by \$97,000.
- Fire actual expenditure lower than final budget due to salary vacancy savings by \$100,000 and delayed intern program.
- Public Works actual expenditure is lower than final budget expenditure due to delay in North and South Park Improvement expenditure by \$107,000 to FY 2022.
- Park and Recreation actual expenditures lower than final budget expenditure due to temporary program closure because of COVID-19 pandemic and reduction in part-time staff by \$135,000. In addition, Park and Maintenance and City Hall Annex departments are re-classified from Park and Recreation division to Public Work division in FY 2021.

**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, 2021, amounts to \$109,034,407, a decrease of \$1.49 million or 1.35 percent of total capital assets over prior year. This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and streets.

	<b>Capital Assets (Net of depreciation)</b>			
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Land	\$ 5,271,125	\$ 5,271,125	\$ 6,196,328	\$ 6,196,328
Construction in progress	7,932,533	7,709,318	4,743,626	7,289,650
Building	16,668,753	17,268,460	-	-
Improvements	7,033,692	7,567,964	-	-
Infrastructure	23,743,745	22,655,849	35,083,425	33,994,020
Equipments	895,664	835,515	1,465,516	1,739,000
Total	\$ 61,545,512	\$ 61,308,231	\$ 47,488,895	\$ 49,218,998

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, 2021**

**Long-Term debt.** At the end of the current fiscal year, the City of Patterson's total long-term debt outstanding decreased to \$2.96 million, a decrease attributable to the normal scheduled debt service. Sewer Revenue bonds and loan payable of \$6.2 million are to be paid out of sewer revenues. 2019 Water Revenue bond \$16.9 million are to be paid out of the water revenues.

**LONG-TERM LIABILITIES**

	<u>2021</u>	<u>2020</u>
Governmental activities		
Compensated absences	\$ 512,606	\$ 468,489
PPFA 2013 Heartland Ranch Revenue Bonds	2,292,005	2,725,976
PPFA 2013 Series A revenue bonds	56,419,259	58,050,813
PPFA 2013 Series B revenue bonds	5,575,000	5,740,000
2018 Lease Revenue bonds	2,037,982	2,172,830
Capital leases	-	33,518
Settlement payable	364,000	364,000
Total governmental activities	<u>67,200,852</u>	<u>69,555,626</u>
Business-type activities		
Water		
Compensated absences	123,062	108,403
2019A Water revenue bond	9,656,513	9,741,040
2019B Water revenue refunding bond	7,259,799	7,528,312
Total for water fund	<u>17,039,374</u>	<u>17,377,755</u>
Sewer		
Compensated absences	112,107	94,969
State revolving fund loan	449,629	493,475
2009 sewer bonds	260,000	340,000
2017 Sewer Refunding Revenue Bond	2,572,900	2,602,300
Bank of america loan	1,350,053	1,388,999
CEC loan	1,646,186	1,744,753
Total for sewer fund	<u>6,390,875</u>	<u>6,664,496</u>
Garbage		
Compensated absences	29,192	26,388
Total for garbage fund	<u>29,192</u>	<u>26,388</u>
Total business-type activities	<u>\$ 23,459,441</u>	<u>\$ 24,068,639</u>

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.

**City of Patterson**  
**Management's Discussion and Analysis (Unaudited) (Continued)**  
**For the Year Ended June 30, 2021**

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**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. We are also directing the American Rescue Plan funds in ways that will significantly help our City budget, bring in several new part time positions, and unfreeze positions in the Police and Fire Departments. Factors that will impact our economic strength are the online sales which, in some instances, do not provide the City with a “point-of-sale” taxable nexus. The City is still fortunate to have a more diverse revenue structure which can continue to benefit from Measure L; the ½ cents transaction and use tax over 25 years, SB1 revenue, new businesses such as the La Quinta Hotel, Love Travel Center, Grocery Outlet, Dutch Brothers Coffee, a possible Retail Center and Cannabis retail and manufacturing.

The City's water, sewer, and garbage rates are still providing for stable enterprise funding, which, in turn, provide a high level of infrastructure maintenance and services for our Patterson residents.

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

Self-Help Enterprise has pulled 29 permits for the single-family residential development (Stonegate Shire), and 138 units for the Self-Help Apartments. Villages of Patterson will also follow suit with potential 98 units at Clayton Shire, 104 units for Cromwell Shire 1 & 2, 39 units for the VOP triplexes, 125 units for the VOP Apartments and Baldwin Ranch North with 250 units.

**Next Year's Budget**

The following factors were taken into consideration during the preparation of the City's budget for the fiscal year 2021-2022.

- The second year of the pandemic has shown a few signs of recovery in the economy, as of May, Stanislaus County reported an 8.8% unemployment rate, while San Joaquin County reported a 9.2%, which by comparison of last year's 16% is vast improvement.
- The inflation rate stayed slightly higher at 2.4 percent than the typical average rate.
- The expected increase in commercial and residential developments will contribute to increases in major revenue sources such as building permits, property tax and sales tax.
- The availability of both Federal/State grants and State Revolving Fund Loan (SRF).
- The American Rescue Plan Act in the amount of \$4.2 million will be allocated to the City Patterson. Wise spending will help the City to respond, rebuild and recover from the pandemic. Focusing on economic recovery, stabilizing the government, and uplifting our communities.
- State legislation mandating a steady increase toward a minimum wage increase to \$15 per hour by 2022 point to further increases in weekly wages.
- The accumulation of Measure L revenue provides the funding source for the street capital projects that are being carefully orchestrated to begin upon completion of various underground capital pipeline projects.
- During the Sewer rate study, the City incorporated the 5-year long range capital improvement plan. The City will begin WQCF and Collection System projects to enhance and improve the quality of our community's sewer infrastructure.

**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.

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## **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Patterson**  
**Statement of Net Position**  
**June 30, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 28,856,460	\$ 12,168,891	\$ 41,025,351
Restricted cash and investments	-	468,952	468,952
Receivables:			
Accounts	5,156,703	1,948,677	7,105,380
Interest	6,555	2,823	9,378
Due from Fiduciary Funds	67,161	-	67,161
Prepaid items	109,510	12,500	122,010
<b>Total current assets</b>	<b>34,196,389</b>	<b>14,601,843</b>	<b>48,798,232</b>
<b>Noncurrent assets:</b>			
Cash and investments with fiscal agents	938,185	11,948,551	12,886,736
Investments held in trust	62,736,310	-	62,736,310
Notes and loans receivable	1,743,313	-	1,743,313
Capital assets:			
Non-depreciable	13,203,658	10,939,954	24,143,612
Depreciable, net	48,341,854	36,548,941	84,890,795
Capital assets, net	61,545,512	47,488,895	109,034,407
<b>Total noncurrent assets</b>	<b>126,963,320</b>	<b>59,437,446</b>	<b>186,400,766</b>
<b>Total assets</b>	<b>161,159,709</b>	<b>74,039,289</b>	<b>235,198,998</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	-	334,507	334,507
OPEB-related deferred outflows of resources	1,106,768	553,885	1,660,653
Pension-related deferred outflows of resources	1,862,183	1,274,296	3,136,479
<b>Total deferred outflows of resources</b>	<b>2,968,951</b>	<b>2,162,688</b>	<b>5,131,639</b>

**City of Patterson**  
**Statement of Net Position (Continued)**  
**June 30, 2021**

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Accounts payable	2,005,378	580,790	2,586,168
Accrued liabilities	474,908	7,722	482,630
Accrued interest payable	1,190,897	64,466	1,255,363
Unearned revenue	494,661	-	494,661
Deposits payable	1,248,457	104,300	1,352,757
Due within one year:			
Compensated absences	512,606	264,361	776,967
Settlement liabilities	364,000	-	364,000
Long-term debt	2,383,198	829,686	3,212,884
<b>Total current liabilities</b>	<b>8,674,105</b>	<b>1,851,325</b>	<b>10,525,430</b>
<b>Noncurrent liabilities:</b>			
Due in more than one year:			
Long-term debt	63,941,048	22,365,394	86,306,442
Net OPEB liability	8,978,820	4,018,961	12,997,781
Aggregate net pension liability	5,941,415	4,023,049	9,964,464
<b>Total noncurrent liabilities</b>	<b>78,861,283</b>	<b>30,407,404</b>	<b>109,268,687</b>
<b>Total liabilities</b>	<b>87,535,388</b>	<b>32,258,729</b>	<b>119,794,117</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB-related deferred inflows of resources	1,652,469	847,356	2,499,825
Pension-related deferred inflows of resources	42,686	40,119	82,805
<b>Total deferred inflows of resources</b>	<b>1,695,155</b>	<b>887,475</b>	<b>2,582,630</b>
<b>NET POSITION</b>			
Net investment in capital assets	59,507,530	36,978,338	96,485,868
Restricted for:			
Special programs	14,976,923	-	14,976,923
Capital projects	-	2,620,013	2,620,013
Debt service	-	513,797	513,797
Total restricted	14,976,923	3,133,810	18,110,733
Unrestricted	413,664	2,943,625	3,357,289
<b>Total net position</b>	<b>\$ 74,898,117</b>	<b>\$ 43,055,773</b>	<b>\$ 117,953,890</b>

**City of Patterson**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

<b>Functions/Programs</b>	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 4,196,700	\$ 553,126	\$ 1,388,476	\$ -
Police	5,859,954	177,795	109,638	-
Fire	5,592,559	1,965,540	704,455	-
Community development and planning	1,829,511	796,707	4,380	-
Public works	5,414,262	961,761	1,352,549	4,330,408
Parks and recreation	2,747,819	2,463,997	5,000	2,754
Interest and fiscal charges	3,818,561	-	-	-
<b>Total governmental activities</b>	<u>29,459,366</u>	<u>6,918,926</u>	<u>3,564,498</u>	<u>4,333,162</u>
<b>Business-type Activities:</b>				
Water	5,056,402	6,336,607	-	-
Sewer	5,532,181	4,440,546	-	-
Garbage	2,774,714	3,577,780	-	-
<b>Total business-type activities</b>	<u>13,363,297</u>	<u>14,354,933</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 42,822,663</u>	<u>\$ 21,273,859</u>	<u>\$ 3,564,498</u>	<u>\$ 4,333,162</u>

**City of Patterson**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2021**

<b>Functions/Programs</b>	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>			
General government	\$ (2,255,098)	\$ -	\$ (2,255,098)
Police	(5,572,521)	-	(5,572,521)
Fire	(2,922,564)	-	(2,922,564)
Community development and planning	(1,028,424)	-	(1,028,424)
Public Works	1,230,456	-	1,230,456
Parks and recreation	(276,068)	-	(276,068)
Interest and fiscal charges	(3,818,561)	-	(3,818,561)
<b>Total governmental activities</b>	<b>(14,642,780)</b>	<b>-</b>	<b>(14,642,780)</b>
<b>Business-type Activities:</b>			
Water	-	1,280,205	1,280,205
Sewer	-	(1,091,635)	(1,091,635)
Garbage	-	803,066	803,066
<b>Total business-type activities</b>	<b>-</b>	<b>991,636</b>	<b>991,636</b>
<b>Total primary government</b>	<b>(14,642,780)</b>	<b>991,636</b>	<b>(13,651,144)</b>
<b>General revenues and transfers:</b>			
<b>General revenues:</b>			
Taxes:			
Property taxes	6,196,152	-	6,196,152
Sales taxes	10,029,499	-	10,029,499
Franchise taxes	222,803	-	222,803
Other taxes	248,158	-	248,158
<b>Total taxes</b>	<b>16,696,612</b>	<b>-</b>	<b>16,696,612</b>
Investment earnings	3,442,805	43,762	3,486,567
Revenue from Fiduciary Fund	527,556	155,744	683,300
Miscellaneous	379,911	63,988	443,899
<b>Transfers</b>	<b>1,649,041</b>	<b>(1,649,041)</b>	<b>-</b>
<b>Total general revenues and transfers</b>	<b>22,695,925</b>	<b>(1,385,547)</b>	<b>21,310,378</b>
<b>Changes in net position</b>	<b>8,053,145</b>	<b>(393,911)</b>	<b>7,659,234</b>
<b>Net Position:</b>			
<b>Beginning of year</b>	<b>66,844,972</b>	<b>43,449,684</b>	<b>110,294,656</b>
<b>End of year</b>	<b>\$ 74,898,117</b>	<b>\$ 43,055,773</b>	<b>\$ 117,953,890</b>

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**FUND FINANCIAL STATEMENTS**

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

**City of Patterson  
Balance Sheet  
Governmental Funds  
June 30, 2021**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>CFD 2003-1 Public Safety/ Fire Protection Services Fund</b>	<b>Patterson Public Financing Authority</b>
<b>ASSETS</b>			
Cash and investments	\$ 7,913,784	\$ -	\$ 502,551
Cash and investments with fiscal agents	-	-	938,185
Investments held in trust	-	-	62,736,310
Receivables:			
Accounts	4,303,525	43,134	-
Interest	1,770	-	41
Notes and loans	16,632	-	-
Due from other funds	4,523,581	-	-
Due from Fiduciary Funds	67,161	-	-
Prepaid items	106,172	3,338	-
<b>Total assets</b>	<b>\$ 16,932,625</b>	<b>\$ 46,472</b>	<b>\$ 64,177,087</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable	\$ 1,268,610	\$ 19,571	\$ -
Accrued liabilities	456,530	18,378	-
Due to other funds	-	3,171,909	1,127,813
Unearned revenue	102,017	-	-
Deposit and other liabilities	1,174,568	-	-
<b>Total liabilities</b>	<b>3,001,725</b>	<b>3,209,858</b>	<b>1,127,813</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	215,638	-	-
<b>Total deferred inflows of resources</b>	<b>215,638</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>			
Nonspendable	106,172	3,338	-
Restricted	360,498	-	63,049,274
Committed	3,762,470	-	-
Assigned	2,896,296	-	-
Unassigned (deficit)	6,589,826	(3,166,724)	-
<b>Total Fund Balances</b>	<b>13,715,262</b>	<b>(3,163,386)</b>	<b>63,049,274</b>
<b>Total Liabilities, Deferred Inflows of Resource, and Fund Balances</b>	<b>\$ 16,932,625</b>	<b>\$ 46,472</b>	<b>\$ 64,177,087</b>

**City of Patterson  
Balance Sheet (Continued)  
Governmental Funds  
June 30, 2021**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>		
Cash and investments	\$ 20,440,125	\$ 28,856,460
Cash and investments with fiscal agents	-	938,185
Investments held in trust	-	62,736,310
Receivables:		
Accounts	810,044	5,156,703
Interest	4,744	6,555
Notes and loans	1,726,681	1,743,313
Due from other funds	-	4,523,581
Due from Fiduciary Funds	-	67,161
Prepaid items	-	109,510
<b>Total assets</b>	<b>\$ 22,981,594</b>	<b>\$ 104,137,778</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Accounts payable	\$ 717,197	\$ 2,005,378
Accrued liabilities	-	474,908
Due to other funds	223,859	4,523,581
Unearned revenue	392,644	494,661
Deposit and other liabilities	73,889	1,248,457
<b>Total liabilities</b>	<b>1,407,589</b>	<b>8,746,985</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Unavailable revenue	1,889,562	2,105,200
<b>Total deferred inflows of resources</b>	<b>1,889,562</b>	<b>2,105,200</b>
<b>FUND BALANCES:</b>		
Nonspendable	-	109,510
Restricted	12,873,112	76,282,884
Committed	7,173,724	10,936,194
Assigned	38,865	2,935,161
Unassigned (deficit)	(401,258)	3,021,844
<b>Total Fund Balances</b>	<b>19,684,443</b>	<b>93,285,593</b>
<b>Total Liabilities, Deferred Inflows of Resource, and Fund Balances</b>	<b>\$ 22,981,594</b>	<b>\$ 104,137,778</b>

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**City of Patterson**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet to the Government-Wide Statement of Net Position**  
**June 30, 2021**

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<b>Total fund balances of governmental funds</b>	\$ 93,285,593
 <b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds.	61,545,512
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	1,862,183
Pension-related deferred inflows of resources	(42,686)
OPEB-related deferred outflows/inflows of resources in the governmental activities were not financial resources (uses) and therefore were not reported in the Governmental Funds Balance Sheet.	
OPEB-related deferred outflows of resources	1,106,768
OPEB-related deferred inflows of resources	(1,652,469)
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.	(1,190,897)
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.	2,105,200
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	(66,324,246)
Settlement payable	(364,000)
Compensated absences	(512,606)
Net OPEB liability	(8,978,820)
Aggregated net pension liability	(5,941,415)
<b>Net position of governmental activities</b>	<u><u>\$ 74,898,117</u></u>

**City of Patterson**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<b>Major Funds</b>		
	<b>General Fund</b>	<b>CFD 2003-1 Public Safety/ Fire Protection Services Fund</b>	<b>Patterson Public Financing Authority</b>
<b>REVENUES:</b>			
Taxes:			
Property	\$ 6,196,152	\$ -	\$ -
Sales	10,029,499	-	-
Franchise	222,803	-	-
Other	248,158	-	-
Licenses, permits, and fees	1,067,612	-	-
Charges for services	277,580	1,197,629	-
Intergovernmental:			
Federal grant and subsidies	1,153,029	-	-
Other governmental	1,148,507	-	-
Fines, forfeitures and penalties	339,080	-	-
Use of money and property	-	-	-
Investment income (loss)	(113,314)	-	3,420,541
Revenue from Fiduciary Fund	-	-	527,556
Miscellaneous	295,955	94,776	-
<b>Total revenues</b>	<b>20,865,061</b>	<b>1,292,405</b>	<b>3,948,097</b>
<b>EXPENDITURES:</b>			
Current:			
General government	3,489,638	-	-
Police	5,410,959	-	-
Fire	2,481,200	2,801,504	-
Community development and planning	1,707,485	-	-
Public works	3,097,430	-	-
Park and recreation	1,878,060	-	-
Capital outlay	478,597	-	-
Debt service:			
Principal	134,848	-	2,258,971
Interest and fiscal charges	74,231	-	3,747,210
<b>Total expenditures</b>	<b>18,752,448</b>	<b>2,801,504</b>	<b>6,006,181</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,112,613</b>	<b>(1,509,099)</b>	<b>(2,058,084)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	3,212,592	977,330	-
Transfers out	(686,271)	-	-
<b>Total financing sources (uses)</b>	<b>2,526,321</b>	<b>977,330</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>4,638,934</b>	<b>(531,769)</b>	<b>(2,058,084)</b>
<b>FUND BALANCES:</b>			
Beginning of year	9,076,328	(2,631,617)	65,107,358
End of year	<u>\$ 13,715,262</u>	<u>\$ (3,163,386)</u>	<u>\$ 63,049,274</u>

**City of Patterson**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>		
Taxes:		
Property	\$ -	\$ 6,196,152
Sales	-	10,029,499
Franchise	-	222,803
Other	-	248,158
Licenses, permits, and fees	2,805,247	3,872,859
Charges for services	3,176,348	4,651,557
Intergovernmental:		
Federal grant and subsidies	651,659	1,804,688
Other governmental	2,990,561	4,139,068
Fines, forfeitures and penalties	-	339,080
Use of money and property	146,138	146,138
Investment income (loss)	75,620	3,382,847
Revenue from Fiduciary Fund	-	527,556
Miscellaneous	2,780	393,511
<b>Total revenues</b>	<u>9,848,353</u>	<u>35,953,916</u>
<b>EXPENDITURES:</b>		
Current:		
General government	49,925	3,539,563
Police	-	5,410,959
Fire	6,316	5,289,020
Community development and planning	21,109	1,728,594
Public works	801,684	3,899,114
Park and recreation	-	1,878,060
Capital outlay	2,486,124	2,964,721
Debt service:		
Principal	33,518	2,427,337
Interest and fiscal charges	888	3,822,329
<b>Total expenditures</b>	<u>3,399,564</u>	<u>30,959,697</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>6,448,789</u>	<u>4,994,219</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	2,795,864	6,985,786
Transfers out	(4,650,474)	(5,336,745)
<b>Total financing sources (uses)</b>	<u>(1,854,610)</u>	<u>1,649,041</u>
<b>Net change in fund balances</b>	4,594,179	6,643,260
<b>FUND BALANCES:</b>		
Beginning of year	15,090,264	86,642,333
End of year	<u>\$ 19,684,443</u>	<u>\$ 93,285,593</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, 2021**

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<b>Net change in fund balances - total governmental funds</b>	\$ 6,643,260
<b>Amounts reported for governmental activities in the Statement of Activities are different because:</b>	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	2,964,721
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.	(2,726,749)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(691)
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	2,427,337
Amortization of bond discount	(28,446)
Interest expenses on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	32,214
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(44,117)
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.	(90,446)
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	115,004
Changes in net pension liabilities	(615,208)
Changes in pension related deferred inflows of resources	55,559
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	633,509
Changes in net OPEB liabilities	(471,264)
Changes in OPEB related deferred inflows of resources	(841,538)
<b>Change in net position of governmental activities</b>	<b>\$ 8,053,145</b>

**PROPRIETARY FUND FINANCIAL STATEMENTS**

**City of Patterson**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

	Major Funds			Total
	Water	Sewer	Garbage	
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and investments	\$ 7,666,791	\$ 2,800,033	\$ 1,702,067	\$ 12,168,891
Restricted cash and investments	-	468,952	-	468,952
Accounts receivable	856,272	612,588	479,817	1,948,677
Interest receivable	1,777	651	395	2,823
Prepaid items	5,706	5,554	1,240	12,500
<b>Total current assets</b>	<b>8,530,546</b>	<b>3,887,778</b>	<b>2,183,519</b>	<b>14,601,843</b>
<b>Noncurrent assets:</b>				
Cash and investments with fiscal agents	11,881,064	67,487	-	11,948,551
Capital assets:				
Non-depreciable	6,998,590	3,941,364	-	10,939,954
Depreciable, net	16,333,375	20,182,707	32,859	36,548,941
Capital assets, net	23,331,965	24,124,071	32,859	47,488,895
<b>Total noncurrent assets</b>	<b>35,213,029</b>	<b>24,191,558</b>	<b>32,859</b>	<b>59,437,446</b>
<b>Total assets</b>	<b>43,743,575</b>	<b>28,079,336</b>	<b>2,216,378</b>	<b>74,039,289</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on refunding	156,555	177,952	-	334,507
OPEB-related deferred outflows of resources	229,988	258,084	65,813	553,885
Pension-related deferred outflows of resources	504,145	590,491	179,660	1,274,296
<b>Total deferred outflows of resources</b>	<b>890,688</b>	<b>1,026,527</b>	<b>245,473</b>	<b>2,162,688</b>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	374,487	138,173	68,130	580,790
Accrued liabilities	3,956	1,706	2,060	7,722
Deposits payable	104,300	-	-	104,300
Accrued interest	47,858	16,608	-	64,466
Compensated absences - due within one year	123,062	112,107	29,192	264,361
Long-term liabilities - due within one year	315,000	514,686	-	829,686
<b>Total current liabilities</b>	<b>968,663</b>	<b>783,280</b>	<b>99,382</b>	<b>1,851,325</b>
<b>Noncurrent liabilities:</b>				
Long-term liabilities - due in more than one year	16,601,312	5,764,082	-	22,365,394
Net OPEB liability	1,812,277	1,834,078	372,606	4,018,961
Aggregate net pension liability	1,591,624	1,864,226	567,199	4,023,049
<b>Total noncurrent liabilities</b>	<b>20,005,213</b>	<b>9,462,386</b>	<b>939,805</b>	<b>30,407,404</b>
<b>Total liabilities</b>	<b>20,973,876</b>	<b>10,245,666</b>	<b>1,039,187</b>	<b>32,258,729</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
OPEB-related deferred inflows of resources	353,461	399,869	94,026	847,356
Pension-related deferred inflows of resources	15,872	18,591	5,656	40,119
<b>Total deferred inflows of resources</b>	<b>369,333</b>	<b>418,460</b>	<b>99,682</b>	<b>887,475</b>
<b>NET POSITION</b>				
Net investment in capital assets	18,453,272	18,492,207	32,859	36,978,338
Restricted:				
Capital projects	2,620,013	-	-	2,620,013
Debt service	446,310	67,487	-	513,797
Total restricted	3,066,323	67,487	-	3,133,810
Unrestricted	1,771,459	(117,957)	1,290,123	2,943,625
<b>Total net position</b>	<b>\$ 23,291,054</b>	<b>\$ 18,441,737</b>	<b>\$ 1,322,982</b>	<b>\$ 43,055,773</b>

See accompanying Notes to the Basic Financial Statements.

**City of Patterson**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	Major Funds			Total
	Water	Sewer	Garbage	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 6,337,510	\$ 4,419,740	\$ 3,540,022	\$ 14,297,272
Fees, fines, and penalties	(903)	20,806	37,758	57,661
Miscellaneous	42,152	21,472	364	63,988
<b>Total operating revenues</b>	<b>6,378,759</b>	<b>4,462,018</b>	<b>3,578,144</b>	<b>14,418,921</b>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	2,272,943	2,380,801	772,148	5,425,892
Contractual and professional services	170,630	439,417	1,772,947	2,382,994
Supplies and operating costs	1,024,602	678,212	216,840	1,919,654
Depreciation	1,045,942	1,850,577	12,779	2,909,298
<b>Total operating expenses</b>	<b>4,514,117</b>	<b>5,349,007</b>	<b>2,774,714</b>	<b>12,637,838</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1,864,642</b>	<b>(886,989)</b>	<b>803,430</b>	<b>1,781,083</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	27,305	10,887	5,570	43,762
Interest expense	(542,285)	(183,174)	-	(725,459)
<b>Total Nonoperating revenues (expenses)</b>	<b>(514,980)</b>	<b>(172,287)</b>	<b>5,570</b>	<b>(681,697)</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>1,349,662</b>	<b>(1,059,276)</b>	<b>809,000</b>	<b>1,099,386</b>
<b>TRANSFERS</b>				
Revenue from Fiduciary Fund	-	155,744	-	155,744
Transfers in	80,144	161,332	1,284	242,760
Transfers out	(660,497)	(655,395)	(575,909)	(1,891,801)
<b>Total Transfers</b>	<b>(580,353)</b>	<b>(338,319)</b>	<b>(574,625)</b>	<b>(1,493,297)</b>
<b>CHANGES IN NET POSITION</b>	<b>769,309</b>	<b>(1,397,595)</b>	<b>234,375</b>	<b>(393,911)</b>
<b>NET POSITION:</b>				
Beginning of year	22,521,745	19,839,332	1,088,607	43,449,684
End of year	<u>\$ 23,291,054</u>	<u>\$ 18,441,737</u>	<u>\$ 1,322,982</u>	<u>\$ 43,055,773</u>

**City of Patterson**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Major Funds</b>			<b>Total</b>
	<b>Water</b>	<b>Sewer</b>	<b>Garbage</b>	
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers	\$ 6,134,571	\$ 4,323,052	\$ 3,476,765	\$ 13,934,388
Cash paid to suppliers	(932,070)	(1,395,402)	(2,095,679)	(4,423,151)
Cash paid to employees	(2,074,661)	(2,199,299)	(596,490)	(4,870,450)
Other	42,152	21,472	364	63,988
<b>Net cash provided by operating activities</b>	<b>3,169,992</b>	<b>749,823</b>	<b>784,960</b>	<b>4,704,775</b>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers in	80,144	161,332	1,284	242,760
Transfers out	(660,497)	(655,395)	(575,909)	(1,891,801)
<b>Net cash (used in) noncapital financing activities</b>	<b>(580,353)</b>	<b>(494,063)</b>	<b>(574,625)</b>	<b>(1,649,041)</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(788,262)	(390,933)	-	(1,179,195)
Revenue from Fiduciary Fund	-	155,744	-	155,744
Principal paid on revenue bonds and loan	(305,000)	(290,759)	-	(595,759)
Interest paid on capital debt	(585,843)	(185,310)	-	(771,153)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,679,105)</b>	<b>(711,258)</b>	<b>-</b>	<b>(2,390,363)</b>
<b>Cash Flows from Investing Activities:</b>				
Interest	33,244	14,427	6,807	54,478
<b>Net cash provided by investing activities</b>	<b>33,244</b>	<b>14,427</b>	<b>6,807</b>	<b>54,478</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>943,778</b>	<b>(441,071)</b>	<b>217,142</b>	<b>719,849</b>
<b>Cash and Cash Equivalents:</b>				
Beginning of year	18,604,077	3,777,543	1,484,925	23,866,545
End of year	<u>\$ 19,547,855</u>	<u>\$ 3,336,472</u>	<u>\$ 1,702,067</u>	<u>\$ 24,586,394</u>
<b>Reconciliation of Cash and Cash Equivalents to the Statement of Net Position:</b>				
Cash and investment	\$ 7,666,791	\$ 2,800,033	\$ 1,702,067	\$ 12,168,891
Restricted cash and investments	-	468,952	-	468,952
Cash and investments with fiscal agent	11,881,064	67,487	-	11,948,551
<b>Total cash and investment</b>	<b><u>\$ 19,547,855</u></b>	<b><u>\$ 3,336,472</u></b>	<b><u>\$ 1,702,067</u></b>	<b><u>\$ 24,586,394</u></b>

**City of Patterson**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

	<b>Major Funds</b>			<b>Total</b>
	<b>Water</b>	<b>Sewer</b>	<b>Garbage</b>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>				
Operating income (loss)	\$ 1,864,642	\$ (886,989)	\$ 803,430	\$ 1,781,083
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>				
Depreciation expense	1,045,942	1,850,577	12,779	2,909,298
<b>Change in assets and liabilities:</b>				
Accounts receivable	(169,974)	(117,494)	(101,015)	(388,483)
Prepaid items	(5,338)	(253)	(872)	(6,463)
OPEB-related deferred outflows of resources	(130,649)	(150,260)	(39,879)	(320,788)
Pension-related deferred outflows of resources	9,666	34,160	(52,500)	(8,674)
Accounts payable	268,500	(277,520)	(105,020)	(114,040)
Accrued liabilities	1,927	1,706	(958)	2,675
Deposits payable	(32,062)	-	-	(32,062)
Compensated absences	14,659	17,138	2,804	34,601
Net OPEB liability	97,188	111,776	29,888	238,852
Aggregate net pension liability	53,647	(5,525)	186,575	234,697
OPEB-related deferred inflows of resources	173,551	199,601	(34,998)	338,154
Pension-related deferred inflows of resources	(21,707)	(27,094)	84,726	35,925
<b>Total adjustments</b>	<b>1,305,350</b>	<b>1,636,812</b>	<b>(18,470)</b>	<b>2,923,692</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 3,169,992</b>	<b>\$ 749,823</b>	<b>\$ 784,960</b>	<b>\$ 4,704,775</b>

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**FIDUCIARY FUNDS FINANCIAL STATEMENTS**

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**City of Patterson**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

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	Custodial Funds
<b>ASSETS</b>	
Cash and investments	\$ 9,356,212
Restricted cash and investments	186,322
Cash and investments with fiscal agents	4,515,276
Accounts receivable	190,906
Interest receivable	6,484
Notes receivable	1,010,595
<b>Total assets</b>	<b>15,265,795</b>
<b>LIABILITIES</b>	
Accounts payable	14,296
Due to City	67,161
<b>Total liabilities</b>	<b>81,457</b>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	15,184,338
<b>Total net position</b>	<b>\$ 15,184,338</b>

**City of Patterson**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2021**

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	Custodial Funds
<b>ADDITIONS:</b>	
Special assessments for other governments	\$ 7,437,373
Investment income	85,837
<b>Total additions</b>	<b>7,523,210</b>
<b>DEDUCTIONS:</b>	
Administration	67,842
Payments on conduit bonds - principal	1,686,445
Payments on conduit bonds - interest	4,400,903
Projects payments	23,000
Contributions to City	683,300
<b>Total deductions</b>	<b>6,861,490</b>
<b>Change in net position</b>	<b>661,720</b>
<b>NET POSITION:</b>	
Beginning of year, as restated	14,522,618
End of period	<b>\$ 15,184,338</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Patterson**  
**Index to the Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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**City of Patterson**  
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**For the Year Ended June 30, 2021**

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**City of Patterson**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2021**

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

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

**A. Financial Reporting Entity**

The City 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, 2021**

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

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

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

**West Patterson Financing Authority:** The West Patterson Financing Authority (the Authority) was formed in 2001 pursuant to a joint exercise of powers agreement between the City 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, 2021**

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

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

**Government–Wide Financial Statements**

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

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

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

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

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

- Due from and to other funds
- 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, 2021**

---

**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.

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

**Patterson Public Financing Authority** - 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, 2021**

---

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

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

**C. Cash and Investments**

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

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

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

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

---

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

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

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

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

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

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

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

**D. Restricted Cash and Investments**

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

**E. Accounts and Interest Receivable**

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

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

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

---

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

**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

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.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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

**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.

**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 12). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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

**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 13). For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

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, 2021**

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**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, 2021**

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**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**

During fiscal year ended June 30, 2021, the City has implemented the following new GASB Pronouncements:

*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. As a result of the implementation, the City converted the former agency funds, which previously reported assets and liabilities only, to custodial funds and reported a restatement of its net position in the amount of \$14,522,618.

*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 did not have a material effect on the City's financial statements for the fiscal year ending June 30, 2021.

*GASB Statement No. 98*

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*, to establish the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Application of this statement did not have a material financial effect on the City's financial statements for the fiscal year ending June 30, 2021.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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

**P. Upcoming Governmental Accounting Standards Implementation**

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

*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. 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.

*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.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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

**P. Upcoming Governmental Accounting Standards Implementation (Continued)**

*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.

*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.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 2 – Cash and Investments**

The following is a summary of pooled cash and investments and restricted cash and investments at June 30, 2021:

	Primary Government		Fiduciary Funds	Total
	Governmental Activities	Business-type Activities		
Cash and investments	\$ 28,856,460	\$ 12,168,891	\$ 9,356,212	\$ 50,381,563
Restricted cash and investments	-	468,952	186,322	655,274
Cash and investments with fiscal agents	938,185	11,948,551	4,515,276	17,402,012
Investments held in trust	62,736,310	-	-	62,736,310
<b>Total cash and investments</b>	<b>\$ 92,530,955</b>	<b>\$ 24,586,394</b>	<b>\$ 14,057,810</b>	<b>\$ 131,175,159</b>

Cash, cash equivalents, and investments, consisted of the following at June 30, 2021:

<b>Cash and cash equivalents:</b>	
Cash on hand	\$ 1,245
Deposits with financial institutions	32,854,138
<b>Total cash and cash equivalents</b>	<b>32,855,383</b>
<b>Investments:</b>	
Local obligation bonds	62,736,310
Money market mutual funds	17,402,012
Central San Joaquin Valley Risk Authority (CSJVRMA)	4,012,291
Local Agency Investment Fund (LAIF)	14,169,163
<b>Total investments</b>	<b>98,319,776</b>
<b>Total cash and investments</b>	<b>\$ 131,175,159</b>

**A. Cash Deposits**

The carrying amounts of the City's demand deposits were \$32,854,138 at June 30, 2021. Bank balances were \$32,879,717 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

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

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

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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

**B. Investments**

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

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

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

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

**Investments Authorized by Debt Agreements**

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

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

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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

**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, 2021 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, 2021, the City had \$14,169,163 invested in LAIF, which had invested 1.10% 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, 2021, 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, 2021.

**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, 2021:

	Fair Value	Maturity			
		12 Months or Less	1-5 Years	6-10 Years	Thereafter
<b>Investments:</b>					
Local obligation bonds	\$ 62,736,310	\$ 398,640	\$ 1,574,202	\$ 170,809	\$ 60,592,659
Money market mutual funds	17,402,012	17,402,012	-	-	-
Central San Joaquin Valley Risk Authority (CSJVRMA)	4,012,291	4,012,291	-	-	-
Local Agency Investment Fund (LAIF)	14,169,163	14,169,163	-	-	-
<b>Total investments</b>	<b>\$ 98,319,776</b>	<b>\$ 35,982,106</b>	<b>\$ 1,574,202</b>	<b>\$ 170,809</b>	<b>\$ 60,592,659</b>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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

**D. Risk Disclosures (Continued)**

**Disclosures Relating to Credit Risk**

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

	Fair Value	Minimum Legal Rating	Credit Rating	
			S&P	Moody's
<b>Investments:</b>				
Local obligation bonds	\$ 62,736,310	N/A	Not rated	Not rated
Money market mutual funds	17,402,012	N/A	AAAm	Aaa-mf
Central San Joaquin Valley Risk Authority (CSJVRMA)	4,012,291	N/A	Not rated	Not rated
Local Agency Investment Fund (LAIF)	14,169,163	N/A	Not rated	Not rated
<b>Total investments</b>	<b>\$ 98,319,776</b>			

**Disclosures Relating to Concentration of Credit Risk**

The City held the following investments in a single issuer (other than U.S. Treasury securities, external investment pools and mutual funds) that represented 5% or more of total City investment as of June 30, 2021:

Issuer	Investment Type	Amount
West Patterson Financing Authority	Local obligation bonds	\$ 62,736,310

**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, 2021, are as follows:

Investments measured by fair value level:	June 30, 2021	Level 1	Level 2	Level 3
Central San Joaquin Valley Risk Authority (CSJVRMA)	4,012,291	-	4,012,291	-
<b>Total investments by fair value level</b>	<b>4,012,291</b>	<b>\$ -</b>	<b>\$ 4,012,291</b>	<b>\$ -</b>
<b>Investments not subject to the fair value hierarchy:</b>				
Local obligation bonds	\$ 62,736,310			
Local Agency Investment Funds (LAIF)	14,169,163			
Money market mutual funds	17,402,012			
<b>Total investments not subject to the fair value hierarchy</b>	<b>94,307,485</b>			
<b>Total investments</b>	<b>\$ 98,319,776</b>			

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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

**E. Fair Value Measurement (Continued)**

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 2021.

Summary of changes in loans and notes receivable for the year ended June 30, 2021 is as follows:

	Loans and Notes Receivable			Loans and Notes	Unavailable
	Balance			Receivable	Revenue
	July 1, 2020	Additions	Deletions	Balance June 30, 2021	Balance June 30, 2021
Housing Authority of the County of Stanislaus	\$ 290,000	\$ -	\$ -	\$ 290,000	\$ 290,000
Greater Valley Housing Development Corporation	900,000	-	-	900,000	900,000
Housing Rehabilitation and Affordable Housing	672,834	-	(119,521)	553,313	553,313
<b>Total loans and notes receivable</b>	<b>\$ 1,862,834</b>	<b>\$ -</b>	<b>\$ (119,521)</b>	<b>\$ 1,743,313</b>	<b>\$ 1,743,313</b>

**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.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 3 – Loan and Notes Receivable (Continued)**

**A. Governmental Activities (Continued)**

**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, 2021 was \$553,313.

**B. Fiduciary Fund**

Notes receivable as of June 30, 2021, was as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Darron Silva Promissory Note	\$ 1,026,547	\$ -	\$ (15,952)	\$ 1,010,595
<b>Total notes receivable</b>	<b>\$ 1,026,547</b>	<b>\$ -</b>	<b>\$ (15,952)</b>	<b>\$ 1,010,595</b>

**Darron Silva Promissory Note**

On November 21, 2018, the City entered into a promissory note secured by deed of trust dated February 19, 2020 with Darron Silva, a developer within the City, in the amount of \$1,045,000 for the sale of land to be developed. On March 22, 2020 an amended promissory note secured by deed of trust was executed for the benefit of the City and encumbering the parcel. The promissory note bears 5% fixed interest rate per annum, payable at \$5,610 per month for a term of 5 years amortized over 30 years. The outstanding principal amount plus any accrued and unpaid interest shall be due and payable on August 1, 2024. The balance of the note receivable at June 30, 2021 was \$1,010,595.

**Note 4 – Interfund Transactions**

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

Due from and to other funds as of June 30, 2021, was as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Patterson Public Financing Authority	\$ 1,127,813	Overdrawn Cash
General Fund	Public Safety	3,171,909	Overdrawn Cash
General Fund	Federal CDBG Grant 2003	223,859	Overdrawn Cash
	<b>Total</b>	<b>\$ 4,523,581</b>	

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 4 – Interfund Transactions (Continued)**

**B. Transfers In and Out**

Transfers in and out for the year ended June 30, 2021, was as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	CDBG	\$ 13,797	Indirect overhead
General Fund	Federal HOME Funds	2,000	Indirect overhead
General Fund	Gas Tax	300,000	Capital projects
General Fund	CSA#15 Assessment District	4,059	Indirect overhead
General Fund	Landscape Maintenance District	1,070,860	Indirect overhead
General Fund	Benefit Assessment Districts	116,933	Indirect overhead
General Fund	Water	573,639	Indirect overhead
General Fund	Sewer	655,395	Indirect overhead
General Fund	Garbage	475,909	Indirect overhead
	<b>Subtotal</b>	<u>3,212,592</u>	
Public Safety	General Fund	397,330	Assessments
Public Safety	Patterson Garden Fire Suppression Assessment	500,000	Assessments
Public Safety	CFD 2015-2	80,000	Assessments
	<b>Subtotal</b>	<u>977,330</u>	
Street Project	General Fund	142,780	Capital projects
Street Project	Benefit Assessment Districts	100,000	Capital projects
Street Project	Benefit Assessment Districts	350,648	Capital projects
Street Project	CFD 2013-1	96,636	Capital projects
Street Project	Gas Tax	616,436	Capital projects
Street Project	Water Fund	86,858	Capital projects
Street Project	Local Transportation Fund	109,242	Capital projects
Street Project	Measure L	781,866	Capital projects
Street Project	Street Improvement Impact Fee	500,000	Capital projects
	<b>Subtotal</b>	<u>2,784,466</u>	
Sewer	General Fund	64,733	Debt service
Sewer	Sewer Impact Fee	71,500	Indirect overhead
Sewer	Benefit Assessment Districts	25,099	Indirect overhead
	<b>Subtotal</b>	<u>161,332</u>	
Local Transportation Fund	Measure L	11,398	Capital projects
Water Fund	General Fund	80,144	Indirect overhead
Garbage	General Fund	1,284	Debt service
	<b>Total</b>	<u><u>\$ 7,228,546</u></u>	

**Note 5 – Due from Fiduciary Funds**

Due from fiduciary funds as of June 30, 2021, was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	CFD 2018-1 Villages of Patterson Infrastructure	\$ 67,161	Overdrawn Cash
	<b>Total</b>	<u><u>\$ 67,161</u></u>	

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 6 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital assets for governmental activities for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2021
<b>Capital assets, not being depreciated</b>					
Land	\$ 5,271,125	\$ -	\$ -	\$ -	\$ 5,271,125
Construction in progress	7,709,318	2,463,136	-	(2,239,921)	7,932,533
<b>Total capital assets, not being depreciated</b>	<b>12,980,443</b>	<b>2,463,136</b>	<b>-</b>	<b>(2,239,921)</b>	<b>13,203,658</b>
<b>Capital assets, being depreciated</b>					
Buildings	23,972,872	-	-	-	23,972,872
Improvements	15,826,045	175,707	-	55,903	16,057,655
Infrastructure	30,003,906	325	-	2,184,018	32,188,249
Equipments	6,456,072	325,553	(20,723)	-	6,760,902
Subtotal	76,258,895	501,585	(20,723)	2,239,921	78,979,678
Less: accumulated depreciation					
Buildings	(6,704,412)	(599,707)	-	-	(7,304,119)
Improvements	(8,258,081)	(765,882)	-	-	(9,023,963)
Infrastructure	(7,348,057)	(1,096,447)	-	-	(8,444,504)
Equipments	(5,620,557)	(264,713)	20,032	-	(5,865,238)
Subtotal	(27,931,107)	(2,726,749)	20,032	-	(30,637,824)
<b>Total capital assets, being depreciated, net</b>	<b>48,327,788</b>	<b>(2,225,164)</b>	<b>(691)</b>	<b>2,239,921</b>	<b>48,341,854</b>
<b>Total capital assets, net</b>	<b>\$ 61,308,231</b>	<b>\$ 237,972</b>	<b>\$ (691)</b>	<b>\$ -</b>	<b>\$ 61,545,512</b>

Governmental activities depreciation expenses for capital assets for the year ended June 30, 2021 are as follows:

General government	\$ 449,197
Fire	275,928
Public works	1,326,324
Park and recreation	675,300
<b>Total depreciation</b>	<b>\$ 2,726,749</b>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Adjustments/ Transfers	Balance June 30, 2021
<b>Capital assets, not being depreciated</b>					
Land	\$ 6,196,328	\$ -	\$ -	\$ -	\$ 6,196,328
Construction in progress	7,289,650	958,862	-	(3,504,886)	4,743,626
<b>Total capital assets, not being depreciated</b>	<b>13,485,978</b>	<b>958,862</b>	<b>-</b>	<b>(3,504,886)</b>	<b>10,939,954</b>
<b>Capital assets, being depreciated</b>					
Infrastructure	63,635,420	-	-	3,513,847	67,149,267
Equipments	5,558,329	220,333	-	(8,961)	5,769,701
Subtotal	69,193,749	220,333	-	3,504,886	72,918,968
Less: accumulated depreciation					
Infrastructure	(29,641,400)	(2,424,442)	-	-	(32,065,842)
Equipments	(3,819,329)	(484,856)	-	-	(4,304,185)
Subtotal	(33,460,729)	(2,909,298)	-	-	(36,370,027)
<b>Total capital assets, being depreciated, net</b>	<b>35,733,020</b>	<b>(2,688,965)</b>	<b>-</b>	<b>3,504,886</b>	<b>36,548,941</b>
<b>Total capital assets, net</b>	<b>\$ 49,218,998</b>	<b>\$ (1,730,103)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 47,488,895</b>

Business-type activities depreciation expenses for capital assets for the year ended June 30, 2021 are as follows:

Water	\$ 1,045,942
Sewer	1,850,577
Garbage	12,779
<b>Total depreciation</b>	<b>\$ 2,909,298</b>

**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, 2021 is as follows:

	Original Issuance	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due In More Than One Year
Private Placement:							
PPFA 2013 Heartland Ranch Revenue Bonds	\$ 4,963,568	\$ 2,725,976	\$ -	\$ (433,971)	\$ 2,292,005	\$ 443,630	\$ 1,848,375
PPFA 2013 Series A Revenue Bonds	67,190,000	58,705,000	-	(1,660,000)	57,045,000	1,650,000	55,395,000
Less: Bond Discount	(853,389)	(654,187)	-	28,446	(625,741)	-	(625,741)
PPFA 2013 Series B Revenue Bonds	6,465,000	5,740,000	-	(165,000)	5,575,000	150,000	5,425,000
2018 Lease Revenue Bonds	2,429,000	2,172,830	-	(134,848)	2,037,982	139,568	1,898,414
Direct Borrowing:							
Capital leases	161,990	33,518	-	(33,518)	-	-	-
Settlement payable	1,300,000	364,000	-	-	364,000	364,000	-
<b>Total long-term debt</b>	<b>\$ 81,656,169</b>	<b>\$ 69,087,137</b>	<b>\$ -</b>	<b>\$ (2,398,891)</b>	<b>\$ 66,688,246</b>	<b>\$ 2,747,198</b>	<b>\$ 63,941,048</b>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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, 2021, the outstanding balance of the 2013 Heartland Ranch Revenue bonds was \$2,292,005.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	284,557	18,603	303,160
2027	356,456	13,425	369,881
Total	<u>\$ 2,292,005</u>	<u>\$ 241,483</u>	<u>\$ 2,533,488</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, 2021, the outstanding balance of the 2013 PPFA Series A bonds was \$57,045,000.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 1,650,000	\$ 3,108,988	\$ 4,758,988
2023	1,770,000	3,031,738	4,801,738
2024	1,870,000	2,938,400	4,808,400
2025	2,030,000	2,836,025	4,866,025
2026	2,205,000	2,724,856	4,929,856
2027-2031	13,085,000	11,687,556	24,772,556
2032-2036	16,465,000	7,599,344	24,064,344
2037-2040	17,970,000	2,168,325	20,138,325
Total	<u>\$ 57,045,000</u>	<u>\$ 36,095,232</u>	<u>\$ 93,140,232</u>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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, 2021, the outstanding balance of the 2013 PPFA Series B bonds was \$5,575,000.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 150,000	\$ 323,125	\$ 473,125
2023	165,000	313,872	478,872
2024	175,000	303,884	478,884
2025	195,000	293,016	488,016
2026	210,000	281,119	491,119
2027-2031	1,275,000	1,196,297	2,471,297
2032-2036	1,625,000	768,597	2,393,597
2037-2040	1,780,000	218,844	1,998,844
Total	<u>\$ 5,575,000</u>	<u>\$ 3,698,754</u>	<u>\$ 9,273,754</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, 2021, the outstanding balance of the 2018 Lease Revenue Bonds was \$2,037,982.

The annual debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total
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	160,158	48,927	209,085
2027-2031	888,905	156,523	1,045,428
2032-2034	400,645	17,527	418,172
Total	<u>\$ 2,037,982</u>	<u>\$ 471,049</u>	<u>\$ 2,509,031</u>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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 percent. At June 30, 2021, the outstanding balance of the capital lease was paid in full.

**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, 2021, the remaining balance of the settlement payable was \$364,000.

**B. Business-Type Activities**

Summary of changes in long-term liabilities for the business-type activities for the year ended June 30, 2021 is as follows:

	Original Issuance	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Due Within One Year	Due In More Than One Year
<b>Water Fund:</b>							
Public Offering:							
2019A Water Revenue Bonds	\$ 9,215,000	\$ 9,165,000	\$ -	\$ (65,000)	\$ 9,100,000	\$ 65,000	\$ 9,035,000
Add: Bond Premium	-	576,040	-	(19,527)	556,513	-	556,513
2019B Water Revenue Refunding Bonds	7,015,000	6,680,000	-	(240,000)	6,440,000	250,000	6,190,000
Add: Bond Premium	-	848,312	-	(28,513)	819,799	-	819,799
<b>Total water fund</b>	<b>16,230,000</b>	<b>17,269,352</b>	<b>-</b>	<b>(353,040)</b>	<b>16,916,312</b>	<b>315,000</b>	<b>16,601,312</b>
<b>Sewer Fund:</b>							
Public Offering:							
2009 Sewer Revenue Bonds	3,195,000	340,000	-	(80,000)	260,000	85,000	175,000
Private Placement:							
2017 Sewer Refunding Revenue Bonds	2,712,200	2,602,300	-	(29,400)	2,572,900	30,400	2,542,500
Direct Borrowing:							
State Revolving Fund loan	774,790	493,475	-	(43,846)	449,629	44,985	404,644
Banc of America loan	951,540	1,388,999	-	(38,946)	1,350,053	55,538	1,294,515
CEC loan	2,876,172	1,744,753	-	(98,567)	1,646,186	298,763	1,347,423
<b>Total sewer fund</b>	<b>10,509,702</b>	<b>6,569,527</b>	<b>-</b>	<b>(290,759)</b>	<b>6,278,768</b>	<b>514,686</b>	<b>5,764,082</b>
<b>Total business-type activities</b>	<b>\$ 26,739,702</b>	<b>\$ 23,838,879</b>	<b>\$ -</b>	<b>\$ (643,799)</b>	<b>\$ 23,195,080</b>	<b>\$ 829,686</b>	<b>\$ 22,365,394</b>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 7 – Long-Term Obligations (Continued)**

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

**2019A Water Revenue Bonds**

On December 24, 2019, the Patterson Public Financing Authority issued \$9,215,000 Water Revenue Bonds, Series 2019A (“Series 2019A”). The City entered into an Installment Sale Agreement dated December 1, 2019 with the Patterson Public Financing Authority to assist with the financing of certain water system improvements in the amount of \$9,591,000. The Series 2019A bonds are scheduled to mature on each June 1 from 2021 to 2049 with serial bonds from 2021 to 2039 and principal amounts ranging from \$50,000 to \$120,000 and term bonds maturing in 2044 in the amount of \$3,415,000 and 2049 in the amount of \$4,080,000. Interest rates range from 2.75 percent to 4.00 percent. The Series 2019A bonds are secured by a pledge of Net Revenues of the water System and are on parity with the Water Revenue Bonds, Series 2010. The Series 2019A bonds were sold with a net original issue premium of \$585,803 and costs of issuance of \$209,803 (including the underwriter’s discount, the fee for bond insurance and a surety fee for the reserve fund). At June 30, 2021, the outstanding balance of the 2019A Water Revenue Bonds was \$9,100,000.

The annual debt service requirements are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	70,000	307,544	377,544
2027-2031	410,000	1,491,919	1,901,919
2032-2036	500,000	1,403,319	1,903,319
2037-2041	1,630,000	1,288,769	2,918,769
2042-2046	3,690,000	761,700	4,451,700
2047-2050	2,520,000	152,700	2,672,700
Total	<u>\$ 9,100,000</u>	<u>\$ 6,660,577</u>	<u>\$ 15,760,577</u>

**2019B Water Revenue Refunding Bonds**

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

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

Interest on the refunding bonds is payable each December 1 and June 1 beginning on June 1, 2020. Principal is payable each June 1 beginning June 1, 2021 to June 1, 2039. At June 30, 2021, the outstanding balance of the 2019B Sewer Refunding Revenue Bonds was \$6,440,000.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 7 – Long-Term Obligations (Continued)**

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

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

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
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	295,000	215,200	510,200
2027-2031	1,655,000	890,200	2,545,200
2032-2036	2,015,000	531,000	2,546,000
2037-2041	1,415,000	114,800	1,529,800
Total	<u>\$ 6,440,000</u>	<u>\$ 2,720,000</u>	<u>\$ 9,160,000</u>

**2009 Sewer Revenue Bonds**

In May 2009, the Patterson Financing Authority authorized the issuance of \$3,195,000 of revenue bonds (Series 2009) to (i) finance, together with other available moneys, certain wastewater system improvements, (ii) fund a reserve for the bonds, and (iii) to pay the cost of issuance of the bonds. The bonds were issued at a discount of \$9,180 and issuance costs totaled \$219,345. Principal is payable on June 1 of each year through June 2039. Interest is payable semi-annually, on each June 1 and December 1. Interest rates range from 1.55 percent to 5.50 percent. The bonds are secured by a pledge and lien on the net revenues of the City's municipal wastewater enterprise. During fiscal year 2017-18 the bonds were partially refunded by the issuance of the 2017 Sewer Revenue Bonds. At June 30, 2021, the outstanding balance of the 2009 Sewer Revenue Bonds was \$260,000.

The annual debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 85,000	\$ 12,350	\$ 97,350
2023	85,000	8,313	93,313
2024	90,000	4,275	94,275
Total	<u>\$ 260,000</u>	<u>\$ 24,938</u>	<u>\$ 284,938</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 percent. The refinancing refunded the 2039 term bond of the 2009 Bonds consisting of sinking fund payments from 2025 to 2039. Savings from the refinancing were capitalized in the amount of \$469,905 and will be held by the City to provide additional funding for wastewater capital projects.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 7 – Long-Term Obligations (Continued)**

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

**2017 Sewer Refunding Revenue Bonds (Continued)**

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, 2021, the outstanding balance of the 2017 Sewer Refunding Revenue Bonds was \$2,572,900.

The annual debt service requirements are as follows:

<b>Year Ending</b>				
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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	132,800	79,890	212,690	
2027-2031	740,700	328,059	1,068,759	
2032-2036	878,100	193,463	1,071,563	
2037-2041	598,100	41,279	639,379	
Total	<u>\$ 2,572,900</u>	<u>\$ 986,255</u>	<u>\$ 3,559,155</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 percent. The loan matures in October 2029. At June 30, 2021, the outstanding balance of the State Revolving Fund Loan was \$449,629.

The annual debt service requirements are as follows:

<b>Year Ending</b>				
<b>June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
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	49,849	6,826	56,675	
2027-2030	212,699	14,003	226,702	
Total	<u>\$ 449,629</u>	<u>\$ 60,450</u>	<u>\$ 510,079</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 percent 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, 2021, the outstanding balance of the Banc of America Public Capital Loan was \$1,350,053.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 7 – Long-Term Obligations (Continued)**

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

**Banc of America Loan (Continued)**

The annual debt service requirements are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
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	136,041	33,940	169,981
2027-2030	878,606	58,377	936,983
Total	<u>\$ 1,350,053</u>	<u>\$ 262,227</u>	<u>\$ 1,612,280</u>

**CEC Loan**

In 2014, the City entered into an agreement with the California Energy Commission for a loan in the amount of \$2,876,172. Interest is calculated at 1.0 percent per annum payable each June and December 22. 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, 2021, the outstanding balance of the CEC loan was \$1,646,186.

The annual debt service requirements are as follows:

<b>Year Ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2022	\$ 298,763	\$ 14,974	\$ 313,737
2023	201,658	12,973	214,631
2024	203,651	10,980	214,631
2025	205,721	8,910	214,631
2026	207,783	6,847	214,630
2027-2029	528,610	7,966	536,576
Total	<u>\$ 1,646,186</u>	<u>\$ 62,650</u>	<u>\$ 1,708,836</u>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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, 2021.

**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, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due Within One Year	Due In More Than One Year
Governmental Activities	\$ 468,489	\$ 438,635	\$ (394,518)	\$ 512,606	\$ 512,606	\$ -

**B. Business-Type Activities**

Summary of changes in compensated absences for the year ended June 30, 2021 is as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021	Classification	
					Due Within One Year	Due In More Than One Year
<b>Business-Type Activities:</b>						
Water Fund	\$ 108,403	\$ 100,696	\$ (86,037)	\$ 123,062	\$ 123,062	\$ -
Sewer Fund	94,969	100,051	(82,913)	112,107	112,107	-
Garbage Fund	26,388	20,972	(18,168)	29,192	29,192	-
<b>Total business-type activities</b>	<b>\$ 229,760</b>	<b>\$ 221,719</b>	<b>\$ (187,118)</b>	<b>\$ 264,361</b>	<b>\$ 264,361</b>	<b>\$ -</b>

**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, 2021 was as follows:

Heartland Ranch Authority Bonds	\$ 2,143,652
Community Facilities District No. 2013-A1 Special Tax Bonds	31,273,171
Community Facilities District No. 2013-A2 Special Tax Bonds	25,606,715
Community Facilities District No. 2013-B Special Tax Bonds	3,712,772
Community Facilities District No. 2005-1 Business Park Special Tax Bonds	9,265,000
Community Facilities District No. 2015-1 Special Tax Bonds	4,685,000
<b>Total</b>	<b>\$ 76,686,310</b>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 10 – Fund Balances**

At June 30, 2021, fund balances classification is as follows:

	<b>General Fund</b>	<b>CFD 2003-1 Public Safety/ Fire Protection Services Fund</b>	<b>Patterson Public Financing Authority</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Nonspendable:</b>					
Prepaid items	\$ 106,172	\$ 3,338	\$ -	\$ -	\$ 109,510
<b>Total nonspendable</b>	<b>106,172</b>	<b>3,338</b>	<b>-</b>	<b>-</b>	<b>109,510</b>
<b>Restricted:</b>					
Debt service	360,498	-	63,049,274	-	63,409,772
Assessment Districts	-	-	-	3,205,841	3,205,841
Grants	-	-	-	543,055	543,055
Streets and roads	-	-	-	3,469,862	3,469,862
Measure L	-	-	-	4,043,415	4,043,415
Developer housing in-lieu	-	-	-	1,053,567	1,053,567
Community Facilities Districts	-	-	-	425,608	425,608
Impact fee	-	-	-	131,764	131,764
<b>Total restricted</b>	<b>360,498</b>	<b>-</b>	<b>63,049,274</b>	<b>12,873,112</b>	<b>76,282,884</b>
<b>Committed:</b>					
Contingencies	3,762,470	-	-	-	3,762,470
Capital projects	-	-	-	7,173,724	7,173,724
<b>Total committed</b>	<b>3,762,470</b>	<b>-</b>	<b>-</b>	<b>7,173,724</b>	<b>10,936,194</b>
<b>Assigned:</b>					
General government operations	976,022	-	-	38,865	1,014,887
Pension and OPEB	1,571,713	-	-	-	1,571,713
Capital projects	348,561	-	-	-	348,561
<b>Total assigned</b>	<b>2,896,296</b>	<b>-</b>	<b>-</b>	<b>38,865</b>	<b>2,935,161</b>
<b>Unassigned (deficit)</b>	<b>6,589,826</b>	<b>(3,166,724)</b>	<b>-</b>	<b>(401,258)</b>	<b>3,021,844</b>
<b>Total</b>	<b>\$ 13,715,262</b>	<b>\$ (3,163,386)</b>	<b>\$ 63,049,274</b>	<b>\$ 19,684,443</b>	<b>\$ 93,285,593</b>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**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, 2021, is as follows:

Total Assets	\$ 150,621,596
Total Liabilities	\$ 129,774,819
Net Position	\$ 20,846,777
Operating Revenues	\$ 55,391,674
Operating Expenses	\$ 54,084,619
Nonoperating Revenues (Expenses)	\$ (224,620)
Change in Net Position	\$ 1,082,435

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 12 – Pension Plans**

**A. Summary**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Deferred outflows of resources:</b>			
Pension contribution after measurement date:			
Miscellaneous	\$ 514,744	\$ 776,472	\$ 1,291,216
Safety	552,488	-	552,488
Difference between expected and actual experience:			
Miscellaneous	136,152	207,320	343,472
Safety	255,850	-	255,850
Difference in projected and actual earnings on pension investments:			
Miscellaneous	75,581	122,416	197,997
Safety	71,709	-	71,709
Adjustments due to differences in proportions			
Miscellaneous	75,241	114,571	189,812
Safety	109,905	-	109,905
Differences between City's contributions and proportionate share of contributions			
Miscellaneous	35,146	53,517	88,663
Safety	35,367	-	35,367
<b>Total deferred outflows of resources</b>	<b>\$ 1,862,183</b>	<b>\$ 1,274,296</b>	<b>\$ 3,136,479</b>
<b>Net pension liabilities:</b>			
Miscellaneous	\$ 2,642,042	\$ 4,023,049	\$ 6,665,091
Safety	3,299,373	-	3,299,373
<b>Total net pension liabilities</b>	<b>\$ 5,941,415</b>	<b>\$ 4,023,049</b>	<b>\$ 9,964,464</b>
<b>Deferred inflows of Resources:</b>			
Change in assumptions:			
Miscellaneous	\$ 18,845	\$ 28,693	\$ 47,538
Safety	10,990	-	10,990
Adjustments due to differences in proportions			
Miscellaneous	7,503	11,426	18,929
Differences between City's contributions and proportionate share of contributions			
Safety	5,348	-	5,348
<b>Total deferred inflows of resources</b>	<b>\$ 42,686</b>	<b>\$ 40,119</b>	<b>\$ 82,805</b>
<b>Pension expenses:</b>			
Miscellaneous	\$ 666,585	\$ 1,015,011	\$ 1,681,596
Safety	780,328	-	780,328
<b>Total pension expenses</b>	<b>\$ 1,446,913</b>	<b>\$ 1,015,011</b>	<b>\$ 2,461,924</b>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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, 2020, 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	48	55	13	6
Transferred and terminated employees	51	24	8	3
Retired employees and beneficiaries	42	-	35	-
Total	<u>141</u>	<u>79</u>	<u>56</u>	<u>9</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%	13.000%
Required employer contribution rate	13.515%	7.732%	22.437%	13.044%

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 12 – Pension Plans (Continued)**

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

Contributions

For the year ended June 30, 2021, the contributions recognized as part of pension expense for each Plan are as follows:

	<b>Miscellaneous</b>	<b>Safety</b>	<b>Total</b>
Contributions - employer	\$ 1,291,216	\$ 552,488	\$ 1,843,704

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

Proportionate Share of Net Pension Liability and Pension Expense

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

	<b>Plan Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net Pension Liability/(Asset)</b>
<b>Miscellaneous</b>			
Balance at: 6/30/19 (Valuation date)	\$ 28,654,207	\$ 22,526,868	\$ 6,127,339
Balance at: 6/30/20 (Measurement date)	31,156,284	24,491,193	6,665,091
Net changes during 2019-2020	2,502,077	1,964,325	537,752
<b>Safety</b>			
Balance at: 6/30/19 (Valuation date)	\$ 12,121,995	\$ 9,134,775	\$ 2,987,220
Balance at: 6/30/20 (Measurement date)	13,000,896	9,701,523	3,299,373
Net changes during 2019-2020	878,901	566,748	312,153

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, 2020, 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, 2019 rolled forward to June 30, 2020 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 2020 was as follows:

	<b>Miscellaneous</b>	<b>Safety</b>	<b>Total</b>
Proportion - June 30, 2019	0.15301%	0.04785%	0.20086%
Proportion - June 30, 2020	0.15801%	0.04952%	0.20754%
Change - Increase/(Decrease)	0.00500%	0.00167%	0.00667%

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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, 2021, the City recognized pension expense of \$1,681,596 and \$780,328, for the Miscellaneous and Safety plans, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Miscellaneous Plan</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Contribution made after the measurement date	\$ 1,291,216	\$ -
Difference between expected and actual experience	343,472	-
Changes of assumptions	-	47,538
Net difference between projected and actual earnings on pension plan investments	197,997	-
Employer contributions in excess/(under) proportionate share of contributions	88,663	-
Adjustments due to difference in proportions	189,812	18,929
Total	<u>\$ 2,111,160</u>	<u>\$ 66,467</u>
<b>Safety Plan</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Contribution made after the measurement date	\$ 552,488	\$ -
Difference between expected and actual experience	255,850	-
Changes of assumptions	-	10,990
Net difference between projected and actual earnings on pension plan investments	71,709	-
Employer contributions in excess/(under) proportionate share of contributions	35,367	5,348
Adjustments due to difference in proportions	109,905	-
Total	<u>\$ 1,025,319</u>	<u>\$ 16,338</u>
<b>Aggregate Total</b>		
	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Contribution made after the measurement date	\$ 1,843,704	\$ -
Difference between expected and actual experience	599,322	-
Changes of assumptions	-	58,528
Net difference between projected and actual earnings on pension plan investments	269,706	-
Employer contributions in excess/(under) proportionate share of contributions	124,030	5,348
Adjustments due to difference in proportions	299,717	18,929
Total	<u>\$ 3,136,479</u>	<u>\$ 82,805</u>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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, \$1,291,216 and \$552,488, 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
2022	\$ 197,096	\$ 154,565	\$ 351,661
2023	277,636	164,542	442,178
2024	183,780	101,456	285,236
2025	94,965	35,930	130,895
2026	-	-	-
Thereafter	-	-	-
Total	<u>\$ 753,477</u>	<u>\$ 456,493</u>	<u>\$ 1,209,970</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 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, 2019 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, 2021**

**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 - 10<sup>1</sup></u>	<u>Real Return Years 11 +<sup>2</sup></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%

<sup>1</sup> An expected inflation of 2.00% was used for this period.

<sup>2</sup> 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, 2021**

**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:

	<b>Plan's Net Pension Liability/(Asset)</b>		
	<b>Discount Rate - 1%</b>	<b>Current Discount</b>	<b>Discount Rate + 1%</b>
	<b>(6.15%)</b>	<b>Rate (7.15%)</b>	<b>(8.15%)</b>
Miscellaneous	\$ 10,811,232	\$ 6,665,091	\$ 3,239,265
Safety	5,064,943	3,299,373	1,850,556
<b>Total</b>	<b>\$ 15,876,175</b>	<b>\$ 9,964,464</b>	<b>\$ 5,089,821</b>

*Pension Plan Fiduciary Net Position*

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

**D. Payable to the Pension Plan**

At June 30, 2021, the City had no outstanding amounts owed to the pension plan for contributions for the year ended June 30, 2021.

**Note 13 – Other Postemployment Benefits**

**A. Summary**

	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	
<b>Deferred outflows of resources:</b>			
Employer contributions made			
subsequent to the measurement date	\$ 111,011	\$ 55,556	\$ 166,567
Changes in assumptions	995,757	498,329	1,494,086
<b>Total deferred outflows of resources</b>	<b>\$ 1,106,768</b>	<b>\$ 553,885</b>	<b>\$ 1,660,653</b>
<b>Net OPEB liability:</b>			
Net OPEB liability	\$ 8,978,820	\$ 4,018,961	\$ 12,997,781
<b>Total OPEB liability</b>	<b>\$ 8,978,820</b>	<b>\$ 4,018,961</b>	<b>\$ 12,997,781</b>
<b>Deferred inflows of Resources:</b>			
Difference between expected and actual experience	\$ 1,204,949	\$ 617,876	\$ 1,822,825
Change in assumption	447,520	229,480	677,000
<b>Total deferred inflows of resources</b>	<b>\$ 1,652,469</b>	<b>\$ 847,356</b>	<b>\$ 2,499,825</b>
<b>Net OPEB Expense</b>	<b>\$ 822,150</b>	<b>\$ 367,998</b>	<b>\$ 1,190,148</b>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**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, 2020, the measurement date:

Active employees	122
Transferred and terminated employees	11
Retired employees and beneficiaries	13
Total	146

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, 2020, the City's average contribution rate was 2.12% 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, 2020. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The net OPEB liability at June 30, 2021 was \$12,997,781.

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**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, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumptions:

Discount Rate	2.44%
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-2019
Healthcare Trend Rate - Non-Medicare	An annual healthcare cost trend rate of 7.25% initially reduced by decrements to an ultimate of 4.0% in 2076.
Healthcare Trend Rate - Medicare	An annual healthcare cost trend rate of 6.3% initially reduced by decrements to an ultimate of 4.0% in 2076.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2020.

Discount Rate

The discount rate used to measure the net OPEB liability was 2.44% percent. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

Change in the Net OPEB Liability

	<b>Net OPEB Liability</b>
Balance at June 30, 2019 (Measurement Date)	\$ 12,287,665
Changes Recognized for the Measurement Period:	
Service Cost	930,865
Interest on the total OPEB liability	413,592
Difference between expected and actual experience	(1,584,352)
Changes of assumptions	1,127,249
Benefit payments	(177,238)
Net Changes during July 1, 2019 to June 30, 2020	710,116
Balance at June 30, 2020 (Measurement Date)	\$ 12,997,781

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**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 (1.44 percent) or 1-percentage-point higher (3.44 percent) than the current discount rate:

<b>Plan's Net OPEB Liability</b>		
Discount Rate - 1% (1.44%)	Current Discount Rate (2.44%)	Discount Rate + 1% (3.44%)
\$ 15,394,055	\$ 12,997,781	\$ 11,112,317

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

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

<b>Plan's Net OPEB Liability</b>		
Healthcare Cost Trend Rates		
-1%		1%
\$ 11,137,677	\$ 12,997,781	\$ 15,671,408

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$1,190,148. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred outflows of Resources</b>	<b>Deferred inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 1,822,825
Changes of assumptions	1,494,086	677,000
Employer contributions made subsequent to the measurement date	166,567	-
Total	\$ 1,660,653	\$ 2,499,825

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 10.7 years, which was determined as of June 30, 2020, 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, 2021**

**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
2022	\$ (155,698)
2023	(155,698)
2024	(155,698)
2025	(155,698)
2026	(155,698)
Thereafter	(227,249)
	\$ (1,005,739)

**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, 2021, the following funds had a fund balances (deficit) or unrestricted net position (deficit):

Fund	Fund Type	Deficit
Public Safety	Special Revenue	\$ 3,163,386
CSA #15 Assessment District	Special Revenue	5,120
Federal CDBG Grant 2003	Special Revenue	281,585
Local Transportation Fund	Special Revenue	113,343
Heartland Ranch Infrastructure	Capital Projects	1,210

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, 2021**

**Note 15 – Other Required Disclosures (Continued)**

**B. Expenditures Exceeding Appropriations**

For the year ended June 30, 2021, expenditures exceeded appropriations in the following funds/functions:

Fund	Function	Excess Expenditures
Public Safety Special Revenue Fund	Fire	231,348
Patterson Public Financing Authority		
Debt Service Fund	Debt service: Principal	9,502
CSA #15 Assessment District Special Revenue Fund	Community development and planning	4,725
CFD 2001-01 Patterson Gardens		
Public Safety Special Revenue Fund	Fire	5,716
CFD 2013-1 Special Revenue Fund	Public works	9,176
CFD 2018-2 VOP Maintenance Special Revenue Fund	General government	7,695

**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 – Net Investment in Capital Assets**

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

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	\$ 13,203,658	\$ 10,939,954
Capital assets, depreciable/amortizable, net	48,341,854	36,548,941
Unspent bond proceeds - Restricted cash and investment	-	468,952
Unspent bond proceeds - Cash with fiscal agent	-	11,881,064
Deferred amount on refunding	-	334,507
Long-term debt:		
2018 Lease Revenue Bonds	(2,037,982)	-
2019A Water Revenue Bonds	-	(9,656,513)
2019B Water Revenue Refunding Bonds	-	(7,259,799)
2009 Sewer Revenue Bonds	-	(260,000)
2017 Sewer Refunding Revenue Bonds	-	(2,572,900)
State Revolving Fund loan	-	(449,629)
Banc of America loan	-	(1,350,053)
CEC loan	-	(1,646,186)
Total net investment in capital assets	<u>\$ 59,507,530</u>	<u>\$ 36,978,338</u>

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

**Note 18 – 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.

**C. Other Matters**

As of January 30, 2021, 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 19 – Prior Period Adjustments**

**A. Fiduciary Fund Financial Statements**

The beginning net position at July 1, 2020 of the Fiduciary Fund Financial Statements was restated as follows:

	West Patterson Financing Authority	CFD 2005-1 West Patterson Business Park	CFD 2015-1 Arambel-KDN	Heartland Ranch 2013	VOP Infrastructure	Total
Net position, as previously reported, at July 1, 2020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
To implement GASB 84	9,378,041	4,239,966	361,711	537,531	5,369	14,522,618
Net position at July 1, 2020, as restated	\$ 9,378,041	\$ 4,239,966	\$ 361,711	\$ 537,531	\$ 5,369	\$ 14,522,618

**Note 20 - Subsequent Events**

**A. American Rescue Plan Act**

On March, 2021, the American Rescue Plan Act was signed into delivering \$65 billion of direct and flexible aid to cities and towns across the nation to provide substantial flexibility for each government to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest hit by the crisis. Based on the City’s population, the City was allocated \$5,388,220 and received in two installments starting July 2021.

**B. CFD 2018-1 (Villages of Patterson) Special Tax Bonds, Series 2021**

On October 27, 2021 the West Patterson Financing Authority issued \$4,465,000 Community Facilities District No. 2018-1 (Villages of Patterson) Special Tax Bonds, Series 2021 (“CFD 2018-1 Series 2021”).

**City of Patterson**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2021**

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**Note 20 - Subsequent Events (Continued)**

***B. CFD 2018-1 (Villages of Patterson) Special Tax Bonds, Series 2021 (Continued)***

The CFD 2018-1 Series 2021 bonds are not an obligation nor a debt of the City. The CFD 2018-1 Series 2021 bonds are secured and payable solely from a pledge of Special Tax Revenues to be levied by the Authority on real property within the boundaries of the district, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the special taxes, and from amounts held in certain funds under the Fiscal Agent Agreement dated October 1, 2021. The bonds were sold as non-rated securities, have a final maturity date of 2051 with coupons ranging from 3.00% to 4.00% and yields ranging from 1.51% to 2.74%. The CFD 2018-1 Series 2021 bonds were issued to (i) construct and acquire certain public facilities of benefit to the district, (ii) provide for the establishment of a reserve fund, and (iii) pay the costs of issuance of the CFD 2018-1 Series 2021 bonds. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022. Principal on the CFD 2018-1 Series 2021 bonds is payable annually beginning September 1, 2022 and each year thereafter until September 1, 2051.

***C. CFD 2005-1 (West Patterson Business Park) Special Tax Bonds, Series 2021***

In December 2021, the West Patterson Financing Authority is expected to issue \$6,800,000 Community Facilities District No. 2005-1 (West Patterson Business Park) Special Tax Bonds, Series 2021 (“CFD 2005-1 Series 2021”).

The CFD 2005-1 Series 2021 bonds are not an obligation nor a debt of the City. The CFD 2005-1 Series 2021 bonds are secured and payable solely from a pledge of Special Tax Revenues, on parity with bonds issued in 2015, to be levied by the Authority on real property within the boundaries of the District, from the proceeds of any foreclosure actions brought following a delinquency in the payment of the special taxes, and from amounts held in certain funds under the Fiscal Agent Agreement dated September 1, 2015 and the Supplement Agreement No. 1 to Fiscal Agent Agreement dated as of December 1, 2021. The CFD 2005-1 Series 2021 bonds are expected to be sold as non-rated securities and have a final maturity date of 2049. The CFD 2005-1 Series 2021 bonds are being issued to (i) construct and acquire certain public facilities of benefit to the District, (ii) provide for the establishment of a reserve fund, and (iii) pay the costs of issuance of the 2021 Bonds. Interest on the CFD 2005-1 Series 2021 bonds is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2022. Principal on the 2021 Bonds is payable annually beginning September 1, 2022 and each year thereafter until September 1, 2049.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**City of Patterson**  
**Notes to the Budgetary Comparison Schedule**  
**Budgetary Information**  
**For the Year Ended June 30, 2021**

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The City maintains budgetary controls in order to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City maintains an encumbrance accounting system to provide management with information regarding obligations against appropriations. Budgetary compliance is based on expenditures during the period (U.S.GAAP), rather than expenditures and encumbrances (non-GAAP). Because appropriations lapse at June 30, encumbrances outstanding at June 30, 2021 are disclosed in the notes to the financial statements. Appropriations for fiscal year 2021 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.

**City of Patterson**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES :</b>				
Taxes:				
Property	\$ 5,535,805	\$ 5,876,791	\$ 6,196,152	\$ 319,361
Sales	5,741,522	7,057,327	10,029,499	2,972,172
Franchise	220,000	220,000	222,803	2,803
Other	114,491	174,230	248,158	73,928
Licenses, permits, and fees	1,917,646	1,439,847	1,067,612	(372,235)
Charges for services	411,980	464,980	277,580	(187,400)
Intergovernmental:				
Federal grant and subsidies	1,101,960	1,386,892	1,153,029	(233,863)
Other governmental	2,721,153	1,107,274	1,148,507	41,233
Fines, forfeitures and penalties	185,000	224,576	339,080	114,504
Interest	36,700	36,700	(113,314)	(150,014)
Miscellaneous	261,690	373,191	295,955	(77,236)
<b>Total revenues</b>	<u>18,247,947</u>	<u>18,361,808</u>	<u>20,865,061</u>	<u>2,503,253</u>
<b>EXPENDITURES :</b>				
Current:				
General government	3,777,191	3,853,892	3,489,638	364,254
Police	5,848,272	5,858,329	5,410,959	447,370
Fire	2,672,316	2,780,114	2,481,200	298,914
Community development and planning	1,794,484	1,835,181	1,707,485	127,696
Public works	3,091,707	3,126,490	3,097,430	29,060
Park and recreation	2,370,847	2,355,514	1,878,060	477,454
Capital outlay	204,546	672,887	478,597	194,290
Debt service:				
Principal	134,848	134,848	134,848	-
Interest and fiscal charges	74,237	74,237	74,231	6
<b>Total expenditures</b>	<u>19,968,448</u>	<u>20,691,492</u>	<u>18,752,448</u>	<u>1,939,044</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,720,501)</u>	<u>(2,329,684)</u>	<u>2,112,613</u>	<u>4,442,297</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,831,813	3,438,592	3,212,592	(226,000)
Transfers out	(2,205,291)	(913,930)	(686,271)	227,659
<b>Total other financing sources (uses)</b>	<u>1,626,522</u>	<u>2,524,662</u>	<u>2,526,321</u>	<u>1,659</u>
<b>Net change in fund balances</b>	<u>\$ (93,979)</u>	<u>\$ 194,978</u>	<u>4,638,934</u>	<u>\$ 4,443,956</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>9,076,328</u>	
End of year			<u>\$ 13,715,262</u>	

**City of Patterson**  
**Budgetary Comparison Schedule**  
**Public Safety Special Revenue Fund**  
**For the Year Ended June 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 1,124,715	\$ 1,124,715	\$ 1,197,629	\$ 72,914
Miscellaneous	62,000	71,600	94,776	23,176
<b>Total revenues</b>	<u>1,186,715</u>	<u>1,196,315</u>	<u>1,292,405</u>	<u>96,090</u>
<b>EXPENDITURES:</b>				
Current:				
Fire	2,205,359	2,570,156	2,801,504	(231,348)
<b>Total expenditures</b>	<u>2,205,359</u>	<u>2,570,156</u>	<u>2,801,504</u>	<u>(231,348)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,018,644)</u>	<u>(1,373,841)</u>	<u>(1,509,099)</u>	<u>(135,258)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	580,000	976,567	977,330	763
Transfers out	(393,221)	-	-	-
<b>Total other financing sources (uses)</b>	<u>186,779</u>	<u>976,567</u>	<u>977,330</u>	<u>763</u>
<b>Net change in fund balances</b>	<u>\$ (831,865)</u>	<u>\$ (397,274)</u>	<u>(531,769)</u>	<u>\$ (134,495)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(2,631,617)</u>	
End of year			<u>\$ (3,163,386)</u>	

**City of Patterson**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**Last Ten Years**  
**For the Year Ended June 30, 2021**

	<b>Miscellaneous Plan</b>						
Measurement period, year ended	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> <sup>1</sup>
Plan's proportion of the net pension liability	0.1580126%	0.1530113%	0.1496090%	0.1499839%	0.1499839%	0.1557567%	0.1455000%
Plan's proportionate share of the net pension liability	\$ 6,665,091	\$ 6,127,339	\$ 5,638,335	\$ 5,912,437	\$ 5,141,345	\$ 4,273,133	\$ 3,638,246
Plan's covered payroll	\$ 4,605,966	\$ 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 payroll	144.71%	137.02%	129.87%	140.27%	125.63%	107.55%	94.32%
Plan's fiduciary net position	\$ 24,491,193	\$ 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	78.61%	78.62%	77.94%	73.18%	72.70%	74.81%	77.16%
Plan's proportionate share of aggregate employer contributions	\$ 1,103,312	\$ 1,043,720	\$ 900,310	\$ 821,442	\$ 693,115	\$ 748,691	\$ 691,154

<sup>1</sup> 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, 2021**

	<b>Safety Plan</b>						
Measurement period, year ended	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> <sup>1</sup>
Plan's proportion of the net pension liability	0.049523%	0.047853%	0.046974%	0.045984%	0.046120%	0.046242%	0.026700%
Plan's proportionate share of the net pension liability	\$ 3,299,373	\$ 2,987,220	\$ 2,756,215	\$ 2,747,657	\$ 2,388,655	\$ 1,905,383	\$ 1,661,368
Plan's covered payroll	\$ 1,369,049	\$ 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 payroll	241.00%	224.74%	213.58%	219.99%	196.37%	161.75%	151.85%
Plan's fiduciary net position	\$ 9,701,523	\$ 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	74.62%	75.36%	75.28%	73.23%	73.58%	77.45%	79.20%
Plan's proportionate share of aggregate employer contributions	\$ 494,902	\$ 457,665	\$ 393,732	\$ 337,685	\$ 312,567	\$ 364,763	\$ 312,579

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

**City of Patterson**  
**Schedule of Plan Contributions**  
**Last Ten Years**  
**For the Year Ended June 30, 2021**

**Miscellaneous Plan**

Fiscal Year:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Contractually determined contribution (actuarially determined)	\$ 1,291,216	\$ 1,103,312	\$ 1,043,720	\$ 900,310	\$ 821,442	\$ 693,115	\$ 748,691	\$ 691,154
Contributions in relation to the actuarially determined contributions	(1,291,216)	(1,103,312)	(1,043,720)	(900,310)	(821,442)	(693,115)	(748,691)	(691,154)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$4,744,145	\$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	27.22%	23.95%	23.34%	20.74%	19.49%	16.94%	18.84%	17.92%

**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 2021 were derived from the June 30, 2018

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
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

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

**City of Patterson**  
**Schedule of Plan Contributions (Continued)**  
**Last Ten Years**  
**For the Year Ended June 30, 2021**

**Safety Plan**

Fiscal Year:	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Contractually determined								
contribution (actuarially determined)	\$ 552,488	\$ 494,902	\$ 457,665	\$ 393,732	\$ 337,685	\$ 312,567	\$ 364,763	\$ 312,579
Contributions in relation to the								
actuarially determined contributions	(552,488)	(494,902)	(457,665)	(393,732)	(337,685)	(312,567)	(364,763)	(312,579)
<b>Contribution deficiency (excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$1,410,121	\$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	39.18%	36.15%	34.43%	30.51%	26.95%	25.70%	30.97%	28.57%

**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 2021 were derived from the June 30, 2018

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
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

<sup>1</sup> 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, 2021**

Measurement period, year ending:	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017<sup>1</sup></u>
<b>Total OPEB liability</b>				
Service cost	\$ 930,865	\$ 868,965	\$ 951,252	\$ 1,055,000
Interest	413,592	393,931	394,277	327,000
Changes of benefit terms	-	-	(891,666)	-
Differences between expected and actual experience	(1,584,352)	-	(552,203)	-
Changes of assumptions	1,127,249	490,438	102,481	(1,129,000)
Benefit payments, including refunds of member contributions	(177,238)	(163,179)	(179,631)	(175,000)
<b>Change in total OPEB liability</b>	<u>710,116</u>	<u>1,590,155</u>	<u>(175,490)</u>	<u>78,000</u>
<b>Total OPEB liability - beginning</b>	<u>12,287,665</u>	<u>10,697,510</u>	<u>10,873,000</u>	<u>10,795,000</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 12,997,781</u></u>	<u><u>\$ 12,287,665</u></u>	<u><u>\$ 10,697,510</u></u>	<u><u>\$ 10,873,000</u></u>
<b>OPEB fiduciary net position</b>				
Contributions - employer	\$ 177,238	\$ 163,179	\$ 179,631	\$ 175,000
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(177,238)	(163,179)	(179,631)	(175,000)
Administrative expense	-	-	-	-
<b>Change in plan fiduciary net position</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Plan net OPEB liability - ending (a) - (b)</b>	<u><u>\$ 12,997,781</u></u>	<u><u>\$ 12,287,665</u></u>	<u><u>\$ 10,697,510</u></u>	<u><u>\$ 10,873,000</u></u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	0.00%	0.00%	0.00%	0.00%
<b>Covered-employee payroll</b>	\$ 8,559,266	\$ 8,196,189	\$ 7,352,843	\$ 6,620,000
<b>Plan net OPEB liability as a percentage of covered-employee payroll</b>	151.86%	149.92%	145.49%	164.24%

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

**SUPPLEMENTARY INFORMATION**

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**NON-MAJOR GOVERNMENTAL FUNDS**

**City of Patterson**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2021**

**Special Revenue Funds**

	<b>Special Revenue Funds</b>				
	<b>Landscape Maintenance District</b>	<b>Benefit Assessment Districts</b>	<b>CSA #15 Assessment District</b>	<b>CFD 2001-01 Patterson Gardens Public Safety</b>	<b>Beautification Committee</b>
<b>ASSETS</b>					
Cash and investments	\$ 812,723	\$ 2,233,915	\$ 7,647	\$ 212,615	\$ 38,856
Receivables:					
Accounts	19,972	5,320	183	9,190	-
Interest	186	518	2	48	9
Notes and loans	-	-	-	-	-
<b>Total assets</b>	<b>\$ 832,881</b>	<b>\$ 2,239,753</b>	<b>\$ 7,832</b>	<b>\$ 221,853</b>	<b>\$ 38,865</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 81,407	\$ 7,239	\$ 12,952	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>81,407</b>	<b>7,239</b>	<b>12,952</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Restricted	751,474	2,232,514	-	221,853	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	38,865
Unassigned (deficit)	-	-	(5,120)	-	-
<b>Total fund balances</b>	<b>751,474</b>	<b>2,232,514</b>	<b>(5,120)</b>	<b>221,853</b>	<b>38,865</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 832,881</b>	<b>\$ 2,239,753</b>	<b>\$ 7,832</b>	<b>\$ 221,853</b>	<b>\$ 38,865</b>

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

**Special Revenue Funds**

	<b>CDBG HA Loan Fund</b>	<b>State HCD Rehab Program</b>	<b>Federal CDBG Grant</b>	<b>First Time Home Buyers</b>	<b>Federal HOME Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 157,157	\$ -	\$ 192,205	\$ 197,632
Receivables:					
Accounts	-	-	13,797	-	2,239
Interest	-	37	-	45	46
Notes and loans	293,489	54,167	-	82,388	208,577
<b>Total assets</b>	<b>\$ 293,489</b>	<b>\$ 211,361</b>	<b>\$ 13,797</b>	<b>\$ 274,638</b>	<b>\$ 408,494</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	223,859	-	-
Unearned revenue	-	1	71,523	-	11,650
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>1</b>	<b>295,382</b>	<b>-</b>	<b>11,650</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	293,489	54,167	-	82,387	208,577
<b>Total deferred inflows of resources</b>	<b>293,489</b>	<b>54,167</b>	<b>-</b>	<b>82,387</b>	<b>208,577</b>
<b>FUND BALANCES:</b>					
Restricted	-	157,193	-	192,251	188,267
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	(281,585)	-	-
<b>Total fund balances</b>	<b>-</b>	<b>157,193</b>	<b>(281,585)</b>	<b>192,251</b>	<b>188,267</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 293,489</b>	<b>\$ 211,361</b>	<b>\$ 13,797</b>	<b>\$ 274,638</b>	<b>\$ 408,494</b>

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

**Special Revenue Funds**

	<b>Special Revenue Funds</b>				
	<b>Neighborhood Stabilization Program</b>	<b>Gas Tax</b>	<b>Local Transportation Fund</b>	<b>Local Transportation Fund Non Motorized</b>	<b>Street Project Fund</b>
<b>ASSETS</b>					
Cash and investments	\$ 5,343	\$ 283,885	\$ 183,765	\$ 85,159	\$ 2,984,963
Receivables:					
Accounts	-	138,884	-	-	255,428
Interest	1	66	34	20	720
Notes and loans	28,560	-	-	-	-
<b>Total assets</b>	<b>\$ 33,904</b>	<b>\$ 422,835</b>	<b>\$ 183,799</b>	<b>\$ 85,179</b>	<b>\$ 3,241,111</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 104,053
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	297,142	12,328	-
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>297,142</b>	<b>12,328</b>	<b>104,053</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	28,560	-	-	-	162,882
<b>Total deferred inflows of resources</b>	<b>28,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,882</b>
<b>FUND BALANCES:</b>					
Restricted	5,344	422,835	-	72,851	2,974,176
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	(113,343)	-	-
<b>Total fund balances</b>	<b>5,344</b>	<b>422,835</b>	<b>(113,343)</b>	<b>72,851</b>	<b>2,974,176</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 33,904</b>	<b>\$ 422,835</b>	<b>\$ 183,799</b>	<b>\$ 85,179</b>	<b>\$ 3,241,111</b>

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

**Special Revenue Funds**

	<b>Measure L Fund</b>	<b>Developer Housing In-Lieu Fee</b>	<b>Police Asset Forfeiture</b>	<b>Westside Drainage Study</b>	<b>CFD 2013-1</b>
<b>ASSETS</b>					
Cash and investments	\$ 4,222,911	\$ 1,053,322	\$ 4,297	\$ 65,584	\$ 420,701
Receivables:					
Accounts	324,725	-	-	-	1,986
Interest	963	245	1	15	98
Notes and loans	-	1,059,500	-	-	-
<b>Total assets</b>	<b>\$ 4,548,599</b>	<b>\$ 2,113,067</b>	<b>\$ 4,298</b>	<b>\$ 65,599</b>	<b>\$ 422,785</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ 505,184	\$ -	\$ -	\$ -	\$ 1,475
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>505,184</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,475</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	-	1,059,500	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>1,059,500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Restricted	4,043,415	1,053,567	4,298	-	421,310
Committed	-	-	-	65,599	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>4,043,415</b>	<b>1,053,567</b>	<b>4,298</b>	<b>65,599</b>	<b>421,310</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 4,548,599</b>	<b>\$ 2,113,067</b>	<b>\$ 4,298</b>	<b>\$ 65,599</b>	<b>\$ 422,785</b>

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds		Capital Projects Funds		
	CFD 2015-2 Public Safety	CFD 2018-2 VOP Maintenance	Community Facility Impact Fee	General Government Impact Fee	Public Safety Impact Fee
<b>ASSETS</b>					
Cash and investments	\$ 45,645	\$ 75,910	\$ 566,031	\$ 418,097	\$ 571,548
Receivables:					
Accounts	-	37,685	-	-	-
Interest	11	18	131	97	133
Notes and loans	-	-	-	-	-
<b>Total assets</b>	<b>\$ 45,656</b>	<b>\$ 113,613</b>	<b>\$ 566,162</b>	<b>\$ 418,194</b>	<b>\$ 571,681</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ 792	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	26,713	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>27,505</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Restricted	45,656	86,108	-	-	-
Committed	-	-	566,162	418,194	571,681
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>45,656</b>	<b>86,108</b>	<b>566,162</b>	<b>418,194</b>	<b>571,681</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 45,656</b>	<b>\$ 113,613</b>	<b>\$ 566,162</b>	<b>\$ 418,194</b>	<b>\$ 571,681</b>

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

**Capital Projects Funds**

	<b>Parkland In-Lieu Fee</b>	<b>Street Improvement Impact Fee</b>	<b>Water Impact Fee</b>	<b>Storm Drain Impact Fee</b>	<b>Sewer Impact Fee</b>
<b>ASSETS</b>					
Cash and investments	\$ 57,327	\$ 706,620	\$ 2,873,051	\$ 1,233,603	\$ 89
Receivables:					
Accounts	-	-	-	-	-
Interest	13	164	667	287	-
Notes and loans	-	-	-	-	-
<b>Total assets</b>	<b>\$ 57,340</b>	<b>\$ 706,784</b>	<b>\$ 2,873,718</b>	<b>\$ 1,233,890</b>	<b>\$ 89</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 4,095	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,095</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Restricted	-	-	-	-	-
Committed	57,340	706,784	2,873,718	1,229,795	89
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
<b>Total fund balances</b>	<b>57,340</b>	<b>706,784</b>	<b>2,873,718</b>	<b>1,229,795</b>	<b>89</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 57,340</b>	<b>\$ 706,784</b>	<b>\$ 2,873,718</b>	<b>\$ 1,233,890</b>	<b>\$ 89</b>

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

**Capital Projects Funds**

	<b>Delta Mendota Storm Gate</b>	<b>Aquatic Center Construction</b>	<b>Future Water Acquisition</b>	<b>Heartland Ranch Infrastructure</b>	<b>Downtown Assistance Fee</b>
<b>ASSETS</b>					
Cash and investments	\$ 173,987	\$ 264,579	\$ 137,682	\$ 45,955	\$ 107,321
Receivables:					
Accounts	-	-	635	-	-
Interest	40	61	32	11	25
Notes and loans	-	-	-	-	-
<b>Total assets</b>	<b>\$ 174,027</b>	<b>\$ 264,640</b>	<b>\$ 138,349</b>	<b>\$ 45,966</b>	<b>\$ 107,346</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits and other liabilities	-	-	-	47,176	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,176</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Restricted	-	-	-	-	-
Committed	174,027	264,640	138,349	-	107,346
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	(1,210)	-
<b>Total fund balances</b>	<b>174,027</b>	<b>264,640</b>	<b>138,349</b>	<b>(1,210)</b>	<b>107,346</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 174,027</b>	<b>\$ 264,640</b>	<b>\$ 138,349</b>	<b>\$ 45,966</b>	<b>\$ 107,346</b>

(Continued)

**City of Patterson**  
**Combining Balance Sheet (Continued)**  
**Non-Major Governmental Funds**  
**June 30, 2021**

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	<b>Total Non-major Governmental Funds</b>
<b>ASSETS</b>	
Cash and investments	\$ 20,440,125
Receivables:	
Accounts	810,044
Interest	4,744
Notes and loans	1,726,681
<b>Total assets</b>	<b>\$ 22,981,594</b>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>LIABILITIES:</b>	
Accounts payable	\$ 717,197
Due to other funds	223,859
Unearned revenue	392,644
Deposits and other liabilities	73,889
<b>Total liabilities</b>	<b>1,407,589</b>
 <b>DEFERRED INFLOWS OF RESOURCES:</b>	
Unavailable revenue	1,889,562
<b>Total deferred inflows of resources</b>	<b>1,889,562</b>
 <b>FUND BALANCES:</b>	
Restricted	12,873,112
Committed	7,173,724
Assigned	38,865
Unassigned (deficit)	(401,258)
<b>Total fund balances</b>	<b>19,684,443</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 22,981,594</b>

(Concluded)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2021**

	Special Revenue				
	Landscape Maintenance District	Benefit Assessment Districts	CSA #15 Assessment District	CFD 2001-01 Patterson Gardens Public Safety	Beautification Committee
<b>REVENUES:</b>					
Taxes:					
Licenses, permits, and fees	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	1,754,921	482,747	8,499	521,518	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Investment income(loss)	2,448	8,786	27	294	146
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>1,757,369</b>	<b>491,533</b>	<b>8,526</b>	<b>521,812</b>	<b>146</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	6,316	-
Community development and planning	-	-	21,109	-	-
Public works	607,933	125,030	-	-	270
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>607,933</b>	<b>125,030</b>	<b>21,109</b>	<b>6,316</b>	<b>270</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,149,436</b>	<b>366,503</b>	<b>(12,583)</b>	<b>515,496</b>	<b>(124)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	(1,070,860)	(492,680)	(4,059)	(500,000)	-
<b>Total financing sources (uses)</b>	<b>(1,070,860)</b>	<b>(492,680)</b>	<b>(4,059)</b>	<b>(500,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>78,576</b>	<b>(126,177)</b>	<b>(16,642)</b>	<b>15,496</b>	<b>(124)</b>
<b>FUND BALANCES:</b>					
Beginning of year	672,898	2,358,691	11,522	206,357	38,989
End of year	\$ 751,474	\$ 2,232,514	\$ (5,120)	\$ 221,853	\$ 38,865

(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, 2021**

**Special Revenue Funds**

	<b>CDBG HA Loan Fund</b>	<b>State HCD Rehab Program</b>	<b>Federal CDBG Grant</b>	<b>First Time Home Buyers</b>	<b>Federal HOME Funds</b>
<b>REVENUES:</b>					
Taxes:					
Licenses, permits, and fees	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	709	-	138,012	7,417
Investment income(loss)	-	1,296	-	2,177	3,173
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>2,005</b>	<b>-</b>	<b>140,189</b>	<b>10,590</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	2,000
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,000</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>-</b>	<b>2,005</b>	<b>-</b>	<b>140,189</b>	<b>8,590</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(13,797)	-	(2,000)
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(13,797)</b>	<b>-</b>	<b>(2,000)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>2,005</b>	<b>(13,797)</b>	<b>140,189</b>	<b>6,590</b>
<b>FUND BALANCES:</b>					
Beginning of year	-	155,188	(267,788)	52,062	181,677
End of year	\$ -	\$ 157,193	\$ (281,585)	\$ 192,251	\$ 188,267

(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, 2021**

**Special Revenue Funds**

	<b>Neighborhood Stabilization Program</b>	<b>Gas Tax</b>	<b>Local Transportation Fund</b>	<b>Local Transportation Fund Non Motorized</b>	<b>Street Project Fund</b>
<b>REVENUES:</b>					
Taxes:					
Licenses, permits, and fees	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	651,659
Other governmental	-	948,005	-	-	228,544
Use of money and property	-	-	-	-	-
Investment income(loss)	19	1,685	954	281	6,626
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>19</b>	<b>949,690</b>	<b>954</b>	<b>281</b>	<b>886,829</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	6,366	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	52,721
Capital outlay	-	-	-	-	1,845,180
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>6,366</b>	<b>-</b>	<b>1,897,901</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>19</b>	<b>949,690</b>	<b>(5,412)</b>	<b>281</b>	<b>(1,011,072)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	11,398	2,784,466
Transfers out	-	(916,436)	(109,242)	-	-
<b>Total financing sources (uses)</b>	<b>-</b>	<b>(916,436)</b>	<b>(109,242)</b>	<b>11,398</b>	<b>2,784,466</b>
<b>Net change in fund balances</b>	<b>19</b>	<b>33,254</b>	<b>(114,654)</b>	<b>11,679</b>	<b>1,773,394</b>
<b>FUND BALANCES:</b>					
Beginning of year	5,325	389,581	1,311	61,172	1,200,782
End of year	\$ 5,344	\$ 422,835	\$ (113,343)	\$ 72,851	\$ 2,974,176

(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, 2021**

**Special Revenue Funds**

	<b>Measure L Fund</b>	<b>Developer Housing In-Lieu Fee</b>	<b>Police Asset Forfeiture</b>	<b>Westside Drainage Study</b>	<b>CFD 2013-1</b>
<b>REVENUES:</b>					
Taxes:					
Licenses, permits, and fees	\$ -	\$ 4,380	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	203,098
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	1,792,987	-	-	-	-
Use of money and property	-	-	-	-	-
Investment income(loss)	17,419	3,925	471	245	1,352
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>1,810,406</b>	<b>8,305</b>	<b>471</b>	<b>245</b>	<b>204,450</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	18,377
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	13,376
Capital outlay	551,415	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>551,415</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,753</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,258,991</b>	<b>8,305</b>	<b>471</b>	<b>245</b>	<b>172,697</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	(793,264)	-	-	-	(96,636)
<b>Total financing sources (uses)</b>	<b>(793,264)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(96,636)</b>
<b>Net change in fund balances</b>	<b>465,727</b>	<b>8,305</b>	<b>471</b>	<b>245</b>	<b>76,061</b>
<b>FUND BALANCES:</b>					
Beginning of year	3,577,688	1,045,262	3,827	65,354	345,249
End of year	\$ 4,043,415	\$ 1,053,567	\$ 4,298	\$ 65,599	\$ 421,310

(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, 2021**

	Special Revenue Funds			Capital Projects Funds	
	CFD 2015-2 Public Safety	CFD 2018-2 VOP Maintenance	Community Facility Impact Fee	General Government Impact Fee	Public Safety Impact Fee
<b>REVENUES:</b>					
Taxes:					
Licenses, permits, and fees	\$ -	\$ -	\$ 598,886	\$ 111,443	\$ 27,986
Charges for services	90,459	99,195	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	21,025
Use of money and property	-	-	-	-	-
Investment income(loss)	218	118	1,187	1,575	2,101
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<u>90,677</u>	<u>99,313</u>	<u>600,073</u>	<u>113,018</u>	<u>51,112</u>
<b>EXPENDITURES:</b>					
Current:					
General government	26	7,695	-	9,762	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	2,354	-	-	-
Capital outlay	-	-	-	49,908	-
Debt service:					
Principal	-	-	-	-	33,518
Interest and fiscal charges	-	-	-	-	888
<b>Total expenditures</b>	<u>26</u>	<u>10,049</u>	<u>-</u>	<u>59,670</u>	<u>34,406</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	90,651	89,264	600,073	53,348	16,706
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	(80,000)	-	-	-	-
<b>Total financing sources (uses)</b>	<u>(80,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	10,651	89,264	600,073	53,348	16,706
<b>FUND BALANCES:</b>					
Beginning of year	35,005	(3,156)	(33,911)	364,846	554,975
End of year	<u>\$ 45,656</u>	<u>\$ 86,108</u>	<u>\$ 566,162</u>	<u>\$ 418,194</u>	<u>\$ 571,681</u>

(Continued)

**City of Patterson**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2021**

**Capital Projects Funds**

	<b>Parkland In-Lieu Fee</b>	<b>Street Improvement Impact Fee</b>	<b>Water Impact Fee</b>	<b>Storm Drain Impact Fee</b>	<b>Sewer Impact Fee</b>
<b>REVENUES:</b>					
Taxes:					
Licenses, permits, and fees	\$ 1,844	\$ 23,321	\$ 1,784,756	\$ 4,335	\$ 2,034
Charges for services	-	15,911	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Investment income(loss)	229	3,592	8,060	4,681	199
Miscellaneous	-	-	-	-	-
<b>Total revenues</b>	<b>2,073</b>	<b>42,824</b>	<b>1,792,816</b>	<b>9,016</b>	<b>2,233</b>
<b>EXPENDITURES:</b>					
Current:					
General government	5,699	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	39,621	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>5,699</b>	<b>-</b>	<b>-</b>	<b>39,621</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,626)</b>	<b>42,824</b>	<b>1,792,816</b>	<b>(30,605)</b>	<b>2,233</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	(500,000)	-	-	(71,500)
<b>Total financing sources (uses)</b>	<b>-</b>	<b>(500,000)</b>	<b>-</b>	<b>-</b>	<b>(71,500)</b>
<b>Net change in fund balances</b>	<b>(3,626)</b>	<b>(457,176)</b>	<b>1,792,816</b>	<b>(30,605)</b>	<b>(69,267)</b>
<b>FUND BALANCES:</b>					
Beginning of year	60,966	1,163,960	1,080,902	1,260,400	69,356
End of year	\$ 57,340	\$ 706,784	\$ 2,873,718	\$ 1,229,795	\$ 89

(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, 2021**

**Capital Projects Funds**

	<b>Delta Mendota Storm Gate</b>	<b>Aquatic Center Construction</b>	<b>Future Water Acquisition</b>	<b>Heartland Ranch Infrastructure</b>	<b>Downtown Assistance Fee</b>
<b>REVENUES:</b>					
Taxes:					
Licenses, permits, and fees	\$ -	\$ 161,437	\$ -	\$ -	\$ 84,825
Charges for services	-	-	-	-	-
Intergovernmental:					
Federal grant and subsidies	-	-	-	-	-
Other governmental	-	-	-	-	-
Use of money and property	-	-	-	-	-
Investment income(loss)	649	739	506	172	270
Miscellaneous	-	-	2,780	-	-
<b>Total revenues</b>	<b>649</b>	<b>162,176</b>	<b>3,286</b>	<b>172</b>	<b>85,095</b>
<b>EXPENDITURES:</b>					
Current:					
General government	-	-	-	-	-
Fire	-	-	-	-	-
Community development and planning	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>649</b>	<b>162,176</b>	<b>3,286</b>	<b>172</b>	<b>85,095</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>649</b>	<b>162,176</b>	<b>3,286</b>	<b>172</b>	<b>85,095</b>
<b>FUND BALANCES:</b>					
Beginning of year	173,378	102,464	135,063	(1,382)	22,251
End of year	<b>\$ 174,027</b>	<b>\$ 264,640</b>	<b>\$ 138,349</b>	<b>\$ (1,210)</b>	<b>\$ 107,346</b>

(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, 2021**

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	<b>Total Non-major Governmental Funds</b>
<b>REVENUES:</b>	
Taxes:	
Licenses, permits, and fees	\$ 2,805,247
Charges for services	3,176,348
Intergovernmental:	
Federal grant and subsidies	651,659
Other governmental	2,990,561
Use of money and property	146,138
Investment income(loss)	75,620
Miscellaneous	2,780
<b>Total revenues</b>	<b>9,848,353</b>
<b>EXPENDITURES:</b>	
Current:	
General government	49,925
Fire	6,316
Community development and planning	21,109
Public works	801,684
Capital outlay	2,486,124
Debt service:	
Principal	33,518
Interest and fiscal charges	888
<b>Total expenditures</b>	<b>3,399,564</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,448,789</b>
<b>OTHER FINANCING SOURCES (USES):</b>	
Transfers in	2,795,864
Transfers out	(4,650,474)
<b>Total financing sources (uses)</b>	<b>(1,854,610)</b>
<b>Net change in fund balances</b>	<b>4,594,179</b>
<b>FUND BALANCES:</b>	
Beginning of year	15,090,264
End of year	<b>\$ 19,684,443</b>

(Concluded)

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Patterson Public Financing Authority Debt Service Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Investment income (loss)	\$ 3,207,093	\$ 3,207,093	\$ 3,420,541	\$ 213,448
Miscellaneous	527,556	527,556	527,556	-
<b>Total revenues</b>	<u>3,734,649</u>	<u>3,734,649</u>	<u>3,948,097</u>	<u>213,448</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	1,870,514	2,249,469	2,258,971	(9,502)
Interest and fiscal charges	3,862,321	3,897,148	3,747,210	149,938
<b>Total expenditures</b>	<u>5,732,835</u>	<u>6,146,617</u>	<u>6,006,181</u>	<u>140,436</u>
<b>Net change in fund balances</b>	<u>\$ (1,998,186)</u>	<u>\$ (2,411,968)</u>	(2,058,084)	<u>\$ 353,884</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>65,107,358</u>	
End of year			<u>\$ 63,049,274</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 1,730,111	\$ 1,730,111	\$ 1,754,921	\$ 24,810
Interest	6,296	6,296	2,448	(3,848)
<b>Total revenues</b>	<u>1,736,407</u>	<u>1,736,407</u>	<u>1,757,369</u>	<u>20,962</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	1,773,546	1,773,546	607,933	1,165,613
<b>Total expenditures</b>	<u>1,773,546</u>	<u>1,773,546</u>	<u>607,933</u>	<u>1,165,613</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(37,139)</u>	<u>(37,139)</u>	<u>1,149,436</u>	<u>1,186,575</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(1,070,860)	(1,070,860)
<b>Total financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(1,070,860)</u>	<u>(1,070,860)</u>
<b>Net change in fund balance</b>	<u>\$ (37,139)</u>	<u>\$ (37,139)</u>	<u>78,576</u>	<u>\$ 115,715</u>
<b>FUND BALANCE:</b>				
Beginning of year			672,898	
End of year			<u>\$ 751,474</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 480,968	\$ 480,968	\$ 482,747	\$ 1,779
Interest	15,034	15,034	8,786	(6,248)
<b>Total revenues</b>	<u>496,002</u>	<u>496,002</u>	<u>491,533</u>	<u>(4,469)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	525,858	526,308	125,030	401,278
<b>Total expenditures</b>	<u>525,858</u>	<u>526,308</u>	<u>125,030</u>	<u>401,278</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(29,856)</u>	<u>(30,306)</u>	<u>366,503</u>	<u>396,809</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(375,747)	(492,680)	(116,933)
<b>Total financing sources (uses)</b>	<u>-</u>	<u>(375,747)</u>	<u>(492,680)</u>	<u>(116,933)</u>
<b>Net change in fund balance</b>	<u>\$ (29,856)</u>	<u>\$ (406,053)</u>	<u>(126,177)</u>	<u>\$ 279,876</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>2,358,691</u>	
End of year			<u>\$ 2,232,514</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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 8,500	\$ 8,500	\$ 8,499	\$ (1)
Interest	151	151	27	(124)
<b>Total revenues</b>	<u>8,651</u>	<u>8,651</u>	<u>8,526</u>	<u>(125)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development and planning	16,384	16,384	21,109	(4,725)
<b>Total expenditures</b>	<u>16,384</u>	<u>16,384</u>	<u>21,109</u>	<u>(4,725)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(7,733)</u>	<u>(7,733)</u>	<u>(12,583)</u>	<u>(4,850)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(4,059)	(4,059)
<b>Total financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(4,059)</u>	<u>(4,059)</u>
<b>Net change in fund balance</b>	<u>\$ (7,733)</u>	<u>\$ (7,733)</u>	(16,642)	<u>\$ (8,909)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>11,522</u>	
End of year			<u>\$ (5,120)</u>	

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Patterson Gardens Public Safety Special Revenue Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 516,560	\$ 516,560	\$ 521,518	\$ 4,958
Interest	612	612	294	(318)
<b>Total revenues</b>	<u>517,172</u>	<u>517,172</u>	<u>521,812</u>	<u>4,640</u>
<b>EXPENDITURES:</b>				
Current:				
Fire	600	600	6,316	(5,716)
<b>Total expenditures</b>	<u>600</u>	<u>600</u>	<u>6,316</u>	<u>(5,716)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>516,572</u>	<u>516,572</u>	<u>515,496</u>	<u>(1,076)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(500,000)	(500,000)	(500,000)	-
<b>Total financing sources (uses)</b>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 16,572</u>	<u>\$ 16,572</u>	15,496	<u>\$ (1,076)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>206,357</u>	
End of year			<u>\$ 221,853</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 200	\$ 200	\$ 146	\$ (54)
<b>Total revenues</b>	<b>200</b>	<b>200</b>	<b>146</b>	<b>(54)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	300	300	270	30
<b>Total expenditures</b>	<b>300</b>	<b>300</b>	<b>270</b>	<b>30</b>
<b>Net change in fund balance</b>	<b>\$ (100)</b>	<b>\$ (100)</b>	<b>(124)</b>	<b>\$ (24)</b>
<b>FUND BALANCE:</b>				
Beginning of year			38,989	
End of year			<u>\$ 38,865</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, 2021**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Use of money and property	\$ 601	\$ 601	\$ 709	\$ 108
Interest	1,218	1,218	1,296	78
<b>Total revenues</b>	<u>1,819</u>	<u>1,819</u>	<u>2,005</u>	<u>186</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>155,188</u>	
End of year			<u>\$ 157,193</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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Intergovernmental:				
Federal grant and subsidies	\$ 199,496	\$ 15,988	\$ -	\$ (15,988)
<b>Total revenues</b>	<u>199,496</u>	<u>15,988</u>	<u>-</u>	<u>(15,988)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	15,988	15,988	-	15,988
<b>Total expenditures</b>	<u>15,988</u>	<u>15,988</u>	<u>-</u>	<u>15,988</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>183,508</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(13,797)	(13,797)
<b>Total financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(13,797)</u>	<u>(13,797)</u>
<b>Net change in fund balance</b>	<u>\$ 183,508</u>	<u>\$ -</u>	<u>(13,797)</u>	<u>\$ (13,797)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(267,788)</u>	
End of year			<u>\$ (281,585)</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, 2021**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Use of money and property	\$ 3,067	\$ 3,067	\$ 138,012	\$ 134,945
Interest	2,885	2,885	2,177	(708)
<b>Total revenues</b>	<u>5,952</u>	<u>5,952</u>	<u>140,189</u>	<u>134,237</u>
<b>Net change in fund balance</b>	<u>\$ 5,952</u>	<u>\$ 5,952</u>	140,189	<u>\$ 134,237</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>52,062</u>	
End of year			<u>\$ 192,251</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal grant and subsidies	\$ 97,480	\$ 97,480	\$ -	\$ (97,480)
Use of money and property	1,669	1,669	7,417	5,748
Interest	2,193	2,193	3,173	980
<b>Total revenues</b>	<u>101,342</u>	<u>101,342</u>	<u>10,590</u>	<u>(90,752)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	2,000	2,000	2,000	-
Capital outlay	95,480	95,480	-	95,480
<b>Total expenditures</b>	<u>97,480</u>	<u>97,480</u>	<u>2,000</u>	<u>95,480</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>3,862</u>	<u>3,862</u>	<u>8,590</u>	<u>4,728</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(2,000)	(2,000)
<b>Total financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(2,000)</u>
<b>Net change in fund balance</b>	<u>\$ 3,862</u>	<u>\$ 3,862</u>	6,590	<u>\$ 2,728</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>181,677</u>	
End of year			<u>\$ 188,267</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, 2021**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Use of money and property	\$ 509	\$ 509	\$ -	\$ (509)
Interest	537	537	19	(518)
<b>Total revenues</b>	<u>1,046</u>	<u>1,046</u>	<u>19</u>	<u>(1,027)</u>
<b>Net change in fund balance</b>	<u>\$ 1,046</u>	<u>\$ 1,046</u>	19	<u>\$ (1,027)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>5,325</u>	
End of year			<u>\$ 5,344</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Other governmental	\$ 1,045,798	\$ 1,045,798	\$ 948,005	\$ (97,793)
Interest	284	284	1,685	1,401
<b>Total revenues</b>	<u>1,046,082</u>	<u>1,046,082</u>	<u>949,690</u>	<u>(96,392)</u>
<b>EXPENDITURES:</b>				
Capital outlay	7,500	7,500	-	7,500
<b>Total expenditures</b>	<u>7,500</u>	<u>7,500</u>	<u>-</u>	<u>7,500</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>1,038,582</u>	<u>1,038,582</u>	<u>949,690</u>	<u>(88,892)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(450,000)	(916,436)	(916,436)	-
<b>Total financing sources (uses)</b>	<u>(450,000)</u>	<u>(916,436)</u>	<u>(916,436)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 588,582</u>	<u>\$ 122,146</u>	33,254	<u>\$ (88,892)</u>
<b>FUND BALANCE:</b>				
Beginning of year			389,581	
End of year			<u>\$ 422,835</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Other governmental	\$ -	\$ 269,251	\$ -	\$ (269,251)
Interest	3,591	3,591	954	(2,637)
<b>Total revenues</b>	<u>3,591</u>	<u>272,842</u>	<u>954</u>	<u>(271,888)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	6,400	6,366	34
<b>Total expenditures</b>	<u>-</u>	<u>6,400</u>	<u>6,366</u>	<u>34</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>3,591</u>	<u>266,442</u>	<u>(5,412)</u>	<u>(271,854)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(136,423)	(109,242)	27,181
<b>Total financing sources (uses)</b>	<u>-</u>	<u>(136,423)</u>	<u>(109,242)</u>	<u>27,181</u>
<b>Net change in fund balance</b>	<u>\$ 3,591</u>	<u>\$ 130,019</u>	<u>(114,654)</u>	<u>\$ (244,673)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,311</u>	
End of year			<u>\$ (113,343)</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 400	\$ 400	\$ 281	\$ (119)
<b>Total revenues</b>	<b>400</b>	<b>400</b>	<b>281</b>	<b>(119)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	11,398	11,398
<b>Total financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>11,398</b>	<b>11,398</b>
<b>Net change in fund balance</b>	<b>\$ 400</b>	<b>\$ 400</b>	<b>11,679</b>	<b>\$ 11,279</b>
<b>FUND BALANCE:</b>				
Beginning of year			61,172	
End of year			\$ 72,851	

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Federal grant and subsidies	\$ 801,826	\$ 1,635,478	\$ 651,659	\$ (983,819)
Other governmental	823,543	334,222	228,544	(105,678)
Interest	9,656	9,656	6,626	(3,030)
<b>Total revenues</b>	<u>1,635,025</u>	<u>1,979,356</u>	<u>886,829</u>	<u>(1,092,527)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	63,000	63,000	52,721	10,279
Capital outlay	4,980,557	2,454,277	1,845,180	609,097
<b>Total expenditures</b>	<u>5,043,557</u>	<u>2,517,277</u>	<u>1,897,901</u>	<u>619,376</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(3,408,532)</u>	<u>(537,921)</u>	<u>(1,011,072)</u>	<u>(473,151)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,350,772	2,469,171	2,784,466	315,295
Transfers out	(791,456)	-	-	-
<b>Total financing sources (uses)</b>	<u>2,559,316</u>	<u>2,469,171</u>	<u>2,784,466</u>	<u>315,295</u>
<b>Net change in fund balance</b>	<u>\$ (849,216)</u>	<u>\$ 1,931,250</u>	<u>1,773,394</u>	<u>\$ (157,856)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,200,782</u>	
End of year			<u>\$ 2,974,176</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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental:				
Other governmental	\$ 1,124,762	\$ 1,124,762	\$ 1,792,987	\$ 668,225
Interest	5,889	5,889	17,419	11,530
<b>Total revenues</b>	<u>1,130,651</u>	<u>1,130,651</u>	<u>1,810,406</u>	<u>679,755</u>
<b>EXPENDITURES:</b>				
Current:				
Capital outlay	2,805,625	1,142,226	551,415	590,811
<b>Total expenditures</b>	<u>2,805,625</u>	<u>1,142,226</u>	<u>551,415</u>	<u>590,811</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(1,674,974)</u>	<u>(11,575)</u>	<u>1,258,991</u>	<u>1,270,566</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,147,758	-	-	-
Transfers out	(339,195)	(281,185)	(793,264)	(512,079)
<b>Total financing sources (uses)</b>	<u>808,563</u>	<u>(281,185)</u>	<u>(793,264)</u>	<u>(512,079)</u>
<b>Net change in fund balance</b>	<u>\$ (866,411)</u>	<u>\$ (292,760)</u>	465,727	<u>\$ 758,487</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>3,577,688</u>	
End of year			<u>\$ 4,043,415</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, 2021**

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	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Licenses, permits, and fees	\$ -	\$ 4,380	\$ 4,380	\$ -
Interest	13,514	13,514	3,925	(9,589)
<b>Total revenues</b>	<u>13,514</u>	<u>17,894</u>	<u>8,305</u>	<u>(9,589)</u>
<b>Net change in fund balance</b>	<u>\$ 13,514</u>	<u>\$ 17,894</u>	8,305	<u>\$ (9,589)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,045,262</u>	
End of year			<u>\$ 1,053,567</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, 2021**

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	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Interest	\$ 1,000	\$ 1,000	\$ 245	\$ (755)
<b>Total revenues</b>	1,000	1,000	245	(755)
<b>Net change in fund balance</b>	\$ 1,000	\$ 1,000	245	\$ (755)
<b>FUND BALANCE:</b>				
Beginning of year			65,354	
End of year			\$ 65,599	

**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, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 57,937	\$ 100,211	\$ 203,098	\$ 102,887
Interest	1,800	1,800	1,352	(448)
<b>Total revenues</b>	<u>59,737</u>	<u>102,011</u>	<u>204,450</u>	<u>102,439</u>
<b>EXPENDITURES:</b>				
Current:				
General government	25,400	25,400	18,377	7,023
Public works	4,200	4,200	13,376	(9,176)
<b>Total expenditures</b>	<u>29,600</u>	<u>29,600</u>	<u>31,753</u>	<u>(2,153)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>30,137</u>	<u>72,411</u>	<u>172,697</u>	<u>100,286</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(96,636)	(96,636)	-
<b>Total financing sources (uses)</b>	<u>-</u>	<u>(96,636)</u>	<u>(96,636)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 30,137</u>	<u>\$ (24,225)</u>	76,061	<u>\$ 100,286</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>345,249</u>	
End of year			<u>\$ 421,310</u>	

**City of Patterson**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CFD 2015-2 Public Safety Special Revenue Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 91,223	\$ 91,223	\$ 90,459	\$ (764)
Interest	301	301	218	(83)
<b>Total revenues</b>	<u>91,524</u>	<u>91,524</u>	<u>90,677</u>	<u>(847)</u>
<b>EXPENDITURES:</b>				
Current:				
General government	26	26	26	-
<b>Total expenditures</b>	<u>26</u>	<u>26</u>	<u>26</u>	<u>-</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>91,498</u>	<u>91,498</u>	<u>90,651</u>	<u>(847)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(80,000)	(80,000)	(80,000)	-
<b>Total financing sources (uses)</b>	<u>(80,000)</u>	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ 11,498</u>	<u>\$ 11,498</u>	10,651	<u>\$ (847)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>35,005</u>	
End of year			<u>\$ 45,656</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, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Charges for services	\$ 27,395	\$ 27,395	\$ 99,195	\$ 71,800
Interest	300	300	118	(182)
<b>Total revenues</b>	<u>27,695</u>	<u>27,695</u>	<u>99,313</u>	<u>71,618</u>
<b>EXPENDITURES:</b>				
Current:				
General government	-	-	7,695	(7,695)
Public works	3,000	3,000	2,354	646
<b>Total expenditures</b>	<u>3,000</u>	<u>3,000</u>	<u>10,049</u>	<u>(7,049)</u>
<b>Net change in fund balance</b>	<u>\$ 24,695</u>	<u>\$ 24,695</u>	89,264	<u>\$ 64,569</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>(3,156)</u>	
End of year			<u>\$ 86,108</u>	

## **CUSTODIAL FUNDS**

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**City of Patterson**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2021**

	CFD 2001-1 West Patterson Financing Authority	CFD 2005-1 West Patterson Business Park	CFD 2015-1 Arambel-KDN	Heartland Ranch 2013	CFD 2018-1 VOP Infrastructure	Total
<b>ASSETS</b>						
Cash and investments	\$ 5,423,657	\$ 3,242,960	\$ -	\$ 374,194	\$ 315,401	\$ 9,356,212
Restricted cash and investments	-	186,222	100	-	-	186,322
Cash and investments with fiscal agents	3,052,611	802,253	429,721	230,691	-	4,515,276
Accounts receivable	90,098	3,628	-	4,373	92,807	190,906
Interest receivable	5,448	762	-	162	112	6,484
Notes receivable	1,010,595	-	-	-	-	1,010,595
<b>Total assets</b>	<b>9,582,409</b>	<b>4,235,825</b>	<b>429,821</b>	<b>609,420</b>	<b>408,320</b>	<b>15,265,795</b>
<b>LIABILITIES</b>						
Accounts payable	10,050	-	-	2,500	1,746	14,296
Due to City	-	-	67,161	-	-	67,161
<b>Total liabilities</b>	<b>10,050</b>	<b>-</b>	<b>67,161</b>	<b>2,500</b>	<b>1,746</b>	<b>81,457</b>
<b>NET POSITION</b>						
Restricted for: Individuals, organizations, and other governments, as restated	9,572,359	4,235,825	362,660	606,920	406,574	15,184,338
<b>Total Net Position</b>	<b>\$ 9,572,359</b>	<b>\$ 4,235,825</b>	<b>\$ 362,660</b>	<b>\$ 606,920</b>	<b>\$ 406,574</b>	<b>\$ 15,184,338</b>

**City of Patterson**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**For the Year Ended June 30, 2021**

	CFD 2001-1 West Patterson Financing Authority	CFD 2005-1 West Patterson Business Park	CFD 2015-1 Arambel-KDN	Heartland Ranch 2013	CFD 2018-1 VOP Infrastructure	Total
<b>ADDITIONS:</b>						
Special assessments for other governments	\$ 5,466,376	\$ 643,606	\$ 280,337	\$ 629,563	\$ 417,491	\$ 7,437,373
Investment income	72,530	11,448	550	683	626	85,837
<b>Total additions</b>	<b>5,538,906</b>	<b>655,054</b>	<b>280,887</b>	<b>630,246</b>	<b>418,117</b>	<b>7,523,210</b>
<b>DEDUCTIONS:</b>						
Administration	572	8,082	8,975	33,301	16,912	67,842
Payments on conduit bonds - principal	1,571,445	90,000	25,000	-	-	1,686,445
Payments on conduit bonds - interest	3,749,571	405,369	245,963	-	-	4,400,903
Projects payments	23,000	-	-	-	-	23,000
Contributions to City	-	155,744	-	527,556	-	683,300
<b>Total deductions</b>	<b>5,344,588</b>	<b>659,195</b>	<b>279,938</b>	<b>560,857</b>	<b>16,912</b>	<b>6,861,490</b>
<b>Changes in net position</b>	<b>194,318</b>	<b>(4,141)</b>	<b>949</b>	<b>69,389</b>	<b>401,205</b>	<b>661,720</b>
<b>NET POSITION:</b>						
Beginning of year, as restated	9,378,041	4,239,966	361,711	537,531	5,369	14,522,618
End of year	<u>\$ 9,572,359</u>	<u>\$ 4,235,825</u>	<u>\$ 362,660</u>	<u>\$ 606,920</u>	<u>\$ 406,574</u>	<u>\$ 15,184,338</u>

## **STATISTICAL SECTION**

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## STATISTICAL SECTION

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

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends Information</b> .....	150
Helps readers understand how the City's financial position and well-being have changed over time.	
<b>Revenue Capacity Information</b> .....	160
Helps readers understand and assess the City's ability to generate its own sources of revenue, the most significant local revenue source being sales and use tax.	
<b>Demographic and Economic Information</b> .....	175
Help readers understand the socioeconomic environment within which the City's financial activities take place, and provides information to facilitate comparisons of financial statement information over time and among other governments.	
<b>Operating Information</b> .....	177
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				
	2021	2020	2019	2018	2017
Governmental activities:					
Investment in capital assets	\$ 59,507,530	\$ 61,274,713	\$ 60,390,350	\$ 60,721,785	\$ 55,621,936
Restricted	14,976,923	10,752,749	11,572,138	8,385,204	6,391,176
Unrestricted net position (deficit)	413,664	(5,182,490)	(7,892,944)	(4,612,193)	1,816,668
<b>Total Net Position</b>	<b>\$ 74,898,117</b>	<b>\$ 66,844,972</b>	<b>\$ 64,069,544</b>	<b>\$ 64,494,796</b>	<b>\$ 63,829,780</b>
Business-type activities:					
Investment in capital assets	\$ 36,978,338	\$ 37,930,411	\$ 37,746,179	\$ 37,346,159	\$ 38,857,716
Restricted	3,133,810	983,202	469,817	469,905	-
Unrestricted net position (deficit)	2,943,625	4,536,071	2,567,625	(77,313)	517,319
<b>Total Net Position</b>	<b>\$ 43,055,773</b>	<b>\$ 43,449,684</b>	<b>\$ 40,783,621</b>	<b>\$ 37,738,751</b>	<b>\$ 39,375,035</b>

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

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Governmental activities:					
Investment in capital assets	\$ 55,756,984	\$ 50,237,700	\$ 47,460,440	\$ 46,822,970	\$ 42,804,314
Restricted	5,270,127	4,867,200	4,866,877	4,983,481	5,670,040
Unrestricted net position (deficit)	1,909,873	987,000	7,418,444	11,140,880	15,213,609
<b>Total Net Position</b>	<b>\$ 62,936,984</b>	<b>\$ 56,091,900</b>	<b>\$ 59,745,761</b>	<b>\$ 62,947,331</b>	<b>\$ 63,687,963</b>
Business-type activities:					
Investment in capital assets	\$ 35,232,028	\$ 34,725,800	\$ 34,941,039	\$ 36,814,164	\$ 38,967,545
Restricted	4,102,582	5,303,228	5,437,345	5,772,477	5,809,966
Unrestricted net position (deficit)	1,250,675	1,737,680	4,704,599	3,395,687	2,879,695
<b>Total Net Position</b>	<b>\$ 40,585,285</b>	<b>\$ 41,766,708</b>	<b>\$ 45,082,983</b>	<b>\$ 45,982,328</b>	<b>\$ 47,657,206</b>

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

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>Expenses</b>					
Governmental activities:					
General government	\$ 4,196,700	\$ 4,514,103	\$ 3,167,076	\$ 3,328,847	\$ 2,259,261
Police	5,859,954	5,838,153	6,711,694	6,880,924	4,458,567
Fire	5,592,559	5,367,429	4,937,738	2,699,018	3,532,864
Community development and planning	1,829,511	2,084,354	2,523,052	1,724,146	3,024,928
Public works	5,414,262	4,687,210	4,455,175	4,790,738	2,631,811
Parks and recreation	2,747,819	4,536,510	4,618,872	4,473,167	3,277,134
Interest and fiscal charges	3,818,561	3,942,429	4,360,669	3,847,304	3,955,958
<b>Total governmental activities</b>	<b>\$ 29,459,366</b>	<b>\$ 30,970,188</b>	<b>\$ 30,774,276</b>	<b>\$ 27,744,144</b>	<b>\$ 23,140,523</b>
Business-type activities:					
Water	\$ 5,056,402	\$ 5,404,924	\$ 4,561,024	\$ 4,917,985	\$ 4,481,750
Sewer	5,532,181	5,533,806	5,287,098	5,297,929	4,893,962
Garbage	2,774,714	2,912,990	2,545,016	2,397,523	2,310,200
<b>Total business-type activities</b>	<b>\$ 13,363,297</b>	<b>\$ 13,851,720</b>	<b>\$ 12,393,138</b>	<b>\$ 12,613,437</b>	<b>\$ 11,685,912</b>
<b>Total expenses</b>	<b>\$ 42,822,663</b>	<b>\$ 44,821,908</b>	<b>\$ 43,167,414</b>	<b>\$ 40,357,581</b>	<b>\$ 34,826,435</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 553,126	\$ 374,895	\$ 653,327	\$ 4,797	\$ 678,608
Police	177,795	86,776	198,638	300,973	218,337
Fire	1,965,540	1,741,172	1,620,028	720,761	587,593
Community development and planning	796,707	810,870	530,975	65,114	645,985
Public works	961,761	968,384	920,656	2,362,593	2,161,045
Parks and recreation	2,463,997	1,890,773	1,763,473	1,690,041	1,481,692
Operating grants and contributions	3,564,498	2,040,401	2,064,434	2,767,848	1,590,404
Capital grants and contributions	4,333,162	3,609,391	2,262,266	1,877,817	1,112,733
<b>Total governmental activities</b>	<b>\$ 14,816,586</b>	<b>\$ 11,522,662</b>	<b>\$ 10,013,797</b>	<b>\$ 9,789,944</b>	<b>\$ 8,476,397</b>
Business-type activities:					
Water	\$ 6,336,607	\$ 5,660,058	\$ 4,764,097	\$ 4,197,555	\$ 3,680,373
Sewer	4,440,546	4,610,985	4,665,525	4,344,858	4,011,227
Garbage	3,577,780	3,378,155	3,228,053	3,079,843	2,921,089
Operating grants and contributions	-	-	34,318	68,852	701,283
Capital grants and contributions	-	8,493	-	-	-
<b>Total business-type Activities</b>	<b>\$ 14,354,933</b>	<b>\$ 13,657,691</b>	<b>\$ 12,691,993</b>	<b>\$ 11,691,108</b>	<b>\$ 11,313,972</b>
<b>Total program revenues</b>	<b>\$ 29,171,519</b>	<b>\$ 25,180,353</b>	<b>\$ 22,705,790</b>	<b>\$ 21,481,052</b>	<b>\$ 19,790,369</b>
<b>Net (Expense) Program Revenues</b>					
Governmental activities	\$ (14,642,780)	\$ (19,447,526)	\$ (20,760,479)	\$ (17,954,200)	\$ (14,664,126)
Business-type activities	991,636	(194,029)	298,855	(922,329)	(371,940)
<b>Total Primary Government</b>	<b>\$ (13,651,144)</b>	<b>\$ (19,641,555)</b>	<b>\$ (20,461,624)</b>	<b>\$ (18,876,529)</b>	<b>\$ (15,036,066)</b>

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

	Fiscal Year				
	2016	2015	2014	2013	2012
<b>Expenses</b>					
Governmental activities:					
General government	\$ 2,003,932	\$ 2,650,997	\$ 3,945,285	\$ 2,807,815	\$ 2,333,516
Police	4,156,842	3,298,276	3,987,323	3,821,033	3,261,512
Fire	3,594,435	3,381,961	3,339,030	2,809,442	2,245,100
Community development and planning	1,258,725	1,213,617	1,460,591	1,136,097	1,116,622
Public works	4,652,522	4,043,774	4,412,453	3,835,002	3,509,406
Parks and recreation	2,696,555	2,558,315	2,463,941	2,223,206	2,157,614
Interest and fiscal charges	3,935,590	4,118,232	80,122	60,882	68,414
<b>Total governmental activities</b>	<b>\$ 22,298,601</b>	<b>\$ 21,265,172</b>	<b>\$ 19,688,745</b>	<b>\$ 16,693,477</b>	<b>\$ 14,692,184</b>
Business-type activities:					
Water	\$ 3,567,751	\$ 3,734,709	\$ 3,474,567	\$ 3,363,991	\$ 3,216,668
Sewer	4,221,112	4,091,034	3,867,142	3,406,173	3,386,088
Garbage	2,080,840	2,069,439	1,971,695	2,003,563	1,666,878
<b>Total business-type activities</b>	<b>\$ 9,869,703</b>	<b>\$ 9,895,182</b>	<b>\$ 9,313,404</b>	<b>\$ 8,773,727</b>	<b>\$ 8,269,634</b>
<b>Total expenses</b>	<b>\$ 32,168,304</b>	<b>\$ 31,160,354</b>	<b>\$ 29,002,149</b>	<b>\$ 25,467,204</b>	<b>\$ 22,961,818</b>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 108,119	\$ 166,427	\$ 38,738	\$ 92,657	\$ 74,190
Police	268,929	392,009	217,030	244,926	207,306
Fire	413,973	681,690	376,520	505,790	334,540
Community development and planning	390,721	885,242	385,554	676,548	676,078
Public works	2,000,190	2,296,599	1,802,849	1,716,066	1,957,980
Parks and recreation	1,804,685	1,780,112	1,628,009	1,557,024	1,521,838
Operating grants and contributions	998,122	1,318,671	1,236,474	1,173,683	1,121,738
Capital grants and contributions	342,867	556,120	861,536	2,061,872	601,377
<b>Total governmental activities</b>	<b>\$ 6,327,606</b>	<b>\$ 8,076,870</b>	<b>\$ 6,546,710</b>	<b>\$ 8,028,566</b>	<b>\$ 6,495,047</b>
Business-type activities:					
Water	\$ 3,389,473	\$ 3,972,456	\$ 4,156,756	\$ 4,039,314	\$ 3,528,681
Sewer	3,855,492	3,406,079	3,275,496	3,004,341	2,708,584
Garbage	2,800,845	2,667,681	2,475,705	2,274,016	2,147,980
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	(1,582)	-	-	-	-
<b>Total business-type Activities</b>	<b>\$ 10,044,228</b>	<b>\$ 10,046,216</b>	<b>\$ 9,907,957</b>	<b>\$ 9,317,671</b>	<b>\$ 8,385,245</b>
<b>Total program revenues</b>	<b>\$ 16,371,834</b>	<b>\$ 18,123,086</b>	<b>\$ 16,454,667</b>	<b>\$ 17,346,237</b>	<b>\$ 14,880,292</b>
<b>Net (Expense) Program Revenues</b>					
Governmental activities	\$ (15,970,995)	\$ (13,188,302)	\$ (13,142,035)	\$ (8,664,911)	\$ (8,197,137)
Business-type activities	174,525	151,034	594,553	543,944	115,611
<b>Total Primary Government</b>	<b>\$ (15,796,470)</b>	<b>\$ (13,037,268)</b>	<b>\$ (12,547,482)</b>	<b>\$ (8,120,967)</b>	<b>\$ (8,081,526)</b>

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

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>General Revenues:</b>					
Governmental activities:					
Taxes:					
Property tax	\$ 6,196,152	\$ 3,621,765	\$ 3,386,596	\$ 3,417,541	\$ 3,414,365
Sales tax	10,029,499	6,840,520	5,837,364	5,027,535	5,502,627
Franchise tax	222,803	211,963	205,047	206,354	274,792
Motor vehicle in lieu	-	2,267,086	2,089,248	1,947,375	1,844,519
Other taxes	248,158	162,436	136,047	717,288	137,847
Use of money and property	-	-	473,114	-	-
Revenue from Fiduciary Fund	527,556	2,387,683	1,745,012	1,681,843	-
Investment earnings	3,442,805	4,145,959	4,179,507	4,515,819	4,312,058
Other revenue	379,911	896,921	1,038,772	203,070	633,427
Transfers (Note 6)	1,649,041	1,642,806	1,290,335	1,271,753	895,861
Special / Extraordinary item	-	-	-	-	-
<b>Total governmental activities</b>	<b>\$ 22,695,925</b>	<b>\$ 22,177,139</b>	<b>\$ 20,381,042</b>	<b>\$ 18,988,578</b>	<b>\$ 17,015,496</b>
Business-type activities:					
Use of money and property	\$ 43,762	\$ 205,023	\$ 171,436	\$ 74,144	\$ 31,002
Revenue from Fiduciary Fund	155,744	1,648,115	3,850,536	500,786	-
Other revenue	63,988	2,649,760	14,378	64,483	26,549
Transfers (Note 6)	(1,649,041)	(1,642,806)	(1,290,335)	(1,271,753)	(895,861)
<b>Total business-type activities</b>	<b>\$ (1,385,547)</b>	<b>\$ 2,860,092</b>	<b>\$ 2,746,015</b>	<b>\$ (632,340)</b>	<b>\$ (838,310)</b>
<b>Total general revenues</b>	<b>\$ 21,310,378</b>	<b>\$ 25,037,231</b>	<b>\$ 23,127,057</b>	<b>\$ 18,356,238</b>	<b>\$ 16,177,186</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 8,053,145	\$ 2,729,613	\$ (379,437)	\$ 1,034,378	\$ 2,351,370
Business-type activities:	(393,911)	2,666,063	3,044,870	(1,554,669)	(1,210,250)
<b>Total</b>	<b>\$ 7,659,234</b>	<b>\$ 5,395,676</b>	<b>\$ 2,665,433</b>	<b>\$ (520,291)</b>	<b>\$ 1,141,120</b>

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

	Fiscal Year				
	2016	2015	2014	2013	2012
<b>General Revenues:</b>					
Governmental activities:					
Taxes:					
Property tax	\$ 3,172,489	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703	\$ 1,900,394
Sales tax	5,045,260	3,732,177	3,394,908	2,358,667	1,542,190
Franchise tax	188,834	179,313	174,558	161,946	168,451
Motor vehicle in lieu	1,693,793	1,596,755	1,288,025	1,238,447	1,199,856
Other taxes	549,654	719,718	769,476	595,982	676,915
Use of money and property	4,530,279	4,491,782	117,176	205,181	159,602
Revenue from Fiduciary Fund	-	-	-	-	-
Investment earnings	6,075,652	-	809,908	-	980,003
Other revenue	188,402	159,416	-	-	-
Transfers (Note 6)	1,371,990	2,117,754	201,549	307,230	217,324
Special / Extraordinary item	-	-	1,083,500	2,253,123	791,584
<b>Total governmental activities</b>	<b>\$ 22,816,353</b>	<b>\$ 15,654,221</b>	<b>\$ 9,907,225</b>	<b>\$ 9,224,279</b>	<b>\$ 7,636,319</b>
Business-type activities:					
Use of money and property	\$ 14,451	\$ 13,985	\$ 34,679	\$ 34,301	\$ 32,583
Revenue from Fiduciary Fund	-	-	-	-	-
Other revenue	-	-	-	-	-
Transfers (Note 6)	(1,371,990)	(2,117,754)	(1,083,500)	(2,253,123)	(980,003)
<b>Total business-type activities</b>	<b>\$ (1,357,539)</b>	<b>\$ (2,103,769)</b>	<b>\$ (1,048,821)</b>	<b>\$ (2,218,822)</b>	<b>\$ (947,420)</b>
<b>Total general revenues</b>	<b>\$ 21,458,814</b>	<b>\$ 13,550,452</b>	<b>\$ 8,858,404</b>	<b>\$ 7,005,457</b>	<b>\$ 6,688,899</b>
<b>Change in Net Position</b>					
Governmental activities	\$ 6,845,358	\$ 2,465,919	\$ (3,234,810)	\$ 559,368	\$ (560,818)
Business-type activities:	(1,183,014)	(1,952,735)	(454,268)	(1,674,878)	(831,809)
<b>Total</b>	<b>\$ 5,662,344</b>	<b>\$ 513,184</b>	<b>\$ (3,689,078)</b>	<b>\$ (1,115,510)</b>	<b>\$ (1,392,627)</b>

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

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>FUND BALANCES:</b>					
General Fund					
Nonspendable	\$ 106,172	\$ 104,997	\$ 84,466	\$ 73,526	\$ 68,630
Restricted	360,498	344,809	290,150	146,789	144,229
Committed	3,762,470	3,751,813	3,725,949	3,658,050	3,642,337
Assigned	2,896,296	2,889,800	2,879,593	2,883,371	2,879,809
Unassigned	6,589,826	1,984,909	1,192,981	873,038	1,502,483
<b>Total General Fund</b>	<b>\$ 13,715,262</b>	<b>\$ 9,076,328</b>	<b>\$ 8,173,139</b>	<b>7,634,774</b>	<b>8,237,488</b>
All Other Governmental Funds					
Nonspendable	\$ 3,338	\$ -	\$ -	\$ 2,865	\$ 574
Restricted	75,922,386	75,515,298	74,293,766	75,770,466	76,995,568
Committed	7,173,724	4,986,655	4,905,500	4,905,500	6,016,084
Assigned	38,865	-	40,109	-	-
Unassigned (deficit)	(3,567,982)	(2,935,948)	(2,777,683)	(1,283,973)	(729,053)
<b>Total All Other Governmental Funds</b>	<b>\$ 79,570,331</b>	<b>\$ 77,566,005</b>	<b>\$ 76,461,692</b>	<b>\$ 79,394,858</b>	<b>\$ 82,283,173</b>
<b>Total Fund Balance</b>	<b>\$ 93,285,593</b>	<b>\$ 86,642,333</b>	<b>\$ 84,634,831</b>	<b>\$ 87,029,632</b>	<b>\$ 90,520,661</b>

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

	Fiscal Year				
	2016	2015	2014	2013	2012
<b>FUND BALANCES:</b>					
General Fund					
Nonspendable	\$ 78,491	\$ -	\$ 850	\$ 850	\$ -
Restricted	51,773	40,508	81,663	209,823	173,885
Committed	3,626,143	3,605,039	3,605,039	3,594,200	3,580,604
Assigned	1,879,546	2,051,675	2,246,696	3,555,248	5,389,558
Unassigned	1,564,376	568,385	283,289	-	195,478
<b>Total General Fund</b>	<b>\$ 7,200,329</b>	<b>\$ 6,265,607</b>	<b>\$ 6,217,537</b>	<b>\$ 7,360,121</b>	<b>\$ 9,339,525</b>
All Other Governmental Funds					
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	78,162,371	78,664,140	2,935,022	3,445,665	4,024,858
Committed	5,734,508	6,335,270	5,833,844	6,516,526	6,465,547
Assigned	38,985	105	-	-	-
Unassigned (deficit)	(283,235)	(135,283)	(152,677)	(25,708)	(35,484)
<b>Total All Other Governmental Funds</b>	<b>\$ 83,652,629</b>	<b>\$ 84,864,232</b>	<b>\$ 8,616,189</b>	<b>\$ 9,936,483</b>	<b>\$ 10,454,921</b>
<b>Total Fund Balance</b>	<b>\$ 90,852,958</b>	<b>\$ 91,129,839</b>	<b>\$ 14,833,726</b>	<b>\$ 17,296,604</b>	<b>\$ 19,794,446</b>

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

	Fiscal Year				
	2021	2020	2019	2018	2017
<b>Revenues:</b>					
<b>Taxes:</b>					
Property	\$ 6,196,152	\$ 3,621,765	\$ 3,386,596	\$ 3,417,541	\$ 3,414,365
Sales	10,029,499	6,840,520	5,837,364	5,027,535	5,502,627
Franchise	222,803	211,963	205,047	206,354	274,792
Motor vehicle in lieu	-	2,267,086	2,089,248	1,947,375	1,844,519
Other	248,158	162,436	136,047	131,701	137,847
License, permits, and fees	3,872,859	2,135,391	1,360,937	2,055,853	1,791,391
Charges for current services	4,651,557	4,446,008	4,369,186	5,519,738	3,849,087
Intergovernmental	5,943,756	6,225,231	3,483,936	2,028,281	1,989,969
Fines, forfeitures and penalties	339,080	66,683	181,044	146,100	157,307
Investment earnings	3,528,985	4,152,528	4,198,697	4,535,040	4,312,058
Revenue from Fiduciary Fund	527,556	2,387,683	1,745,012	1,681,843	-
Miscellaneous revenues	393,511	981,021	1,189,088	355,285	612,457
<b>Total Revenues</b>	<b>\$ 35,953,916</b>	<b>\$ 33,498,315</b>	<b>\$ 28,182,202</b>	<b>\$ 27,052,646</b>	<b>\$ 23,886,419</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	\$ 3,539,563	\$ 3,803,016	\$ 2,899,263	\$ 2,656,904	\$ 2,507,830
Police	5,410,959	5,373,752	5,374,098	6,377,259	4,218,306
Fire	5,289,020	5,057,265	4,696,647	2,437,226	3,574,689
Community development and planning	1,728,594	2,021,174	2,545,955	1,654,039	1,485,366
Public Works	3,899,114	3,323,065	3,267,381	3,707,312	2,874,435
Parks and recreation	1,878,060	3,713,674	4,014,566	3,719,906	2,466,882
Capital outlay	2,964,721	3,417,460	2,776,974	7,237,219	2,080,160
<b>Debt service:</b>					
Principal	2,427,337	2,476,386	2,225,040	2,250,465	2,060,273
Interest and fiscal charges	3,822,329	3,947,827	4,067,414	4,204,098	3,954,933
<b>Total Expenditures</b>	<b>\$ 30,959,697</b>	<b>\$ 33,133,619</b>	<b>\$ 31,867,338</b>	<b>\$ 34,244,428</b>	<b>\$ 25,222,874</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<b>\$ 4,994,219</b>	<b>\$ 364,696</b>	<b>\$ (3,685,136)</b>	<b>\$ (7,191,782)</b>	<b>\$ (1,336,455)</b>
<b>Other financing sources (uses)</b>					
Proceeds from capital leases	\$ -	\$ -	\$ -	\$ -	\$ 161,990
Proceeds from loan repayments	-	-	-	-	-
Proceeds from issuance of bonds	-	-	-	2,429,000	-
Transfers in	6,985,786	3,339,258	3,818,998	4,107,492	3,012,930
Transfers out	(5,336,745)	(1,696,452)	(2,528,663)	(2,835,739)	(2,117,069)
<b>Total Other Financing Sources</b>	<b>\$ 1,649,041</b>	<b>\$ 1,642,806</b>	<b>\$ 1,290,335</b>	<b>\$ 3,700,753</b>	<b>\$ 1,057,851</b>
<b>Net Change in Fund Balance</b>	<b>\$ 6,643,260</b>	<b>\$ 2,007,502</b>	<b>\$ (2,394,801)</b>	<b>\$ (3,491,029)</b>	<b>\$ (278,604)</b>
<b>Debt Service as a Percentage of Non-capital Expenditure</b>	<b>22.32%</b>	<b>21.62%</b>	<b>21.63%</b>	<b>23.90%</b>	<b>25.99%</b>

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2016	2015	2014	2013	2012
<b>Revenues:</b>					
<b>Taxes:</b>					
Property	\$ 3,172,489	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703	\$ 1,900,394
Sales	5,045,260	3,732,177	3,394,908	2,358,667	1,542,190
Franchise	188,834	179,313	174,558	161,946	168,451
Motor vehicle in lieu	1,693,793	1,596,755	1,288,025	1,238,447	1,199,856
Other	549,654	719,718	769,476	595,982	676,915
License, permits, and fees	983,115	2,016,921	557,204	1,165,199	1,152,693
Charges for current services	3,763,566	4,021,749	3,680,478	3,497,197	3,426,554
Intergovernmental	1,340,990	1,844,850	2,138,010	1,437,603	1,723,115
Fines, forfeitures and penalties	239,936	193,350	211,018	130,614	192,685
Investment earnings	4,530,279	4,577,761	117,176	205,181	159,602
Revenue from Fiduciary Fund	-	-	-	-	-
Miscellaneous revenues	188,402	1,565,122	416,362	307,229	217,324
<b>Total Revenues</b>	<b>\$ 21,696,318</b>	<b>\$ 23,105,022</b>	<b>\$ 14,815,340</b>	<b>\$ 13,201,768</b>	<b>\$ 12,359,779</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	\$ 2,704,512	\$ 2,744,062	\$ 2,602,651	\$ 2,260,009	\$ 1,756,247
Police	4,290,965	4,039,064	3,916,598	3,800,959	3,229,131
Fire	3,274,834	3,069,601	2,822,442	2,500,294	2,096,942
Community development and planning	1,240,042	1,374,632	1,254,394	973,757	991,918
Public Works	2,691,886	2,746,358	3,114,271	2,736,664	2,811,602
Parks and recreation	1,940,339	1,841,033	1,741,109	1,555,750	1,182,646
Capital outlay	1,432,210	1,873,381	3,344,428	2,464,827	1,548,410
<b>Debt service:</b>					
Principal	1,765,836	3,105,901	286,833	282,583	300,578
Interest and fiscal charges	4,016,686	4,123,116	80,122	60,882	68,414
<b>Total Expenditures</b>	<b>\$ 23,357,310</b>	<b>\$ 24,917,148</b>	<b>\$ 19,162,848</b>	<b>\$ 16,635,725</b>	<b>\$ 13,985,888</b>
<b>Excess (deficiency) of revenue over (under) expenditures</b>	<b>\$ (1,660,992)</b>	<b>\$ (1,812,126)</b>	<b>\$ (4,347,508)</b>	<b>\$ (3,433,957)</b>	<b>\$ (1,626,109)</b>
<b>Other financing sources (uses)</b>					
Proceeds from capital leases	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from loan repayments	12,116	760	717,421	208,962	197,739
Proceeds from issuance of bonds	-	-	-	-	-
Transfers in	4,711,665	4,655,106	3,295,570	2,435,589	2,668,660
Transfers out	(3,339,675)	(3,223,826)	(2,212,070)	(1,779,196)	(1,877,076)
<b>Total Other Financing Sources</b>	<b>\$ 1,384,106</b>	<b>\$ 1,432,040</b>	<b>\$ 1,800,921</b>	<b>\$ 865,355</b>	<b>\$ 989,323</b>
<b>Net Change in Fund Balance</b>	<b>\$ (276,886)</b>	<b>\$ (380,086)</b>	<b>\$ (2,546,587)</b>	<b>\$ (2,185,827)</b>	<b>\$ (636,786)</b>
<b>Debt Service as a Percentage of Non-capital Expenditure</b>	<b>26.37%</b>	<b>31.37%</b>	<b>2.32%</b>	<b>2.42%</b>	<b>2.97%</b>

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2021	2020	2019	2018	2017
Revenues:					
Taxes:					
Property	\$ 6,196,152	\$ 3,621,765	\$ 3,386,596	\$ 3,417,541	\$ 2,931,682
Sales	10,029,499	6,840,520	5,837,364	5,027,535	5,502,627
Franchise	222,803	211,963	205,047	206,534	274,792
Motor vehicle in lieu	-	2,267,086	2,089,248	1,947,375	1,844,519
Other	248,158	162,436	136,047	131,701	137,847
<b>Total Revenues</b>	<b>\$ 16,696,612</b>	<b>\$ 13,103,770</b>	<b>\$ 11,654,302</b>	<b>\$ 10,730,686</b>	<b>\$ 10,691,467</b>

Source: City of Patterson Finance Department

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

	Fiscal Year				
	2016	2015	2014	2013	2012
Revenues:					
Taxes:					
Property	\$ 3,172,489	\$ 2,657,306	\$ 2,068,125	\$ 2,103,703	\$ 1,900,394
Sales	5,045,260	3,732,177	3,394,908	2,358,667	1,542,190
Franchise	188,834	179,313	174,558	161,946	168,451
Motor vehicle in lieu	1,693,793	1,596,755	1,288,025	1,238,447	1,199,856
Other	549,654	719,718	769,476	595,982	676,915
<b>Total Revenues</b>	<b>\$ 10,650,030</b>	<b>\$ 8,885,269</b>	<b>\$ 7,695,092</b>	<b>\$ 6,458,745</b>	<b>\$ 5,487,806</b>

Source: City of Patterson Finance Department

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

Type of Customer	Fiscal Year				
	2021	2020	2019	2018	2017
Residential	1,146,893 cf	1,095,305 cf	1,018,052 cf	1,049,166 cf	1,116,364 cf
Commercial/Industrial	132,374	165,164	151,297	123,676	99,656
Irrigation	450,848	444,466	334,844	287,977	260,565
<b>Total</b>	<b>1,730,115 cf</b>	<b>1,704,935 cf</b>	<b>1,504,193 cf</b>	<b>1,460,819 cf</b>	<b>1,476,585 cf</b>

Source: City of Patterson Finance Department

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

Fiscal Year	Water		Wastewater	
	Monthly Base Rate	Additional Per 100cf**	Monthly Base Rate	
2021	\$ 15.12	\$ 3.48	\$ 49.94	
2020	\$ 13.62	\$ 3.14	\$ 49.94	
2019	\$ 12.27	\$ 2.82	\$ 49.94	
2018	\$ 11.06	\$ 2.54	\$ 44.44	
2017	\$ 11.06	\$ 2.54	\$ 44.44	
2016	\$ 11.04	\$ 2.76	\$ 41.92	
2015	\$ 11.04	\$ 2.76	\$ 39.55	
2014	\$ 10.62	\$ 2.65	\$ 37.31	
2013	\$ 10.21	\$ 2.55	\$ 35.20	
2012	\$ 9.82	\$ 2.45	\$ 33.21	

100 cf = 100 cubic feet (748 gallons)

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

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

Source: City of Patterson Finance Department

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

	Fiscal Year				
	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
<b>Taxable Assessed Value</b>	<b>\$ 1,148,397,354</b>	<b>\$ 1,177,444,656</b>	<b>\$ 1,246,351,671</b>	<b>\$ 1,541,298,485</b>	<b>\$ 1,685,798,257</b>
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 / Avenue Insights & Analytics

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

(-) indicates data not available

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

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

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

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

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

	Fiscal Year				
	2016-17	2017-18	2018-19	2019-20	2020-21
Residential Property	\$ 1,125,435,937	\$ 1,221,805,158	\$ 1,336,735,402	\$ 1,420,672,172	\$ 1,472,464,677
Commercial Property	134,692,261	141,903,335	162,332,795	175,943,468	201,385,521
Industrial Property	461,416,004	460,796,304	464,865,277	470,160,844	537,164,362
Other Property	62,594,490	66,537,768	73,659,817	141,632,148	113,983,444
Unsecured Property	87,592,650	84,553,479	82,368,182	87,689,106	83,230,002
Less: Tax-Exempt Property	36,416,220	38,086,325	38,436,037	42,869,663	44,893,026
Taxable Assessed Value	<u>\$ 1,835,315,122</u>	<u>\$ 1,937,329,719</u>	<u>\$ 2,081,525,436</u>	<u>\$ 2,253,228,075</u>	<u>\$ 2,363,334,980</u>
Total Direct Tax Rate (1)	1.095707	1.104825	1.106684	1.141246	1.136632
Estimated Actual Taxable Value (2)	\$ 2,515,245,600	\$ 2,880,528,379	\$ 3,191,213,893	\$ 3,457,556,850	\$ 2,968,433,744
Factor of Taxable Assessed Value (2)	1.370471	1.486855	1.533113	1.534490	1.256036

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

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

(-) indicates data not available

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

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

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

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

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

Category	Fiscal Year					
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Residential	\$ 1,067,738,189	\$ 1,125,435,937	\$ 1,221,805,158	\$ 1,336,735,402	\$ 1,420,672,172	\$ 1,472,464,677
Industrial	278,228,208	461,416,004	460,796,304	464,865,277	470,160,844	537,164,362
Commercial	106,365,150	134,692,261	141,903,335	162,332,795	175,943,468	201,385,521
Vacant	34,897,566	41,941,904	49,709,923	59,900,775	111,593,169	79,088,199
Agriculture	13,022,637	14,009,788	14,548,636	11,793,401	14,729,866	14,082,823
Unknown	138,855,433	5,164,703	1,245,101	1,096,217	9,299,298	18,838,976
Rural	739,952	1,337,947	712,923	727,181	5,866,493	1,818,114
Unitary	476,983	88,243	88,243	88,243	88,243	99,152
Miscellaneous	51,126	51,905	52,942	54,000	55,079	56,180
Institution	-	-	-	-	-	-
<b>Gross Secured Value</b>	<b>\$ 1,640,375,244</b>	<b>\$ 1,784,138,692</b>	<b>\$ 1,890,862,565</b>	<b>\$ 2,037,593,291</b>	<b>\$ 2,208,408,632</b>	<b>\$ 2,324,998,004</b>
Unsecured	\$ 81,014,692	\$ 87,592,650	\$ 84,553,479	\$ 82,368,182	\$ 87,689,106	\$ 83,230,002
Exemptions	35,591,649	36,416,220	38,086,325	38,436,037	42,869,663	44,893,026
<b>Net Taxable Value</b>	<b>\$ 1,685,798,287</b>	<b>\$ 1,835,315,122</b>	<b>\$ 1,937,329,719</b>	<b>\$ 2,081,525,436</b>	<b>\$ 2,253,228,075</b>	<b>\$ 2,363,334,980</b>

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

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

	Fiscal Year									
	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Basic City and County Levy:										
City of Patterson	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770	0.188770
<b>All Others:</b>										
County General Fund	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442	0.241442
Co Supt of Schools	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947	0.003947
County Fire Service	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658	0.005658
Patterson Cemetery	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696	0.007696
Patterson Hospital District	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410	0.034410
Turlock Mosquito Abatement	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318	0.011318
Patterson Unified School District	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426	0.386426
Yosemite Community College	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620	0.070620
County School Service Fund	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908	0.020908
Schools-equalization aid	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355	0.018355
Schools-tuition	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450	0.010450
TOTAL	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000	1.000000
<b>Override Assessments</b>										
Patterson U - 1996	0.017613	0.018016	0.016664	0.011640	0.010596	0.010415	0.009953	0.009910	0.008517	0.007773
Patterson U - 01A	0.070130	0.074108	0.069589	0.045680	0.043932	0.043952	0.042364	0.042913	0.037489	0.034404
Patterson U - 01B	0.012167	0.012052	0.011402	0.008691	0.007974	0.007850	0.000000	0.000000	0.009804	0.007718
Patterson U - 2008A	0.000000	0.000000	0.001938	0.004985	0.007691	0.010456	0.010179	0.011078	0.009759	0.009435
Patterson U - 2016 GO Ref	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.018261	0.016809	0.005718	0.006936
Patterson U - 2018A	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.046179	0.047588
YCCD 2005 A	0.005962	0.000000	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	0.008883
YCCD 2010 D	0.000666	0.000399	0.000390	0.000334	0.000467	0.000459	0.000359	0.000410	0.000405	0.000425
YCCD 2012 Ref	0.000000	0.007469	0.007567	0.005826	0.008285	0.008500	0.008753	0.007962	0.007286	0.006554
YCCD 2015 Ref	0.000000	0.000000	0.000000	0.000000	0.006550	0.004885	0.007371	0.008509	0.007250	0.006916
TOTAL	0.124542	0.132936	0.126574	0.092819	0.097113	0.095707	0.104825	0.106684	0.141246	0.136632
<b>TOTAL TAX RATE</b>	<b>1.124542</b>	<b>1.132936</b>	<b>1.126574</b>	<b>1.092819</b>	<b>1.097113</b>	<b>1.095707</b>	<b>1.104825</b>	<b>1.106684</b>	<b>1.141246</b>	<b>1.136632</b>

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

TRA 5-001 is represented for this report

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

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**City of Patterson**  
**Table 9**  
**Principal Property Tax Payers**  
**Last Fiscal Year and Nine Years Ago**

Taxpayer	2020-21		2011-12	
	Taxable Value (\$)	Percent of Total City Taxable Value (%)	Taxable Value (\$)	Percent of Total City Taxable Value (%)
WR Griffin Patterson LLC	106,331,038	4.50%		
W W Grainger Inc	94,102,013	3.98%	34,494,804	3.01%
Bit Holdings Seventy-Seven Inc	80,099,975	3.39%		
Longs Drug Stores California I	65,090,988	2.75%	55,363,030	4.82%
Westcore Alpha Patterson LLC	58,138,000	2.46%		
Kohl's Department Stores Inc	40,224,220	1.70%	44,441,000	3.87%
LBA RV-Company XVII LP	37,020,603	1.57%		
Amazoncom Services Inc	36,310,360	1.54%		
Wal Mart Real Estate Business	25,577,192	1.08%	7,299,000	0.64%
Restoration Hardware	15,626,090	0.66%		
Sierra Pacific Refrig Serv Ltd	14,035,932	0.59%	11,178,500	0.97%
Ramos John J & Brenda J	13,513,776	0.57%	9,569,633	0.83%
Pilot Travel Centers LLC	12,316,224	0.52%		
Buzz Oates LLC	10,429,227	0.44%		
Vop 21 LLC	9,346,056	0.40%		
Gill Hospitality LLC	8,921,725	0.38%		
Krishna Hospitality LLC	8,747,942	0.37%		
KB Home Sacramento Inc	8,316,000	0.35%		
Westside Property Management	8,220,170	0.35%	3,454,639	0.30%
Patterson Marketplace LLC	7,647,632	0.32%	6,373,547	0.56%
Traina Pacific LLC	7,499,451	0.32%		
Three D Patterson LLC	6,888,357	0.29%	5,880,079	0.51%
Boersma Properties LLC	5,947,031	0.25%	5,076,542	0.44%
Save Mart Supermarkets	5,589,567	0.24%	4,987,739	0.43%
Eagle Valley Investments	4,851,635	0.21%		
Patterson Industrial Center LLC			29,551,078	2.57%
Patterson Vegetable Company LLC			17,154,054	1.49%
Gea Mechanical Equipment Us In			5,459,560	0.48%
Ormond Peter M			4,115,759	0.36%
Snider Paul H			3,819,540	0.33%
Patterson Plaza Associates LLC			3,555,000	0.31%
Hensley Investment Co LLC			3,554,480	0.31%
Proto LLC			3,490,000	0.30%
Keystone Flex II Associates LLC			3,103,337	0.27%
Teg Investments			2,393,376	0.21%
Johnson Patricia A			2,280,487	0.20%
Patterson Hotel Associates			2,266,544	0.20%
525 Baldwin LLC			2,168,500	0.19%
Federal Home Loan Mortgage Cor			2,088,610	0.18%
<b>Total Top 25 Taxpayers</b>	<b>690,791,204</b>	<b>29.23%</b>	<b>273,118,838</b>	<b>23.79%</b>
<b>Total Taxable Value</b>	<b>2,363,334,980</b>	<b>100.00%</b>	<b>1,147,845,555</b>	<b>100.00%</b>

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

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

---

2020-21	
Taxpayer	Business Type
76 Service Stations	Service Stations
76 Service Stations	Service Stations
Acar Leasing	Auto Lease
Amazon Com Services	Fulfillment Centers
Amazon MFA	Fulfillment Centers
Arco AM PM	Service Stations
Chevron Service Stations	Service Stations
Chevron Patterson	Service Stations
Del Don Fertilizer Company	Garden/Agricultural Supplies
Flying J Travel Plaza	Service Stations
G's Food Mart	Service Stations
Idaho Pacific Lumber	Building Materials
JM Equipment	Warehse/Farm/Const. Equip.
Lowry Cardlock Fuel	Petroleum Prod/Equipment
McAuley Ford	New Motor Vehicle Dealers
McDonalds	Quick-Service Restaurants
Patterson Lumber Company	Building Materials
Premier Packaging	Light Industrial/Printers
San Joaquin Equipment	Warehse/Farm/Const. Equip.
Save Mart Supermarket	Grocery Stores
Thompson Chevrolet Buick	New Motor Vehicle Dealers
WW Grainger	Electrical Equipment
Walgreens	Drug Stores
Walmart Supercenter	Discount Dept Stores

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Source: HdL Companies

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

---

2011-2012	
Taxpayer	Business Type
76 Service Stations	Service Stations
76 Service Stations	Service Stations
AutoZone	Automotive Supply Stores
Carls Jr	Quick-Service Restaurants
Chevron Patterson	Service Stations
CVS Pharmacy	Drug Stores
Del Don Chemical	Garden/Agricultural Supplies
Denny's	Casual Dining
Dollar Tree	Variety Stores
G's Food Mart	Service Stations
Jack in the Box	Quick-Service Restaurants
Jesses Used Cars	Used Automotive Dealers
JM Equipment	Warehse/Farm/Const. Equip.
Kwik Serv Gas	Service Stations
Lowry Cardlock Fuel	Petroleum Prod/Equipment
McAuley Ford	New Motor Vehicle Dealers
McDonalds	Quick-Service Restaurants
Patterson Exxon Liquor & Food	Service Stations
San Joaquin Equipment	Warehse/Farm/Const. Equip.
Save Mart Supermarket	Grocery Stores
Storeroom Solutions	Light Industrial/Printers
Taco Bell	Quick-Service Restaurants
True Value Hardware	Building Materials
Walgreens	Drug Stores

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Source: HdL Companies

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

CATEGORY NAME	2012 Q1		2013 Q1		2014 Q1		2015 Q1		2016 Q1	
All Other Outlets	\$	16,502	\$	254,533	\$	339,350	\$	389,253	\$	592,368
Apparel Stores		301		357		233		799		597
Auto Dealers & Auto		63,804		71,100		89,599		107,648		104,804
Bldg. Matrl. & Farm		56,007		60,320		59,860		102,671		62,643
Drug Stores		13,143		10,176		9,079		9,002		8,922
Eating & Drinking Pl		41,980		44,396		51,559		53,868		58,015
Food Stores		19,509		15,938		14,677		18,922		16,884
Home Furnishings & A		2,624		3,255		4,366		5,519		9,228
General Merchandise		3,517		77,738		91,259		72,612		79,659
Other Retail Stores		898		1,392		1,655		3,149		3,345
Packaged Liquor Stor		550		467		1,209		689		997
Service Station		84,261		79,145		80,038		73,795		63,428
<b>TOTAL</b>	<b>\$</b>	<b>303,096</b>	<b>\$</b>	<b>618,817</b>	<b>\$</b>	<b>742,884</b>	<b>\$</b>	<b>837,927</b>	<b>\$</b>	<b>1,000,890</b>

Source: HdL Companies

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

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

CATEGORY NAME	2017 Q1	2018 Q1	2019 Q1	2020 Q1	2021 Q1
All Other Outlets	\$ 597,886	\$ 567,498	\$ 536,620	\$ 934,427	\$ 1,802,510
Apparel Stores	774	526	1,116	894	30
Auto Dealers & Auto	123,336	123,204	111,997	113,273	171,906
Bldg. Matrl. & Farm	60,911	32,749	69,889	94,280	145,119
Drug Stores	9,318	4,655	23,628	17,646	35,512
Eating & Drinking Pl	56,766	56,023	74,473	51,621	84,011
Food Stores	14,235	13,203	13,447	11,203	18,345
Home Furnishings & A	12,564	10,601	9,814	12,462	11,105
General Merchandise	80,118	83,482	84,760	86,678	98,236
Other Retail Stores	3,495	5,543	4,237	-2,373	5,287
Packaged Liquor Store	8,353 *	4,945	2,877	6,607	7,165
Service Station	142,584	174,114	202,665	188,080	292,674
<b>TOTAL</b>	<b>\$ 1,110,340</b>	<b>\$ 1,076,543</b>	<b>\$ 1,135,523</b>	<b>\$ 1,514,798</b>	<b>\$ 2,671,900</b>

Source: HdL Companies

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

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

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Personal Income		**Public School Enrollment	County	City	County
			(2)	Median Age (4)		Unemployment Rate (%) (3)	Unemployment Rate (%) (3)	Population (1)
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%	524,124
2013-14	20,922	\$ 398,375,802	\$ 19,041	30.4	6,023	13.0%	17.8%	526,042
2014-15	21,094	\$ 402,136,016	\$ 19,064	30.5	6,024	9.8%	9.3%	532,297
2015-16	22,590	\$ 436,077,360	\$ 19,304	30.5	6,031	9.5%	9.0%	540,214
2016-17	22,730	\$ 459,580,598	\$ 20,219	30.5	6,083	8.5%	8.1%	548,057
2017-18	23,414	\$ 503,526,733	\$ 21,505	30.6	6,103	7.1%	7.2%	555,624
2018-19	23,764	\$ 539,051,882	\$ 22,684	30.8	6,077	5.6%	5.5%	558,972
2019-20	23,074	\$ 544,361,808	\$ 23,592	31.3	6,179	16.1%	14.9%	557,709
2020-21	23,304	\$ 593,436,826	\$ 25,465	31.1	6,012	10.7%	10.0%	555,968

Source: MuniServices, LLC / Avenu Insights & Analytics, U.S. Census Bureau, 2015 American Community Survey.

(-) indicates data not available

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

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

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

**City of Patterson**  
**Table 13**  
**Principal Employers**  
**Last Fiscal Year and Five Years Ago**

<b>Business Name</b>	<b>2020-21</b>		<b>2015-16</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment (%)</b>	<b>Number of Employees</b>	<b>Percent of Total Employment (%)</b>
Amazon Fulfillment Center*	945	9.84%	1,000	10.99%
Patterson Joint Unified School District	750	7.81%	617	6.78%
CVS Caremark Distribution Center	510	5.31%	346	3.80%
Grainger Distribution Center	445	4.64%	466	5.12%
Walmart Supercenter	300	3.13%	241	2.65%
City of Patterson*	221	2.30%	225	2.47%
Restoration Hardware	186	1.94%	122	1.34%
King's Roofing	167	1.74%		
Save Mart	139	1.45%	100	1.10%
Mc Donald's	75	0.78%	73	0.80%
Brake Parts Inc (BPI) Distribution Center			56	0.62%
<b>Total Top 10 Employers</b>	<b>3,738</b>	<b>38.94%</b>	<b>3,246</b>	<b>35.67%</b>
Total City Labor Force (1)	9,600		9,100	

Source: MuniServices, LLC / Avenu Insights & Analytics

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

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

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

\*Includes full and part time

**City of Patterson**  
**Table 14**  
**Direct and Overlapping Governmental Activities Debt**

2020-21 Assessed Valuation: \$2,381,474,780

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT</u>	<b>Total Debt</b> <b>6/30/2021</b>	<b>% Applicable (1)</b>	<b>City's Share of Debt</b> <b>6/30/21</b>
Yosemite Community College District	\$ 258,715,060	3.192%	\$ 8,258,185
Patterson Joint Unified School District	56,187,045	70.658	39,700,642
City of Patterson Community Facilities District No. 2005-1	9,265,000	100.000	9,265,000
City of Patterson Community Facilities District No. 2015-1	4,685,000	100.000	4,685,000
<b>City of Patterson Settlement Liability</b>	<b>364,000</b>	<b>100.000</b>	<b>364,000</b>
<b>City of Patterson PFA Revenue Bonds (Less Bond Discount)</b>	<b>64,286,264</b>	<b>100.000</b>	<b>64,286,264</b>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 126,559,091
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT</u>			
Stanislaus County Certificates of Participation	\$ 19,250,000	4.329%	\$832,563
Stanislaus County Office of Education Certificates of Participation	1,510,000	4.325	\$65,308
Patterson Joint Unified School District General Fund Obligations	10,995,000	70.658	\$7,768,847
<b>City of Patterson Lease Revenue Bonds</b>	<b>2,037,982</b>	<b>100.000</b>	<b>\$2,037,982</b>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$10,704,700
TOTAL DIRECT DEBT			\$ 66,688,246
TOTAL OVERLAPPING DEBT			\$ 70,575,545
COMBINED TOTAL DEBT			\$ 137,263,791 (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 2020-21 Assessed Valuation:

Direct Debt (\$64,650,264)	2.71%
Total Direct and Overlapping Tax and Assessment Debt	5.31%
<b>Total Direct Debt (\$66,688,246)</b>	<b>2.80%</b>
Combined Total Debt	5.76%

Source: Avenu Insights & Analytics

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

	Number Authorized	Number Authorized	Number Authorized	Number Authorized	Number Authorized
	16-17	17-18	18-19	19-20	20-21
<b>Administration</b>					
City Manager	1	1	1	1	1
Human Resources Director	1	1	1	1	1
City Clerk	1	1	1	1	1
HR Analyst	1	1	1	1	1
Executive Administrative Assistant Confidential	0	1	1	1	1
Secretary - Confidential	1	0	0	0	0
Deputy City Clerk	0	0	0	1	1
Administrative Assistant	1	1	1	0	0
IT Manager	0	0	0	1	1
IT Technician II	0	0	0	1	1
	<b>6</b>	<b>6</b>	<b>6</b>	<b>8</b>	<b>8</b>
<b>Finance</b>					
Finance Director	1	1	1	1	1
Supervising Accountant	1	1	1	1	1
Revenue & Utility Billing Manager	1	1	1	1	1
Accountant	0	0	1	1	2
Accounting Technician	1	1	1	1	1
Account Clerk, Senior	3	3	3	3	3
Account Clerk	2	2	3	3	2
	<b>9</b>	<b>9</b>	<b>11</b>	<b>11</b>	<b>11</b>
<b>Recreation &amp; Community Services</b>					
Recreation & Community Services Director	1	1	1	1	1
Recreation & Community Services Manager	1	1	1	1	1
Recreation & Community Services Supervisor	0	0	1	4	4
Recreation Coordinator II	1	1	3	0	0
Recreation Coordinator I	3	3	1	0	0
Account Clerk	1	2	2	2	2
Facilities & Maintenance Supervisor	1	1	1	1	1
Maintenance Worker III	1	1	1	1	1
Maintenance Worker II	0	0	0	0	1
Maintenance Worker I	0	1	1	1	0
	<b>9</b>	<b>11</b>	<b>12</b>	<b>11</b>	<b>11</b>
<b>Fire</b>					
Chief	1	1	1	1	1
Division Chief	2	2	2	2	2
Fire Captain - Paramedic	2	2	2	2	2
Fire Captain	3	3	4	4	4
Fire Engineer - Paramedic	1	1	1	1	1
Fire Engineer	4	4	5	5	5
Fire Fighters - Paramedic	3	6	6	6	6
Fire Fighters	0	0	0	0	0
Fire Marshall	1	1	0	0	0
Fire Prevention Specialist	0	0	1	1	1
Administrative Manager	1	1	1	1	1
Secretary II	1	1	1	1	1
	<b>19</b>	<b>22</b>	<b>24</b>	<b>24</b>	<b>24</b>

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

	Number Authorized	Number Authorized	Number Authorized	Number Authorized	Number Authorized
	16-17	17-18	18-19	19-20	20-21
Community Development					
Community Development Director	0	1	1	1	1
Code Enforcement Officer II	1	1	1	1	1
Code Enforcement Officer I	1	1	1	1	1
	<u>2</u>	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>
Planning					
Planner	1	1	1	1	1
Associate Planner	1	1	1	1	1
Planning Technician II	2	2	2	2	2
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Engineering, Building & Capital Projects					
Director of Engineering	1	1	1	1	1
Associate Engineer	0	0	1	1	1
Assistant Engineer	2	2	1	1	1
Secretary I	1	1	1	1	1
	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Capital Projects					
Capital Project Manager	1	1	1	1	1
Building & Permits					
Permit Technician II	1	1	1	1	1
Permit Technician I	0	0	0	0	2
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
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	1	1
Public Works Inspector I	1	1	1	0	0
Management Analyst	3	3	3	3	3
Secretary II	2	2	2	2	2
Maintenance Worker I	0	0	1	1	1
	<u>10</u>	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>
Equipment Mechanic					
Mechanic - Crew Leader	1	1	1	1	1
Mechanic II	1	1	1	1	1
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Building Maintenance					
Maintenance Worker II	2	2	1	1	0
Maintenance Worker I	0	0	1	1	2
	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Parks					
Parks Supervisor	1	1	1	1	1
Maintenance Worker III	6	6	4	5	4
Maintenance Worker II	1	1	3	3	3
Maintenance Worker I	1	2	3	1	2
	<u>9</u>	<u>10</u>	<u>11</u>	<u>10</u>	<u>10</u>
Streets					
Public Works Supervisor - Streets	0.5	0.5	0.5	0.5	0.5
Maintenance Worker II	1	1	1	2	2
Maintenance Worker I	1	1	1	0	1
	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>2.5</u>	<u>3.5</u>

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

	Number Authorized	Number Authorized	Number Authorized	Number Authorized	Number Authorized
	16-17	17-18	18-19	19-20	20-21
Urban Forestry					
Public Works Supervisor - Tree	1	1	1	1	1
Maintenance Worker III	1	1	1	1	0
Maintenance Worker II	1	1	1	1	1
Maintenance Worker I	2	2	2	2	3
	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>
Water					
Public Works Supervisor - Water	1	1	1	1	1
Water Operator III	3	3	4	4	4
Water Operator II	0	0	0	1	1
Water Operator I	1	1	1	0	0
Electrical & Instrumentation Manager	0	0.5	0.5	0.5	0.5
Electrician - Crew Leader	0.5	0	0	0	0
Electrician Technician II	0	0.5	0.5	0.5	0.5
	<u>5.5</u>	<u>6</u>	<u>7</u>	<u>7</u>	<u>7</u>
Sewer					
Wastewater Manager	1	1	1	1	1
Chief Waste Water Operator	1	1	1	1	1
Wastewater Operator III	1	1	2	1	2
Wastewater Operator II	2	2	1	2	1
Wastewater Operator I	1	1	1	1	1
Electrical & Instrumentation Manager	0	0.5	0.5	0	0.5
Electrician - Crew Leader	0.5	0	0	0.5	0
Electrician Technician II	0	0.5	0.5	0	0.5
	<u>6.5</u>	<u>7</u>	<u>7</u>	<u>7</u>	<u>7</u>
Collection					
Public Works Supervisor - Collections	0.5	0.5	0.5	0.5	0.5
Maintenance Worker III	1	1	3	1	3
Maintenance Worker II	2	2	0	2	0
Maintenance Worker I	0	0	0	1	1
	<u>3.5</u>	<u>3.5</u>	<u>3.5</u>	<u>4.5</u>	<u>4.5</u>
<b>Total Allocated Positions</b>	<b><u>101</u></b>	<b><u>109</u></b>	<b><u>117</u></b>	<b><u>118</u></b>	<b><u>121</u></b>

**Incentives Available: Specified by MOU**

Certificate Pay - 1% to 4% Educational Incentives up to 3%

Pay for Performance - Not Available

Source: City of Patterson Finance Department



**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, 2021, 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 29, 2021.

**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  
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**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.

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

Walnut Creek, California  
December 29, 2021