

City of Lathrop

390 Towne Centre Drive
Lathrop, CA 95330
<https://www.ci.lathrop.ca.us/>



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

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CITY OF
LATHROP, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2021

Prepared
By
The Finance Department

Cari James
Director of Finance

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CITY OF LATHROP, CALIFORNIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FISCAL YEAR ENDED JUNE 30, 2021

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City of Lathrop

Department of Finance
390 Towne Centre Drive
Lathrop, California 95330
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June 24, 2022

***To the Honorable Mayor, Members of the City Council and Citizens of Lathrop
Lathrop, California 95330***

The Annual Comprehensive Financial Report of the City of Lathrop for the fiscal year (FY) ended June 30, 2021 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Lathrop. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Lathrop. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This Annual Comprehensive Financial Report includes a summary of funds for the City of Lathrop and reports all activities considered to be a part of, controlled by, and dependent on the City. The accounts of the City are organized on the basis of fund accounting with each fund 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, deferred outflows/ inflows of resources, 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.

The Annual Comprehensive Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in pronouncements by the National Council of Governmental Accounting (NCGA) and the Governmental Accounting Standards Board (GASB) and includes the report of the City's independent certified public accountants, Lance, Soll and Lunghard, LLP. Based on the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion which states that the City's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement the MD&A, and, therefore, should be read with it. The City's MD&A can be found immediately following the independent auditor's report.

INTERNAL CONTROLS

To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived from the control, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above stated framework. We believe our internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

INDEPENDENT AUDIT REPORT

The City Council is responsible for: 1) assuring the City administration fulfills its responsibilities in the preparation of the financial statements and 2) engaging certified public accountants to ensure sound audit and the accounting principles are applied in financial reporting.

The Government Code of the State of California requires general law cities, such as the City of Lathrop, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Lance, Soll and Lunghard, LLP. The firm was engaged by the City Administration to render an opinion of the City's financial statements in accordance with auditing standards generally accepted in the United States of America. To ensure complete independence, Lance, Soll and Lunghard, LLP presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting directly to the City Council. The auditor's report on the basic financial statements is the first item in the accompanying Financial Section.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements.

REPORT ORGANIZATION:

The report is organized in three sections: introductory, financial, and statistical.

1. The Introductory section includes this transmittal letter and general information on the City's government structure and services provided. It includes a list of principal officials, an organizational chart, and the Government Finance Officers Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial section contains the independent auditor's report on the financial statement audit, the MD&A, basic financial statements, required supplementary information, and combined and individual fund presentations and supplementary information.
3. The Statistical section includes selected financial and demographic information generally presented on a multi-year basis. This information includes financial trends, revenue capacity, debt capacity, demographics and economic and operating information.

PROFILE OF LATHROP

The City of Lathrop encompasses approximately 22 square miles. The City of Lathrop is located in San Joaquin County at the center of the Northern California metro market, close to the San Francisco Bay Area and Greater Sacramento regions, at the interchange of three major freeways: Interstate 5 (I-5), Interstate 205 (I-205), and the Highway 120 Freeway. As of January 1, 2021, the City had an estimated population of 28,503.

The City of Lathrop is a general-law city incorporated under California law July 1, 1989. The City operates under the City Council / Manager form of government. Beginning with the municipal election in November 1996, the position of the Mayor is elected for a two-year term. Four Council Members are elected at-large and serve alternating four-year terms. Every two years in December, the Mayor and Council Members select a Council Member to serve as Vice-Mayor. The City Manager also serves as City Treasurer and the City Clerk is appointed by the City Manager. All municipal elections are non-partisan.

The City of Lathrop provides a wide range of municipal services, including police (provided under contract by the San Joaquin County Sheriff's Department), water and sewer utilities, street maintenance, public transportation, parks and recreation, planning, building, code enforcement, and other general government services.

Fire services such as fire suppression and prevention are provided for the City by Lathrop-Manteca Fire Protection District and are funded separately by the Fire District. The Fire District provides specialized equipment and trained personnel 24 hours a day for emergency assistance to all residents. The Fire District and the City work together for the mutual benefit of both agencies and the citizens they serve.

ECONOMIC CONDITION AND FINANCIAL OUTLOOK

Historically, Lathrop has been an agricultural-based community, however, the continuing dynamic outward growth of the San Francisco Bay Area has pushed industrial, warehousing, and logistics growth into the Northern San Joaquin Valley. This has benefited Lathrop due to its strategic location at the intersection of three major freeways. The City continues to experience a period of growth with consistently strong demand in residential construction to accommodate continuing job growth in the Northern San Joaquin Valley and in the neighboring Tri Valley Area of the East Bay. Permit issuance remained strong in FY 2020/21 with building permits continuing to increase year over year. Revenues, such as property tax, development related fees, community facility district revenues and sales tax are all positively impacted from increased development activity either directly from fees received or indirectly due to increased population.

The City has recently begun to enjoy a strong economic base from years of smart growth and planning initiatives resulting in stable property tax revenue, modest transient occupancy taxes and diverse sales tax revenues. The City's sales tax revenues remain stable and, over the past several years, have continued to experience annual increases. The City's sales tax revenues are expected to show modest annual increases as population and consumer activity continue to rise and businesses continue to view Lathrop as an attractive location.

Like all government agencies throughout California, the City is faced with increased ongoing annual operating costs and rising retirement related liabilities. For Lathrop, some of these challenges include increased funding needs for pavement maintenance, facility and park maintenance, new programs and departments, additional personnel, retiree health care costs, and rising pension costs due to new funding policies adopted by the California Public Employees Retirement System (CalPERS). While the City has been successful over the years in balancing these issues with its strategic use of contract staffing and services, the City will continue to experience rising costs. Additionally, with the anticipation of significant impacts to revenues in the coming year, coupled with ongoing growth in expenditures over the next five years, the City will be challenged.

Sales tax growth in Lathrop was moored to commercial development throughout 2021 and is expected to grow slowly into 2022. This above average growth is the sign of recovery occurring as we emerge out of the early days of the pandemic. The City is currently navigating a situation that has not been encountered in recent history. The ability to budget conservatively has paid dividends with the uncertainty that has come with the COVID-19 pandemic. This creates challenges but we remain vigilantly optimistic about Lathrop's long-term outlook. The City's future looks bright; with the creation of the City's own Police Department opening in July of 2022.

City Council and Staff have been working diligently for the past decade or so, on achieving financial stability and are confident that today is the ideal time for Lathrop to transition to a City Police Department. A City Police Department will provide the community with more officers, personalized services, and predictable costs.

BALANCED BUDGET

The City's Budget and Fiscal Policy requires the City to maintain a balanced General Fund budget over the annual period of the financial plan. This means that each fiscal year, current revenues must meet or exceed operating expenditures, including debt service. Use of fund balance commitments to offset non-operating expenditures may allow for current expenditures to exceed current revenues in the fiscal year. City staff presents General Fund budgets for City Council consideration that maintain an unassigned fund balance between 10-50% of the annual operating appropriations and transfers. Lathrop maintains adequate fund balances for emergencies in a majority of its governmental operations funds and proprietary funds.

The adopted budget serves as the foundation for the City of Lathrop's financial planning and control system. All departments of the City submit requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The Council holds public hearings on the proposed budget and then ultimately adopts a formal budget. The budget is adopted by fund, department, program, and line-item.

The Council periodically reviews the City's actual financial activity in relation to the original budget, and as necessary, adjustments are made to ensure that expenditures are not outpacing anticipated revenues. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund and department level with more stringent control over capital assets and fund balance categories, which are maintained at the line item level. The City Council must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. The City Council has delegated authority to the City Manager to approve transfers of appropriations between programs and divisions within a City department and between appropriation units (e.g., salaries and benefits, services and supplies, and capital outlay) within programs, excluding special designation or project appropriations.

LONG-TERM FINANCIAL PLANNING

The City incorporates long-term financial planning into its budget process in several ways. Each year, during the budget process the City Council receives an updated General Fund Ten-Year Forecast and CIP Five-Year Forecast that includes all special revenue funds associated with each project. The long-term financial model used for the General Fund and CIP looks forward ten years, because of the volatile nature of tax revenues in a commercial growth-based economy, and various one-time special revenue funds associated with development activity making it difficult to predict revenues with any certainty beyond the immediate term. The forecast is used as a tool and maintained by Finance staff.

These projections allow management to see what the future could look like given a set of assumptions and is evaluated in the context of whether decisions are sustainable over the long term. The ten-year financial forecast is a tool for strategic decision making and presents further context for balancing short-term and long-term goals and provides an "order of magnitude" feel for the General Fund's ability to continue services and preserve fiscal sustainability. Management encourages its departments to project their resource needs for a period longer than the traditional annual budget. In addition, the City faces increasing expenses in several areas of operations, including the creation of the Police Department. The City has elected to proactively address its unfunded OPEB obligation by establishing an irrevocable trust and significantly increasing its contributions. At the same time, rising pension contribution requirements, while helping to reduce the unfunded pension liability, result in a decrease of financial resources available for other uses. The City will need to continue to explore options to increase its revenue base, while keeping expenses manageable.

COVID-19 will have a lasting impact over the course of several years, possibly beyond the scale of the Great Recession. The significant revenue impacts to sales tax and TOT will likely continue through FY 2021/22 with gradual recovery, and full recovery back to FY 2018/19 revenue levels not anticipated until FY 2024/25. Property tax revenue has not been affected yet as the assessed values do not show the impact of economic volatility in a short period. Moreover, low interest rates and a short supply of homes available for sale has kept the local real estate market strong and robust. Vulnerable to an economic downturn are sales tax, TOT and development-related revenues. Over time, these revenue sources will continue to cause significant year-to-year variances and create challenges for long-term revenue forecasting.

Lastly, on November 6, 2012, the Citizens of Lathrop approved Measure C by 77%. Measure C is a general purpose 1% additional sales tax Measure to be used for the purpose of maintaining and enhancing essential City services, such as police and fire protection and youth and senior services within the City. During FY 2020/21, Measure C supported personnel and operating expenditures to manage the Lathrop Generations Center, a multipurpose facility aimed to promote healthy recreational opportunities for our youth. Furthermore, Measure C funded additional Lathrop Police personnel to strengthen prevention and intervention services around the community.

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to City of Lathrop for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2020. The ACFR has been judged by an impartial panel to meet the uppermost standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the ACFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This was the 24th consecutive year that the City of Lathrop has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

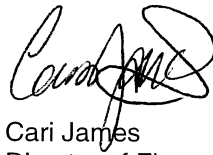
ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report was made possible by the special efforts of the entire staff of the Finance Department, working in conjunction with the City's independent auditors and departmental staff. We would like to express our appreciation to the Mayor and City Councilmembers for their continued efforts in stewarding the financial operations of the City in a responsible and enterprising manner.

Respectfully submitted,



Stephen J. Salvatore
City Manager



Cari James
Director of Finance

City of Lathrop Organizational Chart FY 2020-21

CITIZENS OF LATHROP



Paul Akinjo
Councilmember

Jennifer Torres-
O'Callaghan
Vice Mayor

Sonny Dhaliwal
Mayor

Minnie Diallo
Councilmember

Diane Lazard
Councilmember



Commissions City Manager City Attorney



DIRECTORY OF OFFICIALS AND ADVISORY BODIES

CITY COUNCIL

Sonny Dhaliwal, Mayor
Jennifer Torres-O'Callaghan, Council Member
Paul Akinjo, Council Member
Minnie Diallo, Council Member
Diane Lazard, Council Member

ADVISORY BODIES

Lathrop/Manteca Fire District
Measure C Oversight Committee
Parks and Recreation Commission
Planning Commission
Senior Advisory Commission
Youth Advisory Commission

APPOINTED OFFICIALS AND DEPARTMENT/DIVISION HEADS

City Manager/ Treasurer	Stephen J. Salvatore
City Attorney	Salvador Navarrete
Assistant City Manager	Michael King
City Engineer	Glenn Gebhardt
Director of Government Services/ City Clerk	Teresa Vargas
Director of Finance	Cari James
Human Resources Director	Theresa Roland
Parks, Recreation & Maintenance Services Director	Todd Sebastian
Chief of Police	Raymond Bechler
Director of Community Development	Mark Meissner



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lathrop
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lathrop, 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 as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 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.

Basis for Opinions

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

Responsibilities of Management 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Other Reporting Responsibilities

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund and major special revenue funds, the schedule of proportionate share of the net pension liability, the schedule of plan contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB plan contributions, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, and budgetary schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2022, 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 cursive script that reads "Lance, Soll & Lughard, LLP".

Sacramento, California
June 24, 2022

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City of Lathrop

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Lathrop, California 95330
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www.ci.lathrop.ca.us

June 24, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Lathrop, we offer readers of the City of Lathrop's (City) financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. Please read the information presented in conjunction with additional information that we have furnished in our letter of transmittal, beginning on page vi, and the financial statements and disclosure notes beginning on page 41.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$577.4 million (net position). Of this amount, \$95.9 million (unrestricted net position) may be used to meet the City's ongoing obligations to residents and creditors.
- During the fiscal year, the City's governmental activities revenues exceeded expenses by \$47.4 million due in large part to \$18.2 million in sales and use taxes collected in the Fiscal Year.
- The total revenue from all sources increased \$10.7 million from the prior year due to the recovering impacts associated with the coronavirus restrictions at the State and Federal level.
- The General Fund reported excess revenues over expenditures (including transfers) of \$.4 million, thereby increasing the fund balance.
- Sales and use tax collections increased by \$8.4 million, a 47.9 percent increase from the prior year.
- At June 30, 2021, the City's governmental funds reported combined ending fund balances of \$142.8 million, an increase of \$37.0 million in comparison with June 30, 2020. Of this \$142.8 million total amount, \$5.9 million or 4.1 percent is unassigned fund balance.
- At June 30, 2021, the unassigned fund balance for the General Fund was \$6.7 million, compared to last year's unassigned actual fund balance of \$4.3 million. The increase is due to general fund revenues recovering from the coronavirus pandemic.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the financial statements of the City. This comprehensive annual financial report is comprised of five parts: (1) this management's discussion and analysis (Pages 5 – 17), (2) the basic financial statements and notes to the financial statements (Pages 21 - 72), (3) statements of revenue, expenditures and changes in fund balance-budget to actual of major governmental funds (Pages 80 - 86), and postemployment benefits other than pensions trend information (Note 9, Pages 74 – 79), (4) other combining statements for non-major governmental funds and agency funds (Pages 100 - 157) and (5) the statistical section (Pages 160 - 191).

The basic financial statements include two different views of the City's financial position. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.

The City's government-wide basic financial statements are described below with information in the accompanying text:

- **Statement of Net Position** – a statement that combines the financial position as of June 30, 2021 for all activities on a government-wide basis.
- **Statement of Activities** – a statement that combines the changes in financial position for the fiscal year ended June 30, 2021 on a government-wide basis.

Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- **Statements for Governmental Funds** – these present the major governmental funds such as the general fund, developers projects special revenue fund, capital facilities fee special revenue fund, building and safety special revenue fund, development engineering special revenue fund, and all other governmental funds.
- **Statements for Business-type Funds** – these present proprietary funds, such as the City's water and sewer utility enterprise funds.

The fund financial statements are described below with information in the accompanying text:

- **Governmental funds** statements tell how general government services, such as police and public works, were financed in the short-term, as well as what remains for future spending.
- **Proprietary funds** statements offer short and long-term financial information about the activities the City operates like businesses, such as the water and sewer utilities.
- **Fiduciary funds** statements are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The financial statements also include notes that explain the information in the financial statements and provide more detailed data. In addition to the required elements, combining statements are presented that provide details about the City's non-major governmental funds and agency funds, each of which are presented in consolidated columns in the basic financial statements.

Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances using accounting methods similar to a private-sector business.

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

The **statement of activities** presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the 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 compensated absences).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, community development, public safety, public works, culture and leisure, and debt service. The business-type activities of the City include the City's water and sewer utility enterprise functions.

The government-wide financial statements include the operations of the City itself and the blended component unit of the Lathrop Public Facilities Financing Corporation. There are no discrete or component units. The government-wide financial statements can be found on Pages 21 – 23 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, or as required by legal enabling legislation. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City 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 on balances of 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 funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and government-wide activities.

The City maintained 42 individual governmental funds in 2021. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in funds balances for the general fund, developers projects special revenue fund, capital facilities fee special revenue fund, building and safety special revenue fund, development engineering special revenue fund, all of which are designated as major funds. Data from the remaining 37 non-major governmental funds are shown as other supplementary information.

The City adopts an annual appropriated budget for all of its funds. A budgetary comparison compliance schedule is provided for each of the major funds and a like schedule is provided for the non-major governmental funds shown as other supplementary information.

The governmental fund financial statements are found on Pages 26 - 33 of this report.

Proprietary funds. Proprietary funds provide the same type of information as the government-wide business-type activity financial statements, only in more detail, and are used to account for services for which customer fees are intended to finance the costs of operations. There are two types of proprietary funds – internal service funds and enterprise funds. Internal service funds account for services rendered between City departments. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City has one internal service fund in its fund structure, which is used to quantify compensated absences activities between departments. The City uses enterprise funds to account for its water and sewer utility functions. These two major funds' financial statements are shown individually in the front of this report.

The basic proprietary fund financial statements can be found on Pages 34 – 36 of this report.

Fiduciary funds. Fiduciary or agency funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has 12 fiduciary funds. The fiduciary fund financial statements can be found on Page 38 – 39 of this report.

Notes to the financial statements

The notes provide additional information that are essential to a full understanding of the data provided in the government-wide, governmental, proprietary, and fiduciary fund financial statements. The notes to the financial statements are found on Pages 41 - 72 of this report.

Required and other information

Additional information is included that provides both more detail, and complements the financial data provided in the previous financial statements. The combining statements, referred to earlier in connection with non-major governmental funds, are presented immediately following the required supplementary information. Combining and individual fund statements on the City's 37 non-major governmental funds and 12 fiduciary funds are not a required part of the basic financial statements and are presented as other supplementary information. Original and final adopted budgets compared to actual financial information for each fund is included in this section. Combining and individual fund statements and schedules can be found on Pages 92 - 157 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position since it represents the difference between the City's resources and its obligations. In the case of the City, assets exceeded liabilities by \$577 million at the close of Fiscal Year 2020/21.

Compared to the previous year, the City's total net position increased by 12.2 percent. This increase is primarily due to developer contributions of capital assets that took place in Fiscal Year 2020/21.

By far the largest portion of this year's net position reflects the City's investment in capital assets of \$375 million (e.g., utility system construction, utility plant improvements, water rights acquisition, land acquisition, building improvements, equipment, vehicles, roads and streets) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Additional capital asset information can be found in the Capital Asset and Debt Administration section of this report.

A portion of the City's total net position represent resources that are subject to external and internal restrictions (Municipal Code and/or State mandates and reserves required by debt obligation covenants) on how they may be used. Restricted net position amount to \$105 million or 18.3 percent of total net position. The remaining balance of \$95.9 million (16.6 percent of total net position) is unrestricted and may be used to meet the City's ongoing obligations to residents and creditors.

The table below shows the government-wide assets, liabilities, deferred outflows/ inflows of resources and net position for both fiscal years ended June 30, 2020 and 2021.

City of Lathrop Summary of Net Position
For the Fiscal Years Ended June 30
(in Thousands)

	Governmental		Business-Type		Total Primary		Total Percent Change
	Activities		Activities		Government		
	2020	2021	2020	2021	2020	2021	
Assets:							
Capital assets	\$ 209,561	\$ 221,944	\$ 180,233	\$ 184,986	\$ 389,794	\$ 406,930	4.40%
Other assets	125,064	163,284	49,248	58,165	174,312	221,449	27.04%
Total Assets	334,625	385,228	229,481	243,151	564,106	628,379	11.39%
Deferred Outflows							
Deferred Outflows Related to Pension & OPEB	2,564	2,310	212	288	2,776	2,598	-6.41%
Liabilities:							
Current liabilities	15,726	18,929	3,717	3,097	19,443	22,026	13.28%
Long-term liabilities	11,244	11,657	20,408	19,139	31,652	30,796	-2.70%
Total Liabilities	26,970	30,586	24,125	22,236	51,095	52,822	3.38%
Deferred Inflows							
Deferred Inflows Related to Pension & OPEB	989	630	62	86	1,051	716	-31.87%
Net Position:							
Net Investment in Capital Assets	206,211	218,894	160,481	166,718	366,692	385,612	5.16%
Restricted	16,013	103,965	1,652	1,651	17,665	105,616	497.88%
Unrestricted	87,006	33,463	43,373	52,748	130,379	86,211	-33.88%
Total Net Position	\$ 309,230	\$ 356,322	\$ 205,506	\$ 221,117	\$ 514,736	\$577,439	12.18%

At the end of the fiscal year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities. Combined net position of the primary government increased by 12.18 percent this year, from \$514.7 million at June 30, 2020 to \$577.4 million at June 30, 2021.

Although the net position of the City's business-type activities are \$221.1 million, the City generally can only use net position to finance the continuing operations of the business-type activities.

Changes in net position

The City's total program expenses of \$62.7 million are less than the total revenues of \$127.5 million for an increase in net position as of June 30, 2021 of \$64.7 million. The table on the next page shows the summarized revenues and expenses for both fiscal years 2019/20 and 2020/21.

The City's fiscal year 2020/21 change in net position was 3.4 percent higher than fiscal year 2019/20, due to an increase of 9.1 percent in total revenues and an increase of 15.2 percent in total expenditures in fiscal year 2020/21. The expenditure increase is largely found in the governmental activities, which is a result of capital projects in the area.

Governmental program activities and general revenues of \$95.5 million and transfers in of \$1.8 million, supported expenses of \$48.1 million, for a total net increase in net position in tax-supported activities of \$49 million. The reason for the increase in the governmental net position is due to an increase in one-time capital contributions from development activity.

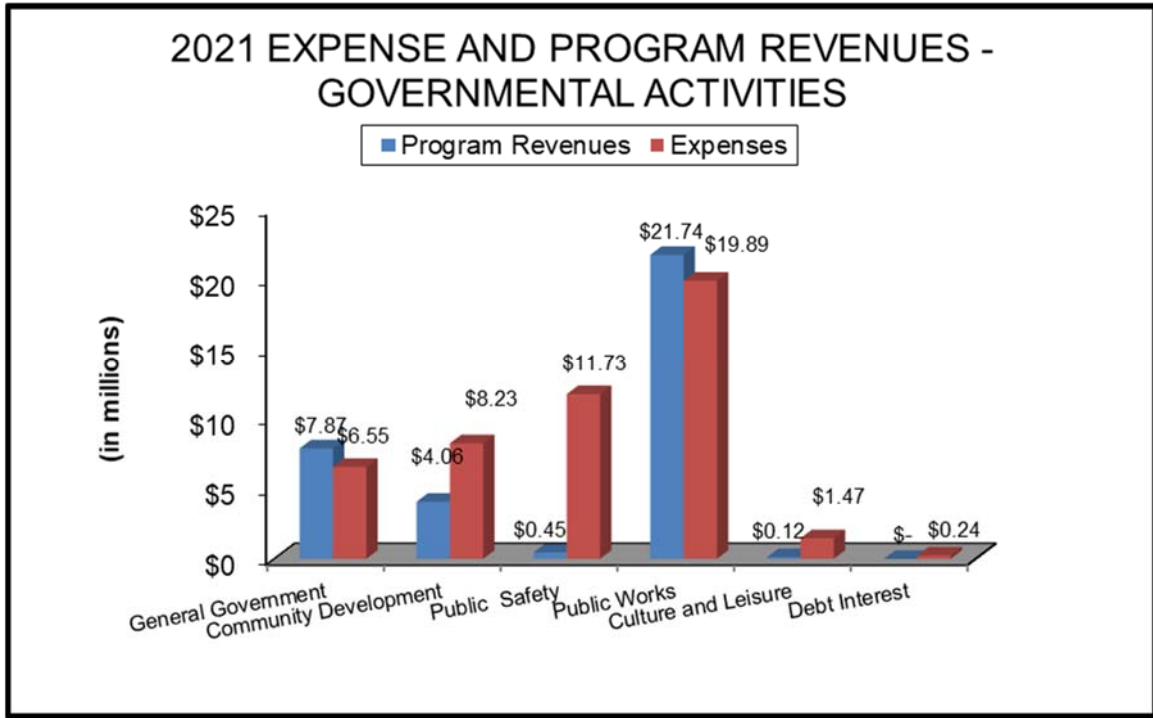
Business-type activities revenues of \$31.9 million supported expenses of \$14.7 million and transfers out of \$1.7 million, for a total change in net position in utility enterprise activities of \$15.5 million. The reason for the increase in the business-type net position is due to the continued growth of the City's customer base paired with developer contributions of capital assets. The increase of net position of \$15.5 million is available for future water and sewer improvement needs as required by projected City population increases and development needs.

City of Lathrop Changes in Net Position
For the Fiscal Years Ended June 30
(in Thousands)

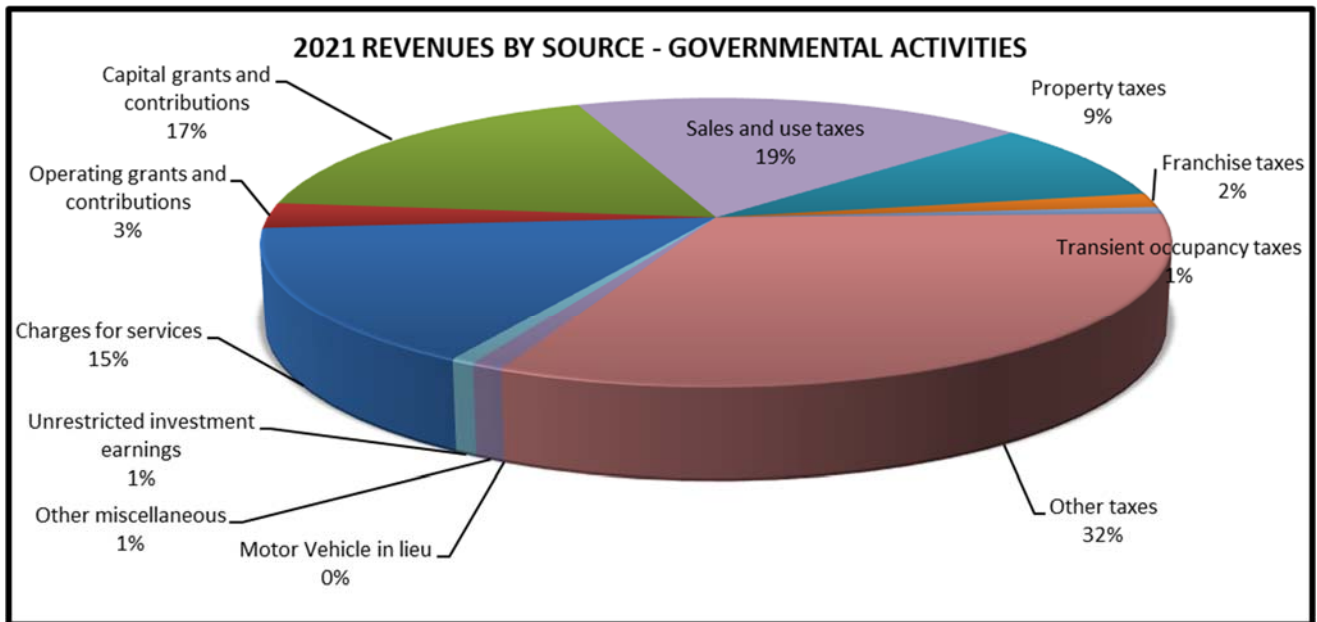
	Governmental		Business-Type		Total Primary		Total Percent Change
	Activities		Activities		Government		
	2020	2021	2020	2021	2020	2021	
Revenues:							
<i>Program revenues:</i>							
Charges for services	\$ 8,236	\$ 14,791	\$ 18,986	\$ 19,016	\$ 27,222	\$ 33,807	24.19%
Operating grants and contributions	6,106	2,710	-	-	6,106	2,710	-55.62%
Capital grants and contributions	43,292	16,740	11,692	6,863	54,984	23,603	-57.07%
<i>General revenues:</i>							
Sales and use taxes	12,696	18,190	-	-	12,696	18,190	43.27%
Property taxes	5,334	8,613	-	-	5,334	8,613	61.47%
Franchise taxes	1,241	1,531	4,910	5,692	6,151	7,223	17.43%
Transient occupancy taxes	583	739	-	-	583	739	26.76%
Other taxes	-	30,621	-	-	-	30,621	
Motor Vehicle in lieu	-	-	-	-	-	-	0.00%
Other miscellaneous	184	945	-	-	184	945	413.59%
Unrestricted investment earnings	2,786	701	741	364	3,527	1,065	-69.80%
Total Revenues	80,458	95,581	36,329	31,935	116,787	127,516	9.19%
Expenses:							
<i>Governmental activities:</i>							
General government	5,944	6,544	-	-	5,944	6,544	10.09%
Community development	1,318	8,228	-	-	1,318	8,228	524.28%
Public safety	12,121	11,729	-	-	12,121	11,729	-3.23%
Public works	19,196	19,893	-	-	19,196	19,893	3.63%
Culture and leisure	1,468	1,466	-	-	1,468	1,466	-0.14%
Interest on long-term debt	89	241	-	-	89	241	170.79%
<i>Business-type activities:</i>							
Water enterprise	-	-	6,906	6,767	6,906	6,767	-2.01%
Sewer enterprise	-	-	7,477	7,926	7,477	7,926	6.01%
Total expenses	40,136	48,101	14,383	14,693	54,519	62,794	15.18%
Excess before transfers	40,322	47,480	21,946	17,242	62,268	64,722	3.94%
Transfers	3,255	1,778	(3,255)	(1,778)	-	-	
Change in Net Position	43,577	49,258	18,691	15,464	62,268	64,722	3.94%
Net Position - Beginning	265,700	309,230	186,815	205,506	452,515	514,736	13.75%
Prior Period Adjustment	(47)	(2,166)	-	147	(47)	(2,019)	-
Net Position, Beginning, Restated	265,653	307,064	186,815	205,653	452,468	512,717	13.32%
Net Position - Ending	\$ 309,230	\$ 356,322	\$ 205,506	\$ 221,117	\$ 514,736	\$ 577,439	12.18%

Governmental Activities

Following are illustrative summaries of governmental activities separating program revenues and expenses. The difference between the program revenue and expense bars by activity illustrates the amount the respective activity is supported by general revenues (e.g. taxes or investment earnings).



Normally, governmental funds' expenditures match or exceed program revenues. Under full accrual accounting, developer contributions are program revenues, yet their contributed assets are not shown as a corresponding expense on the City's financial statements. Program revenues for public works excluding infrastructure contributions resulted in expenditures in excess of revenues. General government services delivery costs exceeded program revenues by \$1.3 million.



Revenues and expenditures in the governmental funds continue to increase as the population of Lathrop has grown. Property tax revenue is a major revenue source for the General Fund. During fiscal year 2020/21, property tax revenues increased by \$3.2 million.

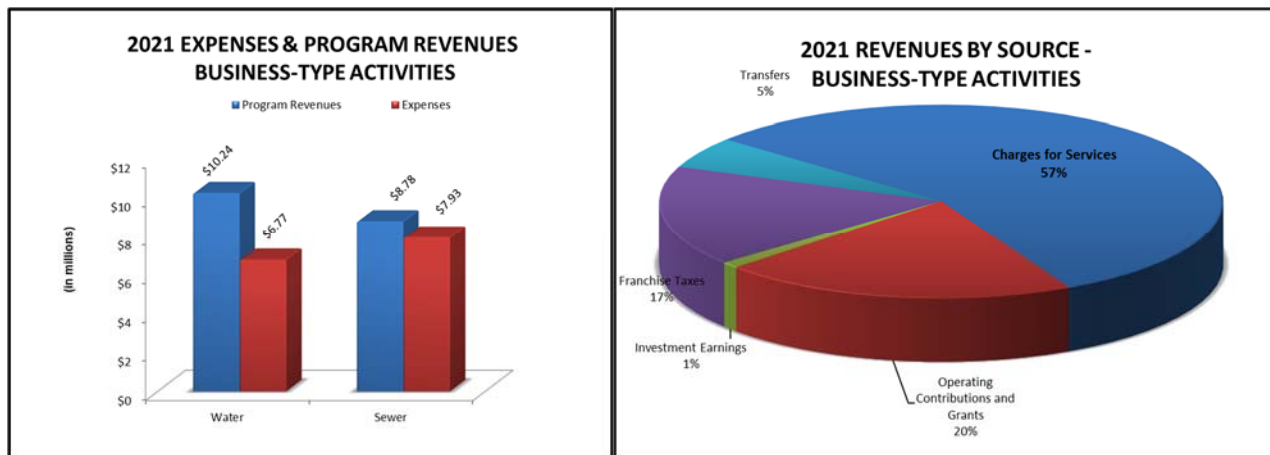
The following table shows the cost of the City’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The cost of all governmental activities this year was \$48.1 million. The net cost of all services indicates that the overall cost of government is less than revenue generated to support it. However, the higher revenue reflected in FY2020/21 is due to the contributions from developer built capital improvement projects.

**City of Lathrop Net Cost of Governmental Activities
For the Fiscal Years Ended June 30
(in Thousands)**

	Total Cost of Services			Net (Expense) Revenue of Services		
	2020	2021	Percent Change	2020	2021	Percent Change
General government	\$ 5,944	\$ 6,545	10.11%	\$ (5,476)	\$ 1,320	-124.11%
Community development	1,318	8,228	524.28%	5,254	(4,167)	-179.31%
Public safety	12,121	11,730	-3.23%	(11,031)	(11,282)	2.28%
Public works	19,196	19,893	3.63%	29,981	1,850	-93.83%
Culture and leisure	1,468	1,466	-0.14%	(1,142)	(1,342)	17.51%
Other	89	241	170.79%	(89)	(241)	170.79%
Total	\$ 40,136	\$ 48,103	19.85%	\$ 17,497	\$ (13,862)	-179.23%

Business-type Activities

Business-type activities increased the City’s net position by \$15.5 million. The bar chart below illustrates how total program revenues and expenses compare and includes both current operating and capital categories combined. The pie chart shows the distribution of business-type revenues by category.



Water Fund

The Water Utility Enterprise treats and distributes clean drinking water to Lathrop’s residential and commercial customers and performs repair and maintenance functions of existing water lines, as well as builds additional water distribution systems through its capital improvement master plan.

The bar chart above illustrates program revenues exceeding program expenses by \$3.4 million. In the Water Utility Enterprise Fund, a monthly service availability fee and usage rate is charged to residential and commercial customers to meet the Water Fund's operating expenses. Under full accrual accounting, developer contributions are program revenues, yet contributed assets are not shown as a corresponding expense. Program revenues excluding developer contributions and bond proceeds were \$10.2 million. This shows operating revenues exceeding operating expenses by \$3.4 million. In February 2016, the City adopted a 5-Year water rate program based on the Water Rate Study findings.

Sewer Fund

The Sewer Utility Enterprise collects and treats sewer for Lathrop's residential and commercial customers and performs repair and maintenance functions of existing sewer mains, as well as builds additional system capital improvements. In the Sewer Utility Enterprise Fund, a monthly service fee is charged to residential and commercial customers. The bar chart on the previous page illustrates program expenditures exceeding program revenues by \$.9 million. This signifies that sewer operating income is meeting standard operating and infrastructure renewal and replacement costs. In February 2016, the City adopted a 5-Year sewer rate program based on the Sewer Rate Study findings.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds

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

As of June 30, 2021, the City's governmental funds (general, special revenue, and capital project funds) reported combined ending fund balances of \$142.8 million, an increase of \$37.0 million in comparison with the prior fiscal year. Approximately 4.1 percent of this total amount (\$5.9 million) constitutes unassigned fund balance, which is available for spending, at the City's governing body's discretion. Of the remainder fund balance, \$3.3 million is nonspendable, \$104.0 million is restricted and \$29.6 million is committed and is not available for new spending.

The General Fund is the chief operating fund of the City. At the end of the 2021 fiscal year, fund balance of the general fund was \$43.9 million, of which \$6.7 million is unassigned fund balance. The increase in unassigned fund balance of the General Fund for Fiscal Year 2020/21 was due to increase sales and property taxes collected due to the economic recovery from Fiscal Year 2019/20. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Total general fund balance represents 205 percent of total General Fund expenditures of \$19.4 million in 2021. This means the City's general governmental operations could continue for about 25-months without any additional revenue generation.

In Fiscal Year 2020/21, taxes are the General Fund's largest source of revenue at 86.1 percent, or \$26.1 million, of total revenues of \$30.3 million. Property taxes represent 32 percent, or \$8.6 million, of this total tax amount in the General Fund.

The Developer Projects fund had an ending fund balance of \$1.0 million at June 30, 2021. The monies in this fund are collected from developers for specific projects. The committed fund balance can only be used to fund specific developer projects in future fiscal years.

The Capital Facilities Fees fund had an ending fund balance of \$41.5 million as of June 30, 2021. The monies in this fund are collected from developers for specific projects. The committed fund balance can only be used to fund specific developer projects in future fiscal years.

The Building Safety and Inspection and Development Engineering funds had a combined ending fund balance of \$4.2 million as of June 30, 2021. The monies in these fund are collected from cost recovery fee sources for specific projects and operations associated with the fee nexus. The committed fund balance can only be used to fund specific projects in future fiscal years.

Proprietary funds

The City proprietary funds provide similar information to that which is found in the government-wide financial statements, but in more detail. Each fund’s financial transactions, both near-term and historic, are provided in the statement of net position and the statement of revenues, expenses, and changes in net position. In addition, these proprietary funds also present a statement of cash flows.

In Fiscal Year 2020/21, the water utility enterprise fund increased its net position from \$69.4 million to \$79.9 million. Unrestricted net position at the end of the fiscal year amounted to \$32.6 million, and are available for future capital water system improvements. \$45.6 million of the Water Fund’s net position are net investment in capital assets and are not available for liquidation to support operations. The remaining \$1.7 million is restricted to satisfy debt service obligations and covenants.

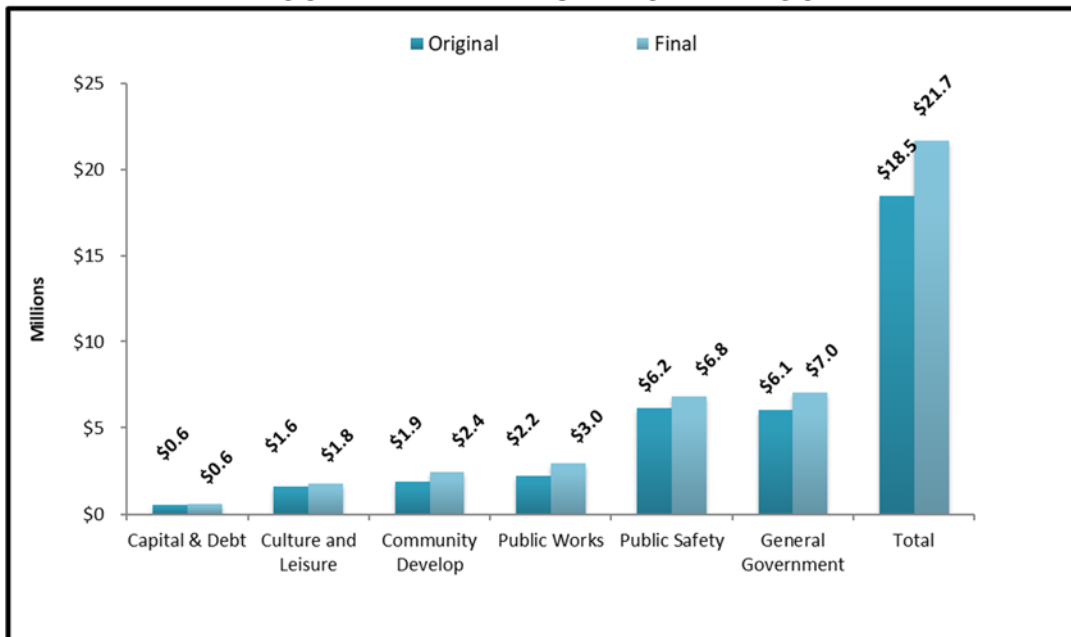
In Fiscal Year 2020/21, the sewer utility fund increased its net position from \$136.2 million to \$141.2 million. Unrestricted net position at the end of the fiscal year amounted to \$20.1 million and, are available for future capital sewer system improvements. \$121,093 million of the Sewer Fund’s net position are net investment in capital asset and are not available for liquidation to support operations.

Other factors concerning the finances of these funds have already been reviewed in the discussion of the City’s business-type activities. The capital assets section on the following pages will provide additional discussion and analysis of the business-type financial activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During Fiscal Year 2020/21, the General Fund’s original budgeted expenditures of \$18.5 million increased to \$21.7 million at Final Amended Budget. Original adopted revenue estimates were \$22.2 million. The table below illustrates the General Fund’s original and final budget levels by function of government categories (e.g. Public Works, Community Development, Culture and Leisure) and the total budget levels for Fiscal Year 2020/21.

GENERAL FUND FISCAL YEAR 2020/21 ORIGINAL AND FINAL BUDGETS BY GOVERNMENTAL FUNCTION CATEGORY



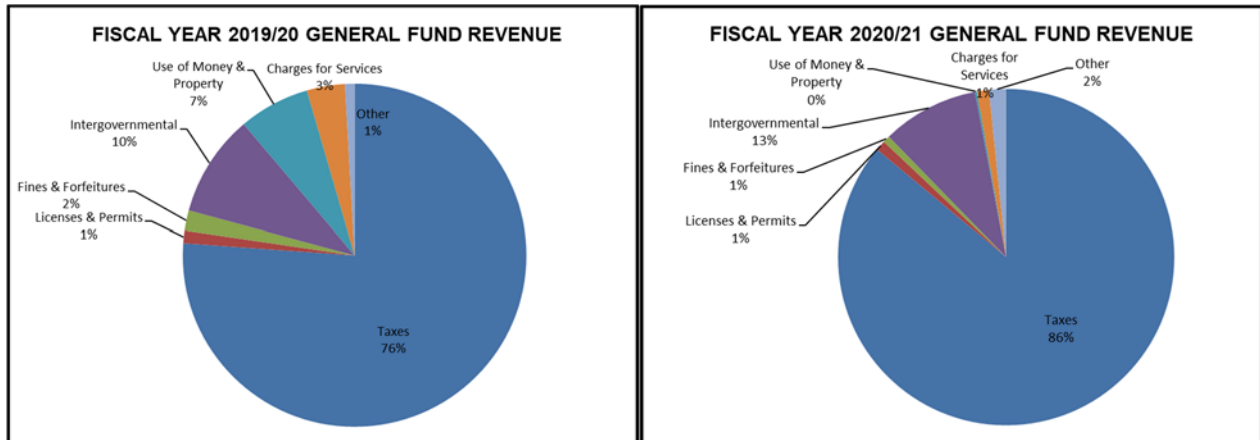
Over the course of the year, the City Council revised the City budget with adjustments that are comprised within the following two categories:

- Changes made in the mid-year report to adjust revenues, augment current year expenditure appropriations, and establish or increase designation of fund balance.
- Other revenue adjustments and expenditure appropriations approved after the original budget is adopted, and before or after the mid-year report is approved.

Amendments to the General Fund increased budgeted expenditures by \$3.2 million and are primarily a result of increased costs to carry out operations for public purposes and the purchase of replacement fleet vehicles. Budgeted General Fund revenues were increased by \$1.1 million to reflect revenues collected through increases in Measure C, Property and Sales Taxes.

After taking these adjustments into account, actual expenditures came in 23 percent below the final budget, at \$16.8 million. Capital Outlay expenditure savings contributed to this reduced spending level. Actual revenues in the General Fund were \$8.4 million higher than the final budget revenue estimate. The result of the higher revenues and significantly lower spending increased the ending fund balance of the General Fund.

The City's General Fund revenue structure slightly changed compared to Fiscal Year 2019/20. The two pie charts below present total actual revenues for Fiscal Years 2019/20 and 2020/21 by revenue category. Total actual taxes comprised 76 percent of total General Fund revenues in Fiscal Year 2019/20 and 86 percent in Fiscal Year 2020/21.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of Fiscal Year 2020/21, the City had \$406.9 million (net of accumulated depreciation) invested in a broad range of capital assets, including equipment, vehicles, buildings, parks, streets, water and sewer transmission and distribution systems. This amount represents a net increase (including additions and deductions) of \$17.1 million, or a 4.4 percent increase, over Fiscal Year 2019/20.

The table below outlines net capital assets by asset-type classification and by governmental or business-type activity.

City of Lathrop Capital Assets
For Fiscal Years Ended June 30
(net of depreciation)
(in Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2021	2020	2021	2020	2021
Capital Assets Not Being Depreciated						
Land	\$ 9,630	\$ 9,630	\$ 3,565	\$ 3,565	\$ 13,195	\$ 13,195
Construction in progress	15,944	19,874	3,360	6,190	19,304	26,064
Depreciable Capital Assets						
Buildings	8,182	7,956	0	0	8,182	7,956
Improvements	46,905	50,383	172,674	174,658	219,579	225,041
Equipment and vehicles	1,846	1,486	634	575	2,480	2,061
Infrastructure	127,056	132,616	-	-	127,056	132,616
Total	\$ 209,563	\$ 221,945	\$ 180,233	\$ 184,988	\$ 389,796	\$ 406,933

This year's major capital additions included:

- Infrastructure \$ 9,211,642
- Water and Sewer Systems Improvements \$ 6,702,980
- Equipment & Vehicles \$ 556,620

More detailed information about the City's capital assets is presented in Note 4 to the financial statements on Pages 56 - 57.

Debt Administration

At the end of the current fiscal year, the City had a total of \$21.3 million in outstanding debt. The total outstanding at June 30, 20 was \$23.1 million. Overall in Fiscal Year 2019/20, the City's outstanding debt was reduced by \$1.8 million.

City of Lathrop Outstanding Debt
For Fiscal Years Ended June 30
(in Thousands)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2021	2020	2021	2020	2021
Revenue Bonds - Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017 Bank Loan	-	-	9,550	8,874	9,550	8,874
State Revolving Fund Loan	-	-	6,456	6,010	6,456	6,010
Compass Bank Loan	-	-	3,745	3,384	3,745	3,384
Capital Lease - City Hall	3,350	3,050	-	-	3,350	3,050
Total	\$ 3,350	\$ 3,050	\$ 19,751	\$ 18,268	\$ 23,101	\$ 21,318

The City continues to maintain its credit ratings on all of its rated debt. Note 6 to the financial statements presents more detail about the debt position of the City on Pages 58 - 60.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council considered many factors when setting the Fiscal Year 2020/21 budget. The City primarily relies on property tax and sales tax revenues to provide services and amenities to the community. Lathrop's population has experienced significant growth. Just last year, the City experienced a 6.3 percent increase in its population making it one of the fastest growing cities in California. While higher population is an exciting sign of growth, the City also recognizes some of the challenges such growth brings in the planning and management of serving our new residents. With City Council's guidance, the City has built strong financial reserves to draw from in unknown times, we have been able to maintain our sound financial position.

In March of 2021, the City Council approved moving forward to establish a new City of Lathrop Police Department. This important decision has not been made quickly; in fact, years of financial analysis have indicated the City can save money and provide more staff in police services tailored to meet the needs of the community. The City Council's decision reflects a commitment to take action when it is in the long-term interest of our citizens.

Over the past decade, the City Council and City staff have focused on ensuring a sustainable economic future for the City of Lathrop supporting steady growth projections for the future. The City has a goal to provide an environment for strong industrial, commercial and residential growth that has resulted in a solid financial foundation. The California State Auditor Office, in its most recent report, has ranked Lathrop in the top 3% of fiscally sound cities, out of 471 cities throughout California. This has been possible because of stability in City Hall staffing, with a skilled and committed City staff team. These factors have positioned the City to be able to stand up a new Police Department to provide services that continue to meet the needs of residents, businesses, schools, community groups and visitors in Lathrop in a cost-effective manner.

Building permit issuance by the City for new residential and commercial development is the key driver used to estimate various revenue streams. These revenues are deposited into various funds. Examples of these revenues include: sales and use taxes on construction materials and equipment; capital facility fees charged to mitigate the impact of new development-driving a need for more parks and street capital investments; system development charges (investment/tap fees) assessed to finance future capital investment for water, sewer, and storm drainage systems.

As mentioned above, the level of single-family dwelling unit building permits issued, measured at 879 in Fiscal Year 2020/21, this level exceeds the 334 issued years earlier in Fiscal Year 2006/07 during the height of the previous housing boom.

These major economic indicators were all considered when adopting the General Fund budget for Fiscal Year 2020/21.

CONTACTING THE CITY FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability and transparency for the money it receives. If you have questions about this report or need additional financial information, contact the City of Lathrop - Finance Department, 390 Towne Centre Drive, Lathrop, California 95330, (209) 941-7320.

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STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The purpose of the Statement of Net Position and the Statement of Activities is to summarize the entire City's financial activities and financial position.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows and the City's total liabilities and deferred inflows, including all the City's capital assets and all its long-term debt. The Statement of Net Position focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows from total assets and deferred outflows and summarizes the financial position of all the City's Governmental Activities in a single column, and the financial position of all the City's Business-Type Activities in a single column; these columns are followed by a Total column that presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue and Capital Projects Funds. Since the City's Internal Service Fund services these Funds, their activities are consolidated with Governmental Activities, after eliminating interfund transactions and balances. The City's Business-Type Activities include all its Enterprise Fund activities. The Statement of Activities reports increases and decreases in the City's Net Position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the modified accrual basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the Lathrop Public Facilities Financing Corporation (Corporation). The Corporation is legally separate but is a component unit of the City because it is controlled by the City, which is financially accountable for the activities of these entities.

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CITY OF LATHROP

STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$ 152,148,446	\$ 55,882,198	\$ 208,030,644
Receivables:			
Accounts (net of allowance for uncollectibles)	7,789,523	3,554,804	11,344,327
Notes and loans	20,350	-	20,350
Accrued interest	43,372	15,863	59,235
Internal balances	2,938,423	(2,938,423)	-
Prepaid costs	343,888	-	343,888
Restricted assets:			
Cash with fiscal agent	-	1,650,458	1,650,458
Capital assets not being depreciated	29,503,693	9,754,370	39,258,063
Capital assets, net of depreciation	192,440,710	175,231,715	367,672,425
Total Assets	385,228,405	243,150,985	628,379,390
Deferred Outflows of Resources:			
Deferred pension related items	1,817,627	209,659	2,027,286
Deferred OPEB related items	492,678	77,945	570,623
Total Deferred Outflows of Resources	2,310,305	287,604	2,597,909
Liabilities:			
Accounts payable	6,330,330	1,783,599	8,113,929
Accrued liabilities	468,087	-	468,087
Accrued interest	-	101,245	101,245
Unearned revenue	5,623,252	-	5,623,252
Deposits payable	6,507,634	913,504	7,421,138
Due to other governments	-	298,787	298,787
Noncurrent liabilities:			
Due within one year			
Compensated absences	277,899	10,305	288,204
Capital leases & loans payable	305,000	1,531,418	1,836,418
Due in more than one year			
Compensated absences	1,574,760	58,394	1,633,154
Capital leases & loans payable	2,745,000	16,736,835	19,481,835
Net pension liability	5,770,332	646,207	6,416,539
Net OPEB liability	983,722	155,631	1,139,353
Total Liabilities	30,586,016	22,235,925	52,821,941
Deferred Inflows of Resources:			
Deferred pension related items	301,256	33,736	334,992
Deferred OPEB related items	329,026	52,054	381,080
Total Deferred Inflows of Resources	630,282	85,790	716,072
Net Position:			
Net investment in capital assets	218,894,403	166,717,832	385,612,235
Restricted for:			
Community development	1,510,898	-	1,510,898
Public safety	1,949,578	-	1,949,578
Culture and leisure	939,711	-	939,711
Public works	99,564,736	-	99,564,736
Debt service	-	1,650,648	1,650,648
Unrestricted	33,463,086	52,748,394	86,211,480
Total Net Position	\$ 356,322,412	\$ 221,116,874	\$ 577,439,286

CITY OF LATHROP

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 6,544,720	\$ 6,961,502	\$ 331,311	\$ 572,616
Public safety	11,729,668	243,035	204,697	-
Community development	8,227,717	3,880,053	180,431	-
Culture and leisure	1,466,177	124,652	-	-
Public works	19,892,748	3,581,829	1,993,545	16,167,683
Interest on long-term debt	241,454	-	-	-
Total Governmental Activities	48,102,484	14,791,071	2,709,984	16,740,299
Business-Type Activities:				
Water	6,767,503	10,239,976	-	6,045,615
Sewer	7,926,063	8,776,287	-	817,222
Total Business-Type Activities	14,693,566	19,016,263	-	6,862,837
Total Primary Government	\$ 62,796,050	\$ 33,807,334	\$ 2,709,984	\$ 23,603,136

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Other taxes & assessments

Use of money and property

Other

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position at Beginning of Year

Restatement of Net Position

Net Position at End of Year

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ 1,320,709	\$ -	\$ 1,320,709
(11,281,936)	-	(11,281,936)
(4,167,233)	-	(4,167,233)
(1,341,525)	-	(1,341,525)
1,850,309	-	1,850,309
(241,454)	-	(241,454)
(13,861,130)	-	(13,861,130)
-	9,518,088	9,518,088
-	1,667,446	1,667,446
-	11,185,534	11,185,534
(13,861,130)	11,185,534	(2,675,596)
8,613,482	-	8,613,482
738,708	-	738,708
18,190,475	-	18,190,475
1,530,878	-	1,530,878
30,620,998	5,692,221	36,313,219
701,941	341,762	1,043,703
945,547	22,641	968,188
1,777,930	(1,777,930)	-
63,119,959	4,278,694	67,398,653
49,258,829	15,464,228	64,723,057
309,229,780	205,505,829	514,735,609
(2,166,197)	146,817	(2,019,380)
\$ 356,322,412	\$ 221,116,874	\$ 577,439,286

FUND FINANCIAL STATEMENTS

MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds by the City in fiscal year 2021. Individual non-major funds may be found in the Supplemental section.

GENERAL FUND

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

DEVELOPER PROJECTS SPECIAL REVENUE FUND

This fund accounts for revenues received and expenditures spent associated with various developer projects.

CAPITAL FACILITY FEE SPECIAL REVENUE FUND

To account for the financial resources associated with the capital facility fees for Traffic Mitigation (includes Regional Traffic), Storm Drain, Culture and Leisure, City Service, and Administration.

BUILDING SAFETY & INSPECTION SPECIAL REVENUE FUND

This fund accounts for building safety and inspection permit fee revenue and activity.

DEVELOPMENT ENGINEERING SPECIAL REVENUE FUND

This fund accounts for the development engineering fee revenue and activity.

DEVELOPER DEPOSITS SPECIAL REVENUE FUND

This fund accounts for the activity relating to developer deposits for development projects ongoing within the City.

STREETS AND ROADS CAPITAL PROJECTS FUND

To account for capital project expenditures related to streets and roads occurring over more than one fiscal year.

MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

ENTERPRISE FUNDS:

Water Fund

This fund accounts for the revenues and expenses of the City's water operations.

Sewer Fund

This fund accounts for the revenues and expenses of the City's sewer operations.

NONMAJOR INTERNAL SERVICE FUND

INTERNAL SERVICE FUND:

Compensated Absences Fund

This fund accounts for compensated absences activities, which are provided to other departments on a cost- reimbursement basis.

CITY OF LATHROP

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	General	Developer Projects	Capital Facility Fees	Building Safety & Inspection
Assets:				
Pooled cash and investments	\$ 34,961,602	\$ 3,672,283	\$ 41,476,606	\$ 8,660,929
Receivables:				
Accounts (net of allowance for uncollectibles)	4,803,639	30,207	4,027	-
Notes and loans	-	-	-	-
Accrued interest	12,486	1,710	12,269	2,310
Prepaid costs	343,888	-	-	-
Due from other funds	903,148	-	-	-
Advances to other funds	2,938,423	-	-	-
Total Assets	\$ 43,963,186	\$ 3,704,200	\$ 41,492,902	\$ 8,663,239
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,480,369	\$ -	\$ -	\$ 392,565
Accrued liabilities	468,087	-	-	-
Unearned revenues	710,235	-	-	3,808,940
Deposits payable	677,447	2,672,097	-	214,485
Due to other funds	-	-	-	-
Total Liabilities	4,336,138	2,672,097	-	4,415,990
Fund Balances (Deficits):				
Nonspendable	3,282,311	-	-	-
Restricted	-	1,032,103	41,492,902	4,247,249
Committed	29,664,824	-	-	-
Unassigned	6,679,913	-	-	-
Total Fund Balances (Deficits)	39,627,048	1,032,103	41,492,902	4,247,249
Total Liabilities and Fund Balances (Deficits)	\$ 43,963,186	\$ 3,704,200	\$ 41,492,902	\$ 8,663,239

CITY OF LATHROP

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds		Capital Project Fund	
	Development Engineering	Developer Deposits	Streets and Roads	Other Governmental Funds
Assets:				
Pooled cash and investments	\$ 5,779,381	\$ 1,304,506	\$ 11,310,704	\$ 43,446,420
Receivables:				
Accounts (net of allowance for uncollectibles)	-	1,027,445	44	1,924,161
Notes and loans	-	-	-	20,350
Accrued interest	1,726	511	2,723	9,637
Prepaid costs	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total Assets	\$ 5,781,107	\$ 2,332,462	\$ 11,313,471	\$ 45,400,568
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 85,698	\$ 181,382	\$ 667,964	\$ 2,522,352
Accrued liabilities	-	-	-	-
Unearned revenues	1,104,077	-	-	-
Deposits payable	-	2,754,750	-	188,855
Due to other funds	-	-	-	903,148
Total Liabilities	1,189,775	2,936,132	667,964	3,614,355
Fund Balances (Deficits):				
Nonspendable	-	-	-	-
Restricted	4,591,332	-	10,645,507	41,955,830
Committed	-	-	-	-
Unassigned	-	(603,670)	-	(169,617)
Total Fund Balances (Deficits)	4,591,332	(603,670)	10,645,507	41,786,213
Total Liabilities and Fund Balances (Deficits)	\$ 5,781,107	\$ 2,332,462	\$ 11,313,471	\$ 45,400,568

CITY OF LATHROP

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	Total Governmental Funds
Assets:	
Pooled cash and investments	\$ 150,612,431
Receivables:	
Accounts (net of allowance for uncollectibles)	7,789,523
Notes and loans	20,350
Accrued interest	43,372
Prepaid costs	343,888
Due from other funds	903,148
Advances to other funds	2,938,423
	<hr/>
Total Assets	\$ 162,651,135
	<hr/>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 6,330,330
Accrued liabilities	468,087
Unearned revenues	5,623,252
Deposits payable	6,507,634
Due to other funds	903,148
	<hr/>
Total Liabilities	19,832,451
	<hr/>
Fund Balances (Deficits):	
Nonspendable	3,282,311
Restricted	103,964,923
Committed	29,664,824
Unassigned	5,906,626
	<hr/>
Total Fund Balances (Deficits)	142,818,684
	<hr/>
Total Liabilities and Fund Balances (Deficits)	\$ 162,651,135
	<hr/>

CITY OF LATHROP

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund balances of governmental funds		\$ 142,818,684
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.		221,944,403
Capital leases and compensated absences that are not due and payable in the current period, and therefore, are not reported in the funds:		
Capital leases payable	\$ (3,050,000)	
Compensated absences	<u>(316,644)</u>	(3,366,644)
Deferred outflows related to the net pension liability:		
Differences between expected & actual experience	297,362	
Adjustment due to differences in proportions	399,099	
Net difference between projected and actual earnings on pension plan investments	171,417	
Contributions made subsequent to measurement date	<u>949,749</u>	1,817,627
Deferred inflows related to the net pension liability:		
Difference in actual to proportionate share contribution	(260,100)	
Changes of assumptions	<u>(41,156)</u>	(301,256)
Net pension liability		(5,770,332)
Deferred outflows related to the net OPEB liability:		
Changes of assumptions	19,242	
Net difference between projected and actual earnings on OPEB plan investments	97,572	
Contributions made subsequent to measurement date	<u>375,864</u>	492,678
Deferred inflows related to the net OPEB liability:		
Differences between expected & actual experience	(287,216)	
Changes of assumptions	<u>(41,810)</u>	(329,026)
Net OPEB liability		<u>(983,722)</u>
Net Position of Governmental Activities		<u>\$ 356,322,412</u>

CITY OF LATHROP

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	General	Developer Projects	Capital Facility Fees	Building Safety & Inspection
Revenues:				
Taxes and assessments	\$ 26,126,244	\$ -	\$ 20,093,761	\$ -
Licenses and permits	296,475	-	-	954,803
Intergovernmental	2,827,889	-	-	-
Charges for services	351,155	-	-	3,979,978
Use of money and property	57,203	34,656	268,998	42,751
Fines and forfeitures	204,959	-	-	-
Developer participation	-	2,712,202	-	-
Miscellaneous	495,831	-	-	8,188
Total Revenues	30,359,756	2,746,858	20,362,759	4,985,720
Expenditures:				
Current:				
General government	6,241,381	-	-	-
Public safety	8,240,579	-	-	-
Community development	1,151,959	-	-	-
Culture and leisure	1,285,822	-	-	-
Public works	2,053,414	-	243,763	2,066,007
Capital outlay	68,849	-	-	-
Debt service:				
Principal retirement	300,000	-	-	-
Interest and fiscal charges	81,600	-	-	-
Total Expenditures	19,423,604	-	243,763	2,066,007
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,936,152	2,746,858	20,118,996	2,919,713
Other Financing Sources (Uses):				
Transfers in	4,743,526	-	-	-
Transfers out	(15,311,350)	(2,100,141)	(9,925,031)	(364,287)
Total Other Financing Sources (Uses)	(10,567,824)	(2,100,141)	(9,925,031)	(364,287)
Net Change in Fund Balances	368,328	646,717	10,193,965	2,555,426
Fund Balances, Beginning of Year, as previously reported	40,055,897	385,386	31,298,937	1,691,823
Restatements	(797,177)	-	-	-
Fund Balances (Deficit), Beginning of Year, as restated	39,258,720	385,386	31,298,937	1,691,823
Fund Balances (Deficit), End of Year	\$ 39,627,048	\$ 1,032,103	\$ 41,492,902	\$ 4,247,249

CITY OF LATHROP

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds		Capital Project Funds	Other Governmental Funds
	Development Engineering	Developer Deposits	Streets and Roads	
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 13,474,536
Licenses and permits	-	-	-	280
Intergovernmental	-	-	-	4,217,147
Charges for services	3,817,841	-	-	-
Use of money and property	41,894	12,644	52,408	191,387
Fines and forfeitures	-	-	-	1,423,144
Developer participation	-	4,883,345	-	-
Miscellaneous	24,748	-	-	416,780
Total Revenues	3,884,483	4,895,989	52,408	19,723,274
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	3,267,273
Community development	-	-	-	68,556
Culture and leisure	-	-	-	37,220
Public works	2,208,426	2,957,572	-	10,098,591
Capital outlay	-	-	8,650,612	2,580,560
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	159,854	-	-
Total Expenditures	2,208,426	3,117,426	8,650,612	16,052,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,676,057	1,778,563	(8,598,204)	3,671,074
Other Financing Sources (Uses):				
Transfers in	-	-	11,736,398	18,652,039
Transfers out	-	-	-	(5,653,224)
Total Other Financing Sources (Uses)	-	-	11,736,398	12,998,815
Net Change in Fund Balances	1,676,057	1,778,563	3,138,194	16,669,889
Fund Balances, Beginning of Year, as previously reported	2,915,275	-	7,507,313	24,103,111
Restatements	-	(2,382,233)	-	1,013,213
Fund Balances (Deficit), Beginning of Year, as restated	2,915,275	(2,382,233)	7,507,313	25,116,324
Fund Balances (Deficit), End of Year	\$ 4,591,332	\$ (603,670)	\$ 10,645,507	\$ 41,786,213

CITY OF LATHROP

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Total Governmental Funds
Revenues:	
Taxes and assessments	\$ 59,694,541
Licenses and permits	1,251,558
Intergovernmental	7,045,036
Charges for services	8,148,974
Use of money and property	701,941
Fines and forfeitures	1,628,103
Developer participation	7,595,547
Miscellaneous	945,547
	<hr/>
Total Revenues	87,011,247
	<hr/>
Expenditures:	
Current:	
General government	6,241,381
Public safety	11,507,852
Community development	1,220,515
Culture and leisure	1,323,042
Public works	19,627,773
Capital outlay	11,300,021
Debt service:	
Principal retirement	300,000
Interest and fiscal charges	241,454
	<hr/>
Total Expenditures	51,762,038
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	35,249,209
	<hr/>
Other Financing Sources (Uses):	
Transfers in	35,131,963
Transfers out	(33,354,033)
	<hr/>
Total Other Financing Sources (Uses)	1,777,930
	<hr/>
Net Change in Fund Balances	37,027,139
Fund Balances, Beginning of Year, as previously reported	107,957,742
Restatements	(2,166,197)
	<hr/>
Fund Balances (Deficit), Beginning of Year, as restated	105,791,545
	<hr/>
Fund Balances (Deficit), End of Year	\$ 142,818,684
	<hr/> <hr/>

CITY OF LATHROP

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Net change in fund balances - total governmental funds \$ 37,027,139

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital outlay	\$ 11,576,486	
Miscellaneous capital asset adjustments	50,731	
Developer contributions	8,572,137	
Depreciation	(7,512,093)	
Gain/(loss) on disposal of capital assets	<u>(304,207)</u>	12,383,054

Repayment of capital leases is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments of capital leases		300,000
--	--	---------

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(70,945)

Pension obligation expenses are expenditures in governmental funds, but reduce the net pension liability in the statement of net position.

(391,099)

OPEB obligation expenses are expenditures in governmental funds, but reduce the net OPEB liability in the statement of net position.

10,680

Change in Net Position of Governmental Activities

\$ 49,258,829

CITY OF LATHROP

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
Assets:				
Current:				
Cash and investments	\$ 32,750,204	\$ 23,131,994	\$ 55,882,198	\$ 1,536,015
Receivables:				
Accounts	2,289,069	1,265,735	3,554,804	-
Accrued interest	9,201	6,662	15,863	-
Restricted:				
Cash with fiscal agent	1,650,458	-	1,650,458	-
Total Current Assets	36,698,932	24,404,391	61,103,323	1,536,015
Noncurrent:				
Advances to other funds	-	170,000	170,000	-
Capital assets, not being depreciated	4,107,738	5,646,632	9,754,370	-
Capital assets, net of depreciation	59,785,523	115,446,192	175,231,715	-
Total Noncurrent Assets	63,893,261	121,262,824	185,156,085	-
Total Assets	100,592,193	145,667,215	246,259,408	1,536,015
Deferred Outflows of Resources:				
Deferred pension related items	125,575	84,084	209,659	-
Deferred OPEB related items	47,626	30,319	77,945	-
Total Deferred Outflows of Resources	173,201	114,403	287,604	-
Liabilities:				
Current:				
Accounts payable	714,696	1,068,903	1,783,599	-
Accrued interest	101,245	-	101,245	-
Deposits payable	882,216	31,288	913,504	-
Due to other governments	298,787	-	298,787	-
Accrued compensated absences	6,749	3,556	10,305	230,402
Capital leases	1,531,418	-	1,531,418	-
Total Current Liabilities	3,535,111	1,103,747	4,638,858	230,402
Noncurrent:				
Advances from other funds	-	3,108,423	3,108,423	-
Accrued compensated absences	38,245	20,149	58,394	1,305,613
Net pension liability	386,548	259,659	646,207	-
Net OPEB liability	95,095	60,536	155,631	-
Capital leases	16,736,835	-	16,736,835	-
Total Noncurrent Liabilities	17,256,723	3,448,767	20,705,490	1,305,613
Total Liabilities	20,791,834	4,552,514	25,344,348	1,536,015
Deferred Inflows of Resources:				
Deferred pension related items	20,181	13,555	33,736	-
Deferred OPEB related items	31,807	20,247	52,054	-
Total Deferred Inflows of Resources	51,988	33,802	85,790	-
Net Position:				
Net investment in capital assets	45,625,008	121,092,824	166,717,832	-
Restricted for debt service	1,650,648	-	1,650,648	-
Unrestricted	32,645,916	20,102,478	52,748,394	-
Total Net Position	\$ 79,921,572	\$ 141,195,302	\$ 221,116,874	\$ -

CITY OF LATHROP

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
Operating Revenues:				
Sales and service charges	\$ 10,239,976	\$ 8,776,287	\$ 19,016,263	\$ -
Other income	1,206	21,435	22,641	-
Total Operating Revenues	10,241,182	8,797,722	19,038,904	-
Operating Expenses:				
General and administrative	1,002,577	625,301	1,627,878	-
Maintenance and operations	3,431,687	4,252,525	7,684,212	-
Depreciation expense	1,782,565	3,048,237	4,830,802	-
Total Operating Expenses	6,216,829	7,926,063	14,142,892	-
Operating Income (Loss)	4,024,353	871,659	4,896,012	-
Nonoperating Revenues (Expenses):				
Taxes and assessments	2,485,259	3,206,962	5,692,221	-
Investment earnings	198,475	143,287	341,762	-
Interest expense	(550,674)	-	(550,674)	-
Contributions	6,045,615	817,222	6,862,837	-
Total Nonoperating Revenues (Expenses)	8,178,675	4,167,471	12,346,146	-
Income (Loss) Before Transfers	12,203,028	5,039,130	17,242,158	-
Transfers in	3,660,048	3,656,299	7,316,347	-
Transfers out	(5,351,807)	(3,742,470)	(9,094,277)	-
Changes in Net Position	10,511,269	4,952,959	15,464,228	-
Net Position:				
Beginning of Year, as previously reported	69,263,486	136,242,343	205,505,829	-
Restatements	146,817	-	146,817	-
Beginning of Fiscal Year, as restated	69,410,303	136,242,343	205,652,646	-
End of Fiscal Year	\$ 79,921,572	\$ 141,195,302	\$ 221,116,874	\$ -

CITY OF LATHROP

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental
	Water	Sewer	Totals	Activities Compensated Absences Internal Service Fund
Cash Flows from Operating Activities:				
Cash received from customers and users	\$ 12,603,980	\$ 8,719,685	\$ 21,323,665	\$ -
Cash paid to suppliers for goods and services	(4,131,869)	(4,055,321)	(8,187,190)	-
Cash paid to employees for services	(859,901)	(631,615)	(1,491,516)	-
Cash received from (payments to) others	1,206	21,435	22,641	156,738
Net Cash Provided (Used) by Operating Activities	7,613,416	4,054,184	11,667,600	156,738
Cash Flows from Non-Capital Financing Activities:				
Cash transfers in	3,660,048	3,656,299	7,316,347	-
Cash transfers out	(5,351,807)	(3,742,470)	(9,094,277)	-
Repayment made to other funds	-	(362,559)	(362,559)	-
Taxes and assessments	2,485,259	3,206,962	5,692,221	-
Advance to other funds	-	(170,000)	(170,000)	-
Net Cash Provided (Used) by Non-Capital Financing Activities	793,500	2,588,232	3,381,732	-
Cash Flows from Capital and Related Financing Activities:				
Capital contributions	6,045,615	817,222	6,862,837	-
Acquisition and construction of capital assets	(6,111,382)	(3,472,818)	(9,584,200)	-
Principal paid on capital debt	(1,483,360)	-	(1,483,360)	-
Interest paid on capital debt	(550,674)	-	(550,674)	-
Net Cash Provided (Used) by Capital and Related Financing Activities:	(2,099,801)	(2,655,596)	(4,755,397)	-
Cash Flows from Investing Activities:				
Interest received	219,925	172,558	392,483	-
Net Cash Provided (Used) by Investing Activities	219,925	172,558	392,483	-
Net Increase (Decrease) in Cash and Cash Equivalents	6,527,040	4,159,378	10,686,418	156,738
Cash and Cash Equivalents at Beginning of Year	27,873,622	18,972,616	46,846,238	1,379,277
Cash and Cash Equivalents at End of Year	\$ 34,400,662	\$ 23,131,994	\$ 57,532,656	\$ 1,536,015
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income (loss)	\$ 4,024,353	\$ 871,659	\$ 4,896,012	\$ -
Adjustments to Reconcile Operating Income (Loss) Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,782,565	3,048,237	4,830,802	-
Changes in Pension related items	61,963	(52,110)	9,853	-
Changes in OPEB related items	79,276	50,464	129,740	-
(Increase) decrease in accounts receivable	2,297,514	(45,452)	2,252,062	-
Increase (decrease) in accounts payable	(700,182)	197,204	(502,978)	-
Increase (decrease) in deposits payable	66,490	(11,150)	55,340	-
Increase (decrease) in compensated absences	1,437	(4,668)	(3,231)	156,738
Total Adjustments	3,589,063	3,182,525	6,771,588	156,738
Net Cash Provided (Used) by Operating Activities	\$ 7,613,416	\$ 4,054,184	\$ 11,667,600	\$ 156,738
Non-Cash Investing, Capital, and Financing Activities:				
Accrued interest adjustment	\$ (146,817)	\$ -	\$ (146,817)	\$ -

FIDUCIARY FUNDS

Custodial funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments, that are not held in a trust or equivalent arrangement. The financial activities of these funds are excluded from the Entity-wide financial statements but are presented in separate Fiduciary Fund financial statements.

CITY OF LATHROP

STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2021

	<u>Custodial Funds</u>
Assets:	
Pooled cash and investments	\$ 5,641,663
Receivables:	
Accrued interest	1,104
Restricted assets:	
Cash and investments with fiscal agents	<u>3,004,732</u>
Total Assets	<u>8,647,499</u>
Liabilities:	
Accounts payable	172,025
Deposits payable	30,747
Due to other governments	77,987
Long-term liabilities:	
Bonds due in one year	1,385,000
Bonds due in more than one year	<u>73,095,000</u>
Total Liabilities	<u>74,760,759</u>
Net Position (Deficit):	
Restricted for:	
Individuals, organizations and other governments	<u>(66,113,260)</u>
Total Net Position (Deficit)	<u>\$ (66,113,260)</u>

CITY OF LATHROP

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

	<u>Custodial Funds</u>
Additions:	
Collections for assessment districts	\$ 6,348,585
Investment earnings	17,096
	<hr/>
Total Additions	6,365,681
	<hr/>
Deductions:	
Administrative expenses	71,323
Contractual services	102,012
Interest expense	4,667,544
	<hr/>
Total Deductions	4,840,879
	<hr/>
Changes in Net Position	1,524,802
Net Position - Beginning of the Year	-
Restatements	<hr/> (67,638,062)
Net Position (Deficit) - Beginning of the Year, as restated	<hr/> (67,638,062)
Net Position (Deficit) - End of the Year	<u><u>\$ (66,113,260)</u></u>

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies

a. Reporting Entity

The City of Lathrop, California, (the City) was incorporated July 1, 1989, under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: general government, public safety, public ways and facilities/transportation, culture and leisure, and public utilities.

The financial statements of the primary government of the City of Lathrop include the activities of the City as well as the Lathrop Public Facilities Financing Corporation, which is controlled by and dependent on the City. While it is a separate legal entity, its financial activities are integral to those of the City. Its financial activities have been aggregated and merged (termed "blending") with those of the primary government of the City in the accompanying financial statements.

On April 11, 2000, the City Council formed the Lathrop Public Facilities Financing Corporation (Corporation), a non-profit public benefit corporation. The Corporation was formed to assist the City in financing the acquisition, construction, and improvement of municipal facilities. The Corporation is also empowered to acquire property. The Corporation is governed by a Board of Directors consisting of the City Council members.

b. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its component unit). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

c. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

Developers Projects Special Revenue Fund

This fund accounts for developer paid fees restricted to/committed expenditures associated with various developer projects.

Capital Facility Fees Special Revenue Fund

To account for the financial resources associated with the capital facility fees for Traffic Mitigation (includes Regional Traffic), Storm Drain, Culture and Leisure, City Service, and Administration.

Buildings Safety & Inspection Special Revenue Fund

This fund accounts for building safety and inspection permit fee revenue and activity.

Development Engineering Special Revenue Fund

This fund accounts for the development engineering fee revenue and activity.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Developer Deposits Special Revenue Fund

This fund accounts for the activity relating to developer deposits for development projects ongoing within the City.

Streets and Roads Capital Projects Fund

To account for capital project expenditures related to streets and roads occurring over more than one fiscal year.

The City reported both of its enterprise funds as major funds in the accompanying financial statements:

Water Fund

This fund accounts for the revenues and expenses of the City's water operations.

Sewer Fund

This fund accounts for the revenues and expenses of the City's sewer operations.

The City also reports the following fund types:

Internal Service Fund

The fund accounts for compensated absences activities, which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds

Custodial funds are used to account for assets held by the City as an agent for certain special assessment districts. The financial activities of these funds are excluded from the entity-wide financial statement, but are presented in separate Fiduciary Fund financial statements.

d. Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, sewer fund, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be 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.

Certain indirect costs are included in program expenses reported for individual functions and activities.

Those revenues susceptible to accrual are use of money and property revenue, charges for services and fines and penalties. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue.

e. Property Tax

The City's property taxes are levied each July 1, on the assessed values as of the prior January 1 for all real and personal property located in the City. Property sold after the assessment date (January 1) is reassessed and the amount of property tax levied is prorated.

The City has elected to receive property taxes from the County of San Joaquin (County) under the Teeter Plan. Under this program, the City receives 100% of the levied property taxes in periodic payments with the County assuming responsibility for delinquencies. Secured property taxes are due in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31. The City accrues only taxes which are received from the County within 60 days after fiscal year end.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

f. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

g. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

h. Accounts 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. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. 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.

i. Prepaid Expenses

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

j. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at the estimated acquisition value on the date contributed. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The City's policy is to capitalize all capital assets with costs exceeding certain minimum thresholds.

The City has recorded all its public domain (infrastructure) capital assets placed in service, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Generally accepted accounting principles require that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the cost of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Buildings	10 - 30 years
Improvements	5 - 50 years
Equipment and Vehicles	5 - 30 years
Infrastructure	5 - 40 years

The City capitalizes all capital assets with a useful life of more than one year. Prior to July 1, 2019, the City capitalized all capital assets with a cost greater than \$3,000. Subsequent to that date, the City capitalizes all land purchases and all other capital assets as follows:

Land Improvements	\$50,000	
Buildings	50,000	
Building Improvements	50,000	
Infrastructure	50,000	
Equipment, Furniture and Vehicles	10,000	
Intangible Assets	10,000	
Leasehold Improvements	50,000	
Construction in Progress for Year End Reporting	50,000	will exceed at completion

k. Compensated Absences

City employees accumulate earned but unused vacation which can be converted to cash at termination of employment. For governmental funds, a liability for these amounts is recorded only if they have matured, for example, as a result of employee resignations and retirements. The remaining amounts are reported as a liability in the Statement of Net Position. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

l. Long Term Liabilities

In the government-wide financial statements and the proprietary fund types in the 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.

In the fund financial statements 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.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 1: Summary of Significant Accounting Policies (Continued)

m. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

n. Other Post-Employment 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 have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

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

o. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

p. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

q. Net Position and Fund Balance

Net Position

Net position is the excess of all the City's assets all deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined only at the Government-wide level, and business type activities and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets and related deferred inflow of resources.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

Fund Balance

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 1: Summary of Significant Accounting Policies (Continued)

Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council's highest level of decision-making authority. The City Council can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. The Authority for assigning fund balance is expressed by the City Council or its designee (i.e., City Manager), as established in the City's Reserve Policy. This category includes nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Further detail about the City's fund balance classification is described in Note 8.

r. New, Closed and Renamed Funds

The following funds were established during the fiscal year:

The State Grants Special Revenue Fund is used to account for state grant expenditures and related activities.

s. New Accounting Pronouncement

In FY 2020/21, the City of Lathrop implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. This statement changes the definition of fiduciary activities, providing more refined guidance on how to determine if an activity is fiduciary in nature and therefore should be reported as such. The statement defines types of fiduciary funds, eliminating agency funds and replacing them with Custodial Funds. Under this guidance, all fiduciary funds will now report a net position and a statement of changes in net position. Implementation of this guidance resulted in reclassification of several programs in governmental activities to fiduciary activities and the creation of additional funds to account for these programs. The change in accounting principle resulted in a prior period adjustment in the amount of \$(67,638,062) being reported for the custodial funds in the Statement of Changes in Fiduciary Net Position, and of \$(1,369,020) in the Statement of Revenues, Expenditures and Changes in Fund Balances.

In FY 2020/21, the City of Lathrop adopted the provisions of GASB Statement No. 98, *the Annual Comprehensive Financial Report*. This statement establishes the annual comprehensive financial report and ACFR in generally accepted accounting principles (GAAP) for state and local governments and eliminates the prior name and acronym.

The following pronouncements have been postponed as a temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date are reflected in the following fiscal years:

GASB 87 – Leases – The requirements of this statement are effective for reporting periods beginning on or after June 15, 2021.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments

a. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the City's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City's name and places the City ahead of general creditors of the institution pledging the collateral.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Investment income is allocated among funds on the basis of average monthly cash and investment balances in these funds. Interest income on certain investments is allocated based on the source of the investment and legal requirements which apply.

Cash and investments with an original maturity of three months or less are used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

b. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments. Cash and investments as of June 30, 2021, are as follows:

City cash and investments in primary government:	
Cash and investments	\$ 208,030,644
Cash and investments, restricted, with fiscal agents	1,650,458
Total Cash	<u>209,681,102</u>
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments	5,641,663
Cash and investments, restricted, with fiscal agents	3,004,732
Total Fiduciary Funds cash and investments	<u>8,646,395</u>
Total cash and investments	<u>\$ 218,327,497</u>

Cash and Investments as of June 30, 2021, consist of the following:

Cash on hand	\$ 6,260
Cash with financial institutions	97,638,169
Investments	120,683,068
Total Cash and Investments	<u>\$ 218,327,497</u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments (Continued)

c. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive that addresses interest rate risk, credit risk and concentration of credit risk. 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.

The City's investment policy states that all investments and deposits shall be made in accordance to the California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except for the reserve funds from proceeds of debt issues may be invested in permitted investments specified in the indenture of the debt issue. The City has further restricted authorized investments to the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage/ Amount of Portfolio	Maximum Investment in One Issuer	Minimum Credit Ratings
Local Government Bonds	5 years	30%	None	A
State Bonds	5 years	30%	None	A
US Treasury Obligations	5 years	None	None	N/A
US Government Agency Issues	5 years	None	None	N/A
Banker's Acceptance	180 days	40%	30%	A
Commercial Paper, Prime Quality	270 days	25%	10%	A
Negotiable Certificates of Deposit	5 years	30%	None	N/A
Repurchase and Reverse Repurchase Agreements	30 days	None	None	A
Medium - Term Notes	5 years	30%	10%	A
Money Market Funds	N/A	20%	None	AAAm
Mutual Funds	5 years	20%	10%	AAAm
Local Agency Investment Fund ("LAIF")	N/A	None	None	N/A
Joint Power Authority Pool	N/A	None	None	N/A
Supranational Obligations	5 years	30%	None	AA

d. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

Authorized Investment Type	Maximum Maturity	Maximum Percentage/ Amount of Portfolio	Maximum Investment in One Issuer
US Treasury Obligations	None	None	None
US Agency Securities	None	None	None
Mortgage-backed Securities	3 years	None	None
Banker's Acceptance (must be dollar denominated)	360 days	None	None
Certificates of Deposit	None	None	None
Commercial Paper	180 days	None	None
Money Market Funds	N/A	None	None
Local Government Bonds	None	None	None
County Pool	N/A	None	None
Local Agency Investment Fund ("LAIF")	N/A	None	None

e. 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 manages its exposure to interest rate risk 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 (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	Measurement Input			Total
	12 Months or Less	13 to 24 Months	25 to 60 Months	
U.S. Treasury Obligations	\$ 587,975	\$ 8,491,520	\$ 6,804,832	\$ 9,079,495
U.S. Government Agencies Issues	3,867,083	5,187,200	6,438,952	9,054,283
Supranational Obligations	-	1,086,109	314,095	1,086,109
Local Agency Investment Fund	73,884,337	-	-	73,884,337
Asset Management Program	10,255,647	-	-	10,255,647
Money Market Mutual Funds	2,893,391	-	-	2,893,391
Investments in County Pool	382,806	-	-	382,806
Certificate of Deposit	489,121	-	-	489,121
Total Investments	\$ 92,360,360	\$ 14,764,829	\$ 13,557,879	120,683,068
Cash in Banks and On Hand				97,644,429
Total City Cash and Investments				\$ 218,327,497

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 2: Cash and Investments (Continued)

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2021, these investments have an average maturity of 191 days.

Money market mutual funds are available for withdrawal on demand and at June 30, 2021, have an average maturity of 105 days.

f. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2021:

<i>Investments by Fair Value Level:</i>	Level 1	Level 2	Total
U.S. Treasury Obligations	\$ 15,884,327	\$ -	\$ 15,884,327
U.S. Government Agencies Issues	-	15,493,235	15,493,235
Supranational Obligations	-	1,400,204	1,400,204
Total Investments by Fair Value Level	\$ 15,884,327	\$ 16,893,439	32,777,766
<i>Investments Measured at Amortized Cost:</i>			
Local Agency Investment Fund			73,884,337
Asset Management Program			10,255,647
Money Market Mutual Funds			2,893,391
Investments in County Pool			382,806
Certificates of Deposit			489,121
<i>Cash in Banks and On Hand</i>			97,644,429
Total City Cash and Investments			\$ 218,327,497

CITY OF LATHROP

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 2: Cash and Investments (Continued)

US Treasury Obligations classified in Level 1 of the fair value hierarchy are valued using a quoted price in an active market for an identical asset. For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker dealer quotes, issuer spreads and benchmark securities, among others. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

g. 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. The actual ratings as of June 30, 2021, as provided by Standard and Poor's, are as follows:

Investment Type	AAAm	AA+	AAA	Total
Supranational Obligations	\$ -	\$ -	\$ 1,400,204	\$ 1,400,204
Money Market Mutual Funds	2,893,391	-	-	2,893,391
Totals	<u>\$ 2,893,391</u>	<u>\$ -</u>	<u>\$ 1,400,204</u>	<u>4,293,595</u>
Not Rated:				
Local Agency Investment Fund				73,884,337
Asset Management Program				10,255,647
Investments in County Pool				382,806
Certificates of Deposit				489,121
Exempt from Credit Rating Disclosure:				
U.S. Government Agencies Issues				15,493,235
US Treasury Obligations				15,884,327
Total Investments				<u>\$ 120,683,068</u>

h. Concentration of Credit Risk

There were no Investments in any one issuer, other than U. S. Treasury securities, money market mutual funds, and California Local Agency Investment Funds that represent 5% or more of total City-wide investments at June 30, 2021.

Note 3: Interfund Transactions

a. Long-Term Advances

As of June 30, 2021, the General Fund had advanced \$2,938,423 to the Sewer Enterprise Fund, which was used to cover capital construction and other related costs. The advances will be repaid with future operating revenues, but not within the next fiscal year.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 3: Interfund Transactions (Continued)

b. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2021, were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
General	\$ 4,743,526	\$ 15,311,350
Developer Projects Special Revenue Fund	-	2,100,141
Capital Facilities Fee Special Revenue Fund	-	9,925,031
Building Safety & Inspection Special Revenue Fund	-	364,287
Streets and Roads Capital Projects Fund	11,736,398	-
Major Enterprise Funds:		
Water	3,660,048	5,351,807
Sewer	3,656,299	3,742,470
Non Major Governmental Funds	18,652,039	5,653,224
Total Interfund Transfers	<u>\$ 42,448,310</u>	<u>\$ 42,448,310</u>

The purposes of the above transfers were to fund operations, capital projects and debt service.

c. Internal Balances

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

d. Due To (From) Other Funds

The City provides short-term interfund loans to cover cash flows which are expected to be repaid within the next year. As of June 30, 2021, Due To (From) Other Funds were as follows:

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 903,148
	Total	<u>\$ 903,148</u>

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 4: Capital Assets

a. Capital Asset Additions and Retirements

Capital assets activity for the year ended June 30, 2021, is as follows:

Governmental Activities	Balance July 1, 2020	Adjustments	Additions	Retirements	Transfers	Balance June 30, 2021
Capital assets not being depreciated:						
Land	\$ 9,629,503	\$ -	\$ -	\$ -	\$ -	\$ 9,629,503
Construction in Progress	15,943,873	(1,250)	9,610,414	-	5,678,847	19,874,190
Total capital assets not being depreciated	25,573,376	(1,250)	9,610,414	-	5,678,847	29,503,693
Capital assets being depreciated:						
Buildings	11,716,095	-	-	-	-	11,716,095
Improvements	68,709,715	(241,181)	1,240,822	(368,329)	(5,678,847)	75,019,874
Equipment and Vehicles	3,851,852	51,638	85,745	(52,265)	-	3,936,970
Infrastructure	191,357,657	241,524	9,211,642	-	-	200,810,823
Total capital assets being depreciated	275,635,319	51,981	10,538,209	(420,594)	(5,678,847)	291,483,762
Less accumulated depreciation:						
Buildings	3,533,560	-	226,303	-	-	3,759,863
Improvements	21,805,224	-	2,947,719	(115,761)	-	24,637,182
Equipment and Vehicles	2,006,465	-	444,825	(626)	-	2,450,664
Infrastructure	64,302,097	-	3,893,246	-	-	68,195,343
Total accumulated depreciation	91,647,346	-	7,512,093	(116,387)	-	99,043,052
Net capital assets being depreciated	183,987,973	51,981	18,050,302	(536,981)	(5,678,847)	192,440,710
Governmental Activities Capital Assets, Net	\$ 209,561,349	\$ 50,731	\$ 27,660,716	\$ (536,981)	\$ -	\$ 221,944,403

Business-type Activities	Balance July 1, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
Capital assets not being depreciated:					
Land	\$ 3,565,179	\$ -	\$ -	\$ -	\$ 3,565,179
Construction in Progress	3,359,944	2,829,247	-	-	6,189,191
Total capital assets not being depreciated	6,925,123	2,829,247	-	-	9,754,370
Capital assets being depreciated:					
Buildings	3,072	-	-	-	3,072
Improvements	222,896,677	6,702,980	-	-	229,599,657
Equipment and Vehicles	1,522,366	51,973	-	-	1,574,339
Net capital assets being depreciated	224,422,115	6,754,953	-	-	231,177,068
Less accumulated depreciation:					
Buildings	3,013	15	-	-	3,028
Improvements	50,223,446	4,718,992	-	-	54,942,438
Equipment and Vehicles	888,092	111,795	-	-	999,887
Total accumulated depreciation	51,114,551	4,830,802	-	-	55,945,353
Net capital assets being depreciated	173,307,564	11,585,755	-	-	175,231,715
Business-type Activities Capital Assets, Net	\$ 180,232,687	\$ 14,415,002	\$ -	\$ -	\$ 184,986,085

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 4: Capital Assets (Continued)

b. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are required to be accounted for as revenues at the time the capital assets are contributed.

c. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities			
General government		\$	112,681
Community development			169,773
Public safety			130,710
Public works			7,047,095
Culture and leisure			51,834
Total Governmental Activities		\$	7,512,093
Business-Type Activities			
Water		\$	1,782,565
Sewer			3,048,237
Total Business-Type Activities		\$	4,830,802

Note 5: Compensated Absences

The following is a summary of changes in the City's compensated absences for the fiscal year ended June 30, 2021:

	Balance June 30, 2020	Net Change	Balance June 30, 2021	Due within one year
Governmental activities	\$ 1,624,976	\$ 227,683	\$ 1,852,659	\$ 277,899
Business-type activities	71,930	(3,231)	68,699	10,305
Total	\$ 1,249,919	\$ 224,452	\$ 1,921,358	\$ 288,204

CITY OF LATHROP

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 6: Capital Leases & Loans Payable

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

a. The City's Capital Leases & Loans Payable

The City's long-term debt activities for the year ended June 30, 2021, is as follows:

Governmental Activities Long-Term Debt	Balance June 30, 2020	Retirements	Balance June 30, 2021	Current Portion
Capital Lease Obligation				
2016 Lease Agreement				
2.55%, due 07/15/2029	\$ 3,350,000	\$ 300,000	\$ 3,050,000	\$ 305,000
Total Governmental Activities	\$ 3,350,000	\$ 300,000	\$ 3,050,000	\$ 305,000
Business-type Activities Long-Term Debt	Balance June 30, 2020	Retirements	Balance June 30, 2021	Current Portion
Capital Lease Obligation				
2017 Bank Loan				
2.89%, due 06/01/2032	\$ 9,550,312	\$ 676,344	\$ 8,873,968	\$ 696,032
State Revolving Fund Loan				
2.3086%, due 07/01/2032	6,456,406	445,961	6,010,445	461,583
Compass Bank Loan				
3.50%, due 06/01/2029	3,744,895	361,055	3,383,840	373,803
Total Business-type Activities	\$ 19,751,613	\$ 1,483,360	\$ 18,268,253	\$ 1,531,418

b. Debt Service Requirements

Future principal and interest payments on all Governmental and Business-type long-term debt were as follows at June 30, 2021:

	Governmental Activities				Business-Type Activities					
	Direct Borrowings		City Hall Lease		2017 Bank Loan		State Revolving Fund Loan		Compass Bank Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
For the Year										
Ending June 30										
2022	\$ 305,000	\$ 73,886	\$ 696,032	\$ 251,429	\$ 461,583	\$ 135,990	\$ 373,803	\$ 115,197		
2023	315,000	65,981	716,293	231,167	472,301	125,272	387,001	101,999		
2024	320,000	57,885	737,145	210,316	483,267	114,306	400,664	88,336		
2025	330,000	49,598	758,604	188,857	494,489	103,084	414,810	74,190		
2026	340,000	41,055	780,687	166,774	500,217	97,376	429,456	59,544		
2027 - 2031	1,440,000	74,588	4,257,848	479,457	2,717,383	270,468	1,378,106	85,498		
2032- 2033	-	-	927,359	20,101	881,205	20,302	-	-		
Total	\$ 3,050,000	\$ 362,993	\$ 8,873,968	\$ 1,548,101	\$ 6,010,445	\$ 866,798	\$ 3,383,840	\$ 524,764		

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 6: Capital Leases & Loans Payable (Continued)

c. Description of the City's Capital Leases & Loans Payable Issues

2016 Lease Agreement – On June 1, 2016, the City entered into a capital lease with the Lathrop Financing Authority (Authority) for the existing City Hall building, in the amount of \$4,190,000 with a 2.55% annual interest rate. On the same date, the Authority assigned its rights under the lease agreement to Capital One Public Funding, LLC. The proceeds of the capital lease, together with available funds from the City, were used to advance refund the outstanding 2004 Capital Lease Obligation amounted to \$6,640,000. A total of \$6,787,680 was deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded 2004 Capital Lease. As a result, the 2004 Capital Lease was considered defeased and the liability for the 2004 Capital Lease has been removed from the Statement of Net Position as of June 30, 2016. On July 15, 2016, the 2004 Capital Lease Obligation was prepaid fully. This advance refunding reduced the City's total debt service payments over 15 years by \$2,901,765 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$950,783. Due to the timing of debt service payments on July 15th of each year, the City prepays the principal and interest.

The 2016 City Hall Lease is secured by the City Hall building at 390 Towne Centre Drive, Lathrop, California. The outstanding lease amount contains a provision that in an event of default, Lathrop Financing Authority may terminate the lease, re-lease all or any portion of the leased property or hold the City liable for the payment of all base rental obligations and be reimbursed for any deficiency arising out of re-leasing the property.

2017 Bank Loan – On May 18, 2017, the City entered into a loan agreement with Opus Bank, in the amount of \$11,455,000 with a 2.89% annual interest rate. The purpose of the loan proceeds is to refinance the 2003 Revenue Bonds. A total of \$11,328,241 was deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded 2003 Bonds. As a result, the 2003 Bonds were considered defeased and the liability for the 2003 Bonds has been removed from the Statement of Net Position as of June 30, 2017. On June 1, 2017, the 2003 Bonds were repaid fully. This refunding reduced the City's total debt service payments over 15 years by \$6,829,468 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,857,309. The interest and principal payments are due June 1 and December 1, commenced December 1, 2017.

State Revolving Fund Loan – The City entered into an agreement with the California Department of Public Health in the amount of \$10,929,000. Funds are for the Water Supply Arsenic Reduction Project. Repayment of this loan started on January 1, 2013. Terms of the note include a twenty-year repayment period and a 2.3% interest rate. Principal and interest payments are to be paid semiannually. The City's net water system revenues have been pledged for the repayment of debt service on loan.

CITY OF LATHROP

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 6: Capital Leases & Loans Payable (Continued)

Compass Bank Loan – During fiscal 2011-12, the City entered into a loan agreement with Compass Bank in the amount of \$6,203,000. The proceeds from the loan were used to refund the 2000A Certificates of Participation (2000A COPs). Interest on the Compass Loan is payable semi-annually on December 1 and June 1 of each year through the year 2029. Repayment of this loan started on December 1, 2012.

The 2017 Bank Loan and Compass Bank Loan are secured by a pledge of and lien on the net revenues of the Water System. The outstanding loan amount contains a provision that in an event of default, the loan will bear interest at the default rate, a rate of interest equal to the interest rate plus 3 percent and 5 percent respectively or the outstanding loan amount may become immediately due and payable.

The State Revolving Fund Loan is secured by a promissory note. The outstanding loan amount contains a provision that in an event of default, the State can declare the City's obligation immediately due and payable.

For the fiscal year 2021, net revenues of the Water Enterprise Fund amounted to \$4,024,353 which represented coverage of 3.45 over the \$1,165,343 debt service on the 2017 Bank Loan and Compass Bank Loan.

Note 7: Special Assessment Debt Without City Commitment

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 debt issued by these Districts, but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2021 is as follows:

Mossdale Assessment District Refunding 2015	\$ 5,160,000 *
Lathrop Financing Authority Special Tax Revenue Bonds (Mossdale Village Reassessment District No. 2013-1) 2013	8,595,000
Lathrop Financing Authority Special Tax Revenue Bonds (Community Facilities No. 2003-1) 2013 Series A	5,245,000
Crossroad Assessment District Series 2015	9,250,000
Joint Wastewater Project CFD 2003-2	5,175,000
Lathrop Sanitary Sewer Assessment District No. 1	585,000
City Hall Refinancing	3,050,000
Community Facilities District No. 2018-1	45,715,000 **

*The Mossdale Assessment District Refunding 2015 bond issue refunded the Mossdale Village Assessment District No. 03-1 Series 2005 bond issue.

**The Community Facilities District No. 2018-1 and 2018-2 bond issues were issued to restructure and extinguish the Communities Facilities District No. 2006-1.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 8: Fund Balances

Detailed classifications of the City's fund balances, as of June 30, 2021, are below:

	General Fund	Developer Projects	Capital Facilities Fee	Building Safety & Inspection	Development Engineering	Developer Deposits	Streets and Roads	Other Governmental Funds	Total
Nonspendables:									
Items not in spendable form:									
Prepaid costs	\$ 343,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 343,888
Advances to other funds	2,938,423	-	-	-	-	-	-	-	2,938,423
Total Nonspendable	3,282,311	-	-	-	-	-	-	-	3,282,311
Restricted for:									
Recycling projects	-	-	-	-	-	-	-	937,125	937,125
Community improvements	-	-	-	-	-	-	-	4,232	4,232
Capital projects	-	1,032,103	41,492,902	-	-	-	-	37,120,758	79,645,763
Public safety	-	-	-	4,247,249	-	-	-	1,225,329	5,472,578
Traffic and transportation	-	-	-	-	-	-	-	84,948	84,948
Parks and recreation	-	-	-	-	-	-	-	355,523	355,523
Streets and roads contracts	-	-	-	-	4,591,332	-	10,645,507	1,600,901	16,837,740
Measure K	-	-	-	-	-	-	-	627,014	627,014
Total Restricted	-	1,032,103	41,492,902	4,247,249	4,591,332	-	10,645,507	41,955,830	103,964,923
Committed to:									
Contingency/emergency	7,045,537	-	-	-	-	-	-	-	7,045,537
Economic stability	1,850,000	-	-	-	-	-	-	-	1,850,000
Capital projects	9,910,040	-	-	-	-	-	-	-	9,910,040
Retirement stability	3,100,000	-	-	-	-	-	-	-	3,100,000
Water bonds	747,725	-	-	-	-	-	-	-	747,725
Capital equipment	3,824,224	-	-	-	-	-	-	-	3,824,224
Measure C essential city services	2,749,848	-	-	-	-	-	-	-	2,749,848
Economic development	437,450	-	-	-	-	-	-	-	437,450
Total Committed	29,664,824	-	-	-	-	-	-	-	29,664,824
Unassigned:									
Fund deficits	-	-	-	-	-	(603,670)	-	(169,617)	\$ (773,287)
Residual fund balance	6,679,913	-	-	-	-	-	-	-	6,679,913
Total Unassigned	6,679,913	-	-	-	-	(603,670)	-	(169,617)	5,906,626
Total Fund Balances	\$ 39,627,048	\$ 1,032,103	\$ 41,492,902	\$ 4,247,249	\$ 4,591,332	\$ (603,670)	\$ 10,645,507	\$ 41,786,213	\$ 142,818,684

a. Minimum Fund Balance Policies

The City Council has established a fund balance reserve policy with the adoption of resolution 10-3102 that deemed it desirable for the City to retain a contingency reserve level of 50% of the adjusted appropriation for any given year. The reserve balance shall not be reduced below 10% of the General Fund adjust appropriations. The contingency reserve is allocated to two categories, Economic Uncertainty Reserve and Exposure and Emergency Reserves.

The Economic Uncertainty Reserve consists of 75% of the Contingency Reserve Balance. It will be maintained to minimize the effects of major economic uncertainties, including local disasters, State budget deficits and other severe financial hardships or unforeseen changes in revenues and/or expenditures and will be available for budget stabilization. At June 30, 2021, the Economic Uncertainty Reserve amounted to \$5,284,153.

The Exposure and Emergency Reserves consist of 25% of the Contingency Reserve Balance. Exposure Reserves will be maintained to minimize the immediate financial impact of potential costs not covered by the City's insurance program, such as claim costs within the City's deductibles, major costs associate with disasters and other events which will not be reimbursable by insurance or Federal or State Government. Emergency Reserve will be maintained to minimize all unforeseen events not covered in the Economic Uncertainty Reserve and Exposure Reserves. At June 30, 2021, the Exposure and Emergency Reserves amounted to \$1,761,384.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 8: Fund Balances (Continued)

b. Encumbrances

The City utilized an encumbrance system during fiscal year 2021 to assist in controlling expenditures. Under this system, governmental funds are encumbered when purchase orders, contracts, or other commitments are signed or approved. The following are encumbrances at June 30, 2021, that will be carried over to fiscal year 2022:

General Fund	\$ 4,595,160
Building Safety & Inspection Special Revenue Fund	792,228
Development Engineering Special Revenue Fund	1,760,420
Developer Deposits Special Revenue Fund	46,140
Streets and Roads Capital Projects Fund	4,200,167
Non-Major Funds	2,532,696

c. Restatement of Fund Balance

During the fiscal year 2021 fieldwork, a prior year audit entry to record a fair value adjustment was determined to be recommended in error. The reversal of this entry required a restatement of \$(797,177) to correct the fair value adjustment within the General Fund. In addition, the Water Fund net position was restated by \$146,817 due to interest not being accrued in previous years.

Note 9: Pension Plan

a. General Information about the Pension Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Tier I, Tier II and PEPRa Employee Pension Rate Plan. The City’s Miscellaneous Rate Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees’ Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 9: Pension Plan (Continued)

The Plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	Miscellaneous		
	Tier 1	Tier 2	Tier 3
Hire date	Prior to July 1, 2010	July 1, 2010 to December 31, 2012	After December 31, 2012
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50	52
Monthly benefits, as a % of annual salary	1.426%-2.418%	1.092%-2.418%	1.0%-2.5%
Required employee contribution rates	7.00%	7.00%	6.75%
Required employer contribution rates	10.484%	8.794%	7.732%
Required Unfunded Actuarial Liability Contribution	\$ 383,138	\$ 15,778	\$ 9,133

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or the City can elect a lump sum payment option. The City's required contributions for the unfunded liability in the Plan totaled \$408,049, as noted in the table above, which were made under the monthly payment option.

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2021, the City's total contributions to the Plan were \$1,062,215.

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

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

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Pension Plan (Continued)

As of June 30, 2021, the city reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 6,416,539
Total Net Position Liability	<u>\$ 6,416,539</u>

The governmental activities net pension liability is liquidated primarily by the General Fund.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability 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 was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2019, and 2020 was as follows:

	Miscellaneous
Proportion - June 30, 2019	0.0559%
Proportion - June 30, 2020	0.0590%
Change - Increase (Decrease)	<u>0.0031%</u>

For the year ended June 30, 2021, the City recognized pension expense of \$1,463,169. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,062,215	\$ -
Differences between actual and expected experience	330,663	-
Changes in assumptions	-	(45,765)
Adjustments due to differences in proportions	443,795	-
Difference in proportionate share of contributions	-	(289,227)
Net difference projected and actual investment earnings	190,613	-
Total	<u>\$ 2,027,286</u>	<u>\$ (334,992)</u>

\$1,062,215 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Pension Plan (Continued)

Year Ended June 30	Annual Amortization
2022	\$ 132,627
2023	233,985
2024	172,042
2025	91,425

Actuarial Assumptions – For the measurement period ended June 30, 2020, the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability were based on the following actuarial methods and assumptions for all benefit tiers:

	All Plans
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% ⁽¹⁾
Mortality	Derived usin CalPERS Membership Data for all Funds ⁽²⁾
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.50% thereafter.

(1) Net of pension plan investment and administrative expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**
Note 9: Pension Plan (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the expected real rate of return by asset class.

Asset Class ^(a)	Current Target Allocation	Real Return Years 1 - 10 ^(b)	Real Return Years 11+ ^(c)
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	-	-0.92%
Total	100%		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

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 pension liability for the Plan, calculated using the discount rate for the 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:

	Miscellaneous
1% Decrease	6.15%
Net Pension Liability	\$ 10,526,474
Current Discount Rate	7.15%
Net Pension Liability	\$ 6,416,539
1% Increase	8.15%
Net Pension Liability	\$ 3,020,629

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 9: Pension Plan (Continued)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Subsequent Event - CalPERS Pension Contribution Rates – The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City’s contribution rates for the fiscal year ended June 30, 2021 are expected to increase over the fiscal year 2021 contribution rates.

Note 10: Other Post - Employment Benefits

a. General Information about the City’s Other Post - Employment Benefit (OPEB) Plan

Plan Description – The City’s Post – Employment Benefit Plan is an agent multiple-employer defined benefit OPEB plan.

By resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees. The City in the CalPERS health care plan, which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). The City also participates in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is an agent multiple-employer defined benefit other postemployment benefits plan administered by CalPERS, and is managed by an appointed board not under the control of the City Council. CERBT consists of participating employers of the State of California and public agencies. Individual employers may establish more than one plan.

The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers’ plans. There are three CalPERS Board approved investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by participating employers.

The CERBT Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

CITY OF LATHROP

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 10: Other Post - Employment Benefits (Continued)

Benefits Provided – The following is a summary of Plan benefits by employee group as of June 30, 2021:

Tier	Hire Date	Retirement Date	Eligibility	Benefit Prior to Retiree's (or Surviving Spouse's) Eligibility for Medicare	Benefit After Retiree's (or Surviving Spouse's) Eligibility for Medicare
1	Before 7/1/2014	On or before 12/31/2014	Age 50 within 5 years of PERS service	Benefit according to previous Unequal PEMHCA Resolution (i.e., no change for this group). 100% of premium for the retiree and any eligible covered dependents, up to \$1,536 per month in 2018, increasing by \$100 each calendar year until such time as it is equal to active employee per month in each City contribution.	
2	Before 7/1/2014	After 12/31/2014	Age 50 within 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 within 5 years of PERS service	100% of the premium for retiree plus one up to the monthly cap for active employees*	
2	After 7-1-2014	Any	Age 50 within 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 within 5 years of PERS service	100% of the premium for retiree and dependants, up to the following percentages of the monthly cap for active employees* 5 years of service: 25% 10 years of service: 50% 15 years of service: 100%	

*In 2020, the City contributes a maximum of \$1,755 per month toward medical coverage for active employees and their dependents. This amount will increase annually by 50% of premium increase for the median cost medical plan, not to exceed 5.5% per year.

For the year ended June 30, 2021, the City's contributions to the Plan were \$435,328, which were comprised of contributions to the trust of \$361,138 and implicit subsidy payments of \$74,690.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2021:

Active Employees	79
Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	6
Total	<u><u>107</u></u>

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

Note 10: Other Post - Employment Benefits (Continued)

b. Net OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability was measured as of June 30, 2020 the total OPEB liability was determined by an actuarial valuation dated June 30, 2019. These are the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.80%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.80%
Mortality Rate	MacLeod Watts Scale 2018 applied generationally from 2015
Healthcare Trend Rate	7.00% and grade down to 4% for years 2076 and thereafter

Demographic actuarial assumptions used in this valuation are based on the 2014 experience study of the California Public Employees Retirement System using data from 1997 to 2011, except for a different basis used to project future mortality improvements. Mortality rates used were the published CalPERS rates, adjusted to back out 20 years of Scale BB to central year 2008.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Global Equity	59%
Fixed Income	25%
Treasury Inflation Protection Securities	5%
Real Estate Investment Trusts	8%
Commodities	3%
Total	100%

Change of Assumptions – For the measurement date of June 30, 2020, there were no changes in assumptions.

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Other Post - Employment Benefits (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

c. Changes in Net OPEB Liability

The changes in the total OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset)) (c) = (a) - (b)
Balance at Measurement Date 6/30/2019	\$ 5,432,650	\$ 4,277,782	\$ 1,154,868
Changes Recognized for the Measurement Period:			
Service Cost	247,448	-	247,448
Interest on the total OPEB liability	372,499	-	372,499
Expected investment income	-	293,607	(293,607)
Contributions from the employer	-	486,383	(486,383)
Changes in benefit terms	-	-	-
Administrative expenses	-	(2,094)	2,094
Other Expenses (one time)	-	-	-
Benefit payments	(404,342)	(404,342)	-
Changes of assumptions	-	-	-
Plan experience	-	-	-
Investment experience	-	(142,434)	142,434
Net changes	215,605	231,120	(15,515)
Balance at Measurement Date 6/30/2020	\$ 5,648,255	\$ 4,508,902	\$ 1,139,353

d. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.80%) or 1- percentage-point higher (7.80%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (5.80%)	Discount Rate (6.80%)	Discount Rate +1% (7.80%)
\$ 1,717,126	\$ 1,139,353	\$ 643,724

CITY OF LATHROP

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Note 10: Other Post - Employment Benefits (Continued)

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:

Net OPEB Liability/(Asset)		
Healthcare Cost Trend Rates		
1% Decrease	Current Rate	1% Increase
\$ 573,906	\$ 1,139,353	\$ 1,809,810

e. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to 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 OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2021, the City recognized OPEB expense of \$554,388. At June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer Contributions made subsequent to the measurement date	\$ 435,328	\$ -
Differences between actual and expected experience	-	(332,655)
Changes in assumptions	22,286	(48,425)
Net differences projected and actual earnings on plan investments	113,009	-
Total	\$ 570,623	\$ (381,080)

\$435,328 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30,	Annual Amoritization
2022	\$ (53,718)
2023	(35,177)
2024	(29,628)
2025	(39,196)
2026	(45,812)
Thereafter	(42,254)
Total	\$ (245,785)

CITY OF LATHROP

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021**

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; injuries to employees; and natural disasters. The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 55 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense.

The City's deductibles and maximum coverage follows:

Coverage	Deductible	CSJVRMA	Excess Liability	ERMA
Workers Compensation	\$ 25,000	\$ 500,000	Statutory Limits	\$ -
General and automobile liability	25,000	1,000,000	\$ 54,000,000	-
Property damage	5,000 or 10,000	25,000	1,000,000,000	-
High value auto program	2,000	10,000 or 50,000	1,000,000,000	-
Boiler and machinery	Various	1,000,000,000	-	-
Employment Practices Liability	25,000	-	2,000,000	1,000,000

The City contributes its pro rata share of anticipated losses to a pool administered by CSJVRMA. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro rata share of the excess. The City paid CSJVRMA premiums and ERMA premiums totaling \$1,078,841 during the fiscal year ended June 30, 2021. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

The City is also a member of Employment Risk Management Authority (ERMA), which covers wrongful employment practices.

The City did not record a liability for outstanding claims at fiscal year-end, as the claims were minimal.

Note 12: Commitments and Contingencies

The City participates in several Federal and State grant programs. These programs are subject to audits by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances have been proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no other pending litigation, which is likely to have a material adverse effect on the financial position of the City.

Note 13: Subsequent Event

In November 2021, the City settled disputed Police overhead charges with the County of San Joaquin in the amount of \$1,246,673. The amount has been accrued in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LATHROP

**COST SHARING MULTIPLE EMPLOYER PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Miscellaneous Rate Plan				
Rate Plan's Proportion of the Net Pension Liability	0.05770%	0.04556%	0.04980%	0.05243%
Rate Plan's Proportionate Share of the Net Pension Liability	\$ 3,590,219	\$ 3,127,249	\$ 4,309,662	\$ 5,199,968
Rate Plan's Covered Payroll	\$ 4,501,607	\$ 4,364,310	\$ 5,148,017	\$ 5,568,372
Rate Plan's Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	79.75%	71.66%	83.71%	93.38%
The Pension Plan's (PERF-C) Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	78.40%	74.06%	73.31%

Notes to Schedule:

Benefit Changes: There were no changes to benefit terms. However, the figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2016. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2019, 2020 and 2021 there were no changes. 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amount reported were based on the 7.5 percent discount rate.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

2019	2020	2021
0.05269%	0.05586%	0.05897%
\$ 5,077,307	\$ 5,723,799	\$ 6,416,539
\$ 6,004,176	\$ 6,384,728	\$ 6,808,162
84.56%	89.65%	94.25%
75.26%	75.26%	75.10%

CITY OF LATHROP

**COST SHARING MULTIPLE-EMPLOYER PLAN
SCHEDULE OF PLAN CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2015	2016	2017	2018
Miscellaneous Rate Plan				
Actuarially Determined Contribution	\$ 523,329	\$ 369,225	\$ 434,033	\$ 465,746
Contribution in Relation to the Actuarially Determined Contribution	(523,329)	(369,225)	(434,033)	(465,746)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,364,310	\$ 5,148,017	\$ 5,568,372	\$ 6,004,176
Contributions as a Percentage of Covered Payroll	11.99%	7.17%	7.79%	7.76%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only seven years are shown.

Note to Schedule:

Valuation Date: June 30, 2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method
Amortization method/period

Entry age normal cost method
Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization Period	30 years	30 Years	20 Years	20 Years	5 Years
Escalation Rate					
- Active Plans	2.750%	2.750%	2.750%	2.750%	2.750%
- Inactive Plans	0%	0%	0%	0%	0%
Ramp Up	5	5	5	0	0
Ramp Down	5	5	5	0	0

Assets valuation method
Inflation
Salary Increases
Payroll Growth
Investment rate of return
Retirement age

Market Value
2.63%
Varies by Entry age and Service
2.88%
7.25%, net of pension plan investment expenses, including inflation.
The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015

Mortality

The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of scale MP-2016 published by the Society of Actuaries

2019	2020	2021
\$ 766,989	\$ 917,576	\$ 1,062,215
(766,989)	(917,576)	(1,062,215)
\$ -	\$ -	\$ -
\$ 6,384,728	\$ 6,808,162	\$ 7,021,189
12.01%	13.48%	15.13%

CITY OF LATHROP

**SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	2018	2019	2020	2021
Total OPEB Liability				
Service cost	\$ 228,075	\$ 231,377	\$ 238,897	\$ 247,448
Interest on the total OPEB liability	366,257	359,416	378,925	372,499
Differences between expected and actual experiences	(430,189)	-	(134,660)	-
Changes in assumptions	42,010	-	(62,441)	-
Benefit payments	(299,940)	(314,423)	(324,785)	(404,342)
Net change in total OPEB liability	(93,787)	276,370	95,936	215,605
Total OPEB liability - beginning	5,154,131	5,060,344	5,336,714	5,432,650
Total OPEB liability - ending (a)	5,060,344	5,336,714	5,432,650	5,648,255
Plan Fiduciary Net Position				
Contributions - employer	471,077	495,719	459,510	486,383
Net investment income	307,578	276,193	230,777	151,173
Benefit payments	(299,940)	(314,423)	(324,785)	(404,342)
Other expense	-	(4,582)	-	-
Administrative expense	(1,576)	(1,813)	(825)	(2,094)
Net change in plan fiduciary net position	477,139	451,094	364,677	231,120
Plan fiduciary net position - beginning	2,984,872	3,462,011	3,913,105	4,277,782
Plan fiduciary net position - ending (b)	3,462,011	3,913,105	4,277,782	4,508,902
Net OPEB Liability - ending (a) - (b)	\$ 1,598,333	\$ 1,423,609	\$ 1,154,868	\$ 1,139,353
Plan fiduciary net position as a percentage of the total OPEB liability	68.41%	73.32%	78.74%	79.83%
Covered-employee payroll	\$ 5,982,337	\$ 6,377,387	\$ 6,358,722	\$ 6,549,484
Net OPEB liability as a percentage of covered-employee payroll	26.72%	22.32%	18.16%	17.40%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

CITY OF LATHROP

**SCHEDULE OF OPEB CONTRIBUTIONS
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially Determined Contribution	\$ 389,509	\$ 359,460	\$ 369,969	\$ 361,138
Contribution in Relation to the Actuarially Determined Contributions	(495,719)	(459,510)	(396,085)	(435,828)
Contribution Deficiency (Excess)	<u>\$ (106,210)</u>	<u>\$ (100,050)</u>	<u>\$ (26,116)</u>	<u>\$ (74,690)</u>
Covered-employee payroll	\$ 6,377,387	\$ 6,358,722	\$ 6,549,484	\$ 7,838,544
Contributions as a percentage of covered-employee payroll	7.77%	7.23%	6.05%	5.56%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule:

*Actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2021 were from the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market value
Discount rate	6.70%
Inflation	2.50%
Salary increases	3.00% annually
Mortality Rate*	Derived using CalPERS' membership data for all
Pre-Retirement Turnover**	Derived using CalPERS' membership data for all
Healthcare Trend Rate	Medical plan premiums are assumed to increase at somewhat higher rates than assumed in the prior valuation, with the ultimate trend of 5.0% per year.

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 14,215,000	\$ 18,715,256	\$ 26,126,244	\$ 7,410,988
Licenses and permits	218,006	218,006	296,475	78,469
Intergovernmental	2,010,000	2,310,000	2,827,889	517,889
Charges for services	172,564	172,564	351,155	178,591
Use of money and property	175,000	175,000	57,203	(117,797)
Fines and forfeitures	85,000	85,000	204,959	119,959
Miscellaneous	91,600	98,200	495,831	397,631
Total Revenues	16,967,170	21,774,026	30,359,756	8,585,730
Expenditures				
Current:				
General Government				
City council	62,985	73,485	54,960	18,525
City manager	927,636	1,010,328	830,655	179,673
City clerk	290,366	329,587	319,135	10,452
City attorney	638,164	740,857	649,243	91,614
Personnel	365,064	370,064	353,801	16,263
Central services	500,210	602,929	587,614	15,315
Finance	1,507,675	1,731,771	1,457,470	274,301
Information systems	1,431,340	1,797,949	1,765,081	32,868
Animal control	336,487	376,487	223,422	153,065
Total General Government	6,059,927	7,033,457	6,241,381	792,076
Public Safety				
Administration	8,735,380	10,346,190	8,240,579	2,105,611
Total Public Safety	8,735,380	10,346,190	8,240,579	2,105,611
Community Development				
Planning	1,282,669	2,753,677	1,151,959	1,601,718
Total Community Development	1,282,669	2,753,677	1,151,959	1,601,718
Culture and Leisure				
Administration	371,542	401,078	348,807	52,271
Senior center	149,806	149,806	111,554	38,252
Recreation programs	76,370	76,370	49,811	26,559
Special events	127,186	127,186	87,843	39,343
Day camp kid's club	576,389	723,389	499,061	224,328
Youth and adult sports	324,054	324,054	188,746	135,308
Total Culture and Leisure	1,625,347	1,801,883	1,285,822	516,061

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Administration	706,042	776,171	629,908	146,263
City hall	282,795	452,711	279,727	172,984
Utility engineering	242,745	246,545	231,504	15,041
Code compliance	286,075	523,475	249,764	273,711
Building maintenance	273,799	390,159	281,567	108,592
Park and landscape maintenance	410,764	586,455	380,944	205,511
Total Public Works	<u>2,202,220</u>	<u>2,975,516</u>	<u>2,053,414</u>	<u>922,102</u>
Capital outlay	185,000	236,460	68,849	167,611
Debt service:				
Principal	300,000	300,000	300,000	-
Interest	81,600	81,600	81,600	-
Total Debt Service	<u>381,600</u>	<u>381,600</u>	<u>381,600</u>	<u>-</u>
Total Expenditures	<u>20,472,143</u>	<u>25,528,783</u>	<u>19,423,604</u>	<u>6,105,179</u>
Other Financing Sources (Uses):				
Transfers in	5,554,581	5,414,840	4,743,526	(671,314)
Transfers out	(2,329,662)	(15,980,567)	(15,311,350)	669,217
Total Other Financing Sources (Uses)	<u>3,224,919</u>	<u>(10,565,727)</u>	<u>(10,567,824)</u>	<u>(2,097)</u>
Net Change in Fund Balances	(280,054)	(14,320,484)	368,328	2,478,454
Fund Balances, Beginning of Year, as restated	<u>39,258,720</u>	<u>39,258,720</u>	<u>39,258,720</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 38,978,666</u>	<u>\$24,938,236</u>	<u>\$ 39,627,048</u>	<u>\$ 2,478,454</u>

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEVELOPER PROJECTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 34,656	\$ 34,656
Developer participation	150,000	2,223,078	2,712,202	489,124
Total Revenues	150,000	2,223,078	2,746,858	523,780
Other Financing Sources (Uses):				
Transfers out	(151,263)	(2,338,911)	(2,100,141)	238,770
Total Other Financing Sources (Uses)	(151,263)	(2,338,911)	(2,100,141)	238,770
Net Change in Fund Balances	(1,263)	(115,833)	646,717	762,550
Fund Balances, Beginning of Year	385,386	385,386	385,386	-
Fund Balances, End of Year	\$ 384,123	\$ 269,553	\$ 1,032,103	\$ 762,550

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CAPITAL FACILITY FEES
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 9,416,748	\$ 9,416,748	\$ 20,093,761	\$ 10,677,013
Use of money and property	-	-	268,998	268,998
Total Revenues	9,416,748	9,416,748	20,362,759	10,946,011
Expenditures				
Current:				
Public works	-	243,763	243,763	-
Total Expenditures	-	243,763	243,763	-
Other Financing Sources (Uses)				
Transfers out	(5,881,425)	(9,965,025)	(9,925,031)	39,994
Total Other Financing Sources (Uses)	(5,881,425)	(9,965,025)	(9,925,031)	39,994
Net Change in Fund Balances	3,535,323	(792,040)	10,193,965	10,986,005
Fund Balances, Beginning of Year	31,298,937	31,298,937	31,298,937	-
Fund Balances, End of Year	\$ 34,834,260	\$ 30,506,897	\$ 41,492,902	\$ 10,986,005

CITY OF LATHROP

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
BUILDING SAFETY & INSPECTION
YEAR ENDED JUNE 30, 2021**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Licenses and permits	\$ -	\$ -	\$ 954,803	\$ 954,803
Charges for services	2,119,655	2,119,655	3,979,978	1,860,323
Use of money and property	-	-	42,751	42,751
Miscellaneous	-	-	8,188	8,188
Total Revenues	2,119,655	2,119,655	4,985,720	2,866,065
Expenditures				
Current:				
Public works	1,702,473	3,400,128	2,066,007	1,334,121
Total Expenditures	1,702,473	3,400,128	2,066,007	1,334,121
Other Financing (Uses)				
Transfers out	(405,400)	(364,287)	(364,287)	-
Total Other Financing (Uses)	(405,400)	(364,287)	(364,287)	-
Net Change in Fund Balances	11,782	(1,644,760)	2,555,426	4,200,186
Fund Balances, Beginning of Year	1,691,823	1,691,823	1,691,823	-
Fund Balances, End of Year	\$ 1,703,605	\$ 47,063	\$ 4,247,249	\$ 4,200,186

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEVELOPMENT ENGINEERING
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 2,381,999	\$ 2,381,999	\$ 3,817,841	\$ 1,435,842
Use of money and property	-	-	41,894	41,894
Miscellaneous	-	-	24,748	24,748
Total Revenues	2,381,999	2,381,999	3,884,483	1,502,484
Expenditures				
Current:				
Public works	2,429,841	3,998,701	2,208,426	1,790,275
Total Expenditures	2,429,841	3,998,701	2,208,426	1,790,275
Net Change in Fund Balances	(47,842)	(1,616,702)	1,676,057	3,292,759
Fund Balances, Beginning of Year	2,915,275	2,915,275	2,915,275	-
Fund Balances, End of Year	\$ 2,867,433	\$ 1,298,573	\$ 4,591,332	\$ 3,292,759

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 DEVELOPER DEPOSITS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 31,500	\$ 31,500	\$ 12,644	\$ (18,856)
Developer participation	733,688	3,303,266	4,883,345	1,580,079
Total Revenues	765,188	3,334,766	4,895,989	1,561,223
Expenditures				
Current:				
Public works	605,334	3,236,222	2,957,572	278,650
Debt service:				
Interest and fiscal charges	159,854	159,854	159,854	-
Total Expenditures	765,188	3,396,076	3,117,426	278,650
Net Change in Fund Balances	-	(61,310)	1,778,563	1,839,873
Fund Balances (Deficits), Beginning of Year	(2,382,233)	(2,382,233)	(2,382,233)	-
Fund Balances (Deficits), End of Year	\$ (2,382,233)	\$ (2,443,543)	\$ (603,670)	\$ 1,839,873

CITY OF LATHROP

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

Budgets and Budgetary Accounting

The City establishes annual budgets for the General and certain Special Revenue Funds, which are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budgets for the General and certain Special Revenue Funds are the only legally adopted budgets. Budgets for the Capital Project Funds are used for management and control purposes only. All appropriations remaining at fiscal year-end lapse. Budgeted amounts are reflected after all applicable amendments and revisions.

The legal level of control (level at which expenditures may not legally exceed budget appropriations) is at the department level. If the expenditures exceed the appropriations, the City Manager is authorized to transfer budgeted amounts between the line items within any department or between divisions within a department.

During the fiscal year, the City made a number of supplemental budget amendments totaling \$18,910,421 in revenues and \$48,394,966 in expenditures.

Adopted Budgets

For the fiscal year ending June 30, 2021, the Historic Lathrop Loan Program (HLLP), the Central Lathrop Specific Plan (CLSP) Services CFD, the North Lathrop Transportation, the Lathrop Land Acquisitions, the DWR Grant – ULOP Project, The Stewart Economic Dev Fee 80% and the TOT Trust Special Revenue Funds did not adopt an annual budget.

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SUPPLEMENTAL INFORMATION

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GENERAL FUND

The general Fund 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. The General Fund is comprised of the following:

GENERAL PURPOSE FUND

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

ECONOMIC DEVELOPMENT FUND

To account for small business assistance grants approved by Council. The fund was reactivated in fiscal year 2020 due to the impacts of COVID-19.

MEASURE C ESSENTIAL CITY SERVICES FUND

To account for revenue and expenditures for the city's Measure C Essential City Services portion.

CITY OF LATHROP

GENERAL FUND
COMBINING BALANCE SHEET
JUNE 30, 2021

	General Purpose Fund	Economic Development	Measure C	Totals
Assets:				
Cash and investments	\$ 33,202,282	\$ 437,434	\$ 1,321,886	\$ 34,961,602
Receivables:				
Accounts	2,957,300	16	1,846,323	4,803,639
Accrued interest	10,408	-	2,078	12,486
Prepaid costs	343,888	-	-	343,888
Due from other funds	903,148	-	-	903,148
Advances to other funds	2,938,423	-	-	2,938,423
Total Assets	\$ 40,355,449	\$ 437,450	\$ 3,170,287	\$ 43,963,186
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 2,059,930	\$ -	\$ 420,439	\$ 2,480,369
Accrued liabilities	468,087	-	-	468,087
Unearned revenues	710,235	-	-	710,235
Deposits payable	677,447	-	-	677,447
Total Liabilities	3,915,699	-	420,439	4,336,138
Fund Balances:				
Nonspendable	3,282,311	-	-	3,282,311
Committed	26,477,526	437,450	2,749,848	29,664,824
Assigned	-	-	-	-
Unassigned	6,679,913	-	-	6,679,913
Total Fund Balances	36,439,750	437,450	2,749,848	39,627,048
Total Liabilities and Fund Balances	\$ 40,355,449	\$ 437,450	\$ 3,170,287	\$ 43,963,186

CITY OF LATHROP

GENERAL FUND
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 YEAR ENDED JUNE 30, 2021

	General Purpose Fund	Economic Development	Measure C	Totals
Revenues:				
Taxes and assessments	\$ 17,769,875	\$ -	\$ 8,356,369	\$ 26,126,244
Licenses and permits	296,475	-	-	296,475
Intergovernmental	2,827,889	-	-	2,827,889
Charges for services	351,155	-	-	351,155
Use of money and property	11,375	1,430	44,398	57,203
Fines and forfeitures	204,959	-	-	204,959
Miscellaneous	495,831	-	-	495,831
Total Revenues	21,957,559	1,430	8,400,767	30,359,756
Expenditures:				
Current:				
General government	6,241,381	-	-	6,241,381
Public safety	5,990,934	-	2,249,645	8,240,579
Community development	831,959	320,000	-	1,151,959
Culture and leisure	1,285,822	-	-	1,285,822
Public works	2,053,414	-	-	2,053,414
Capital outlay	63,277	-	5,572	68,849
Debt service:				
Principal retirement	300,000	-	-	300,000
Interest and fiscal charges	81,600	-	-	81,600
Total Expenditures	16,848,387	320,000	2,255,217	19,423,604
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,109,172	(318,570)	6,145,550	10,936,152
Other Financing Sources (Uses):				
Transfers in	4,678,526	65,000	-	4,743,526
Transfers out	(6,425,528)	318,571	(9,204,393)	(15,311,350)
Total Other Financing Sources (Uses)	(1,747,002)	383,571	(9,204,393)	(10,567,824)
Net Change in Fund Balances	3,362,170	65,001	(3,058,843)	368,328
Fund Balances, Beginning of Year	33,874,757	372,449	5,808,691	40,055,897
Restatements	(797,177)	-	-	(797,177)
Fund Balances, Beginning of Year, as Restated	33,077,580	372,449	5,808,691	39,258,720
Fund Balances, End of Year	\$ 36,439,750	\$ 437,450	\$ 2,749,848	\$ 39,627,048

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL PURPOSE FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 9,715,000	\$10,415,000	\$ 17,769,875	\$ 7,354,875
Licenses and permits	218,006	218,006	296,475	78,469
Intergovernmental	2,010,000	2,310,000	2,827,889	517,889
Charges for services	172,564	172,564	351,155	178,591
Use of money and property	175,000	175,000	11,375	(163,625)
Fines and forfeitures	85,000	85,000	204,959	119,959
Miscellaneous	91,600	98,200	495,831	397,631
Total Revenues	12,467,170	13,473,770	21,957,559	8,483,789
Expenditures				
Current:				
General Government				
City council	62,985	73,485	54,960	18,525
City manager	927,636	1,010,328	830,655	179,673
City clerk	290,366	329,587	319,135	10,452
City attorney	638,164	740,857	649,243	91,614
Personnel	365,064	370,064	353,801	16,263
Central services	500,210	602,929	587,614	15,315
Finance	1,507,675	1,731,771	1,457,470	274,301
Information systems	1,431,340	1,797,949	1,765,081	32,868
Animal control	336,487	376,487	223,422	153,065
Total General Government	6,059,927	7,033,457	6,241,381	792,076
Public Safety				
Administration	6,154,426	6,840,556	5,990,934	849,622
Total Public Safety	6,154,426	6,840,556	5,990,934	849,622
Community Development				
Planning	1,282,669	2,433,677	831,959	1,601,718
Total Community Development	1,282,669	2,433,677	831,959	1,601,718
Culture and Leisure				
Administration	371,542	401,078	348,807	52,271
Senior center	149,806	149,806	111,554	38,252
Recreation programs	76,370	76,370	49,811	26,559
Special events	127,186	127,186	87,843	39,343
Day camp kid's club	576,389	723,389	499,061	224,328
Youth and adult sports	324,054	324,054	188,746	135,308
Total Culture and Leisure	1,625,347	1,801,883	1,285,822	516,061

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GENERAL PURPOSE FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Administration	706,042	776,171	629,908	146,263
City hall	282,795	452,711	279,727	172,984
Utility engineering	242,745	246,545	231,504	15,041
Code compliance	286,075	523,475	249,764	273,711
Building maintenance	273,799	390,159	281,567	108,592
Park and landscape maintenance	410,764	586,455	380,944	205,511
Total Public Works	2,202,220	2,975,516	2,053,414	922,102
Capital outlay	185,000	230,887	63,277	167,610
Debt service:				
Principal	300,000	300,000	300,000	-
Interest	81,600	81,600	81,600	-
Total Debt Service	381,600	381,600	381,600	-
Total Expenditures	17,891,189	21,697,576	16,848,387	4,849,189
Other Financing Sources (Uses):				
Transfers in	5,554,581	5,349,840	4,678,526	(671,314)
Transfers out	(85,671)	(6,635,671)	(6,425,528)	210,143
Total Other Financing Sources (Uses)	5,468,910	(1,285,831)	(1,747,002)	(461,171)
Net Change in Fund Balances	44,891	(9,509,637)	3,362,170	3,173,429
Fund Balances, Beginning of Year, as restated	33,077,580	33,077,580	33,077,580	-
Fund Balances, End of Year	\$ 33,122,471	\$23,567,943	\$ 36,439,750	\$ 3,173,429

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ECONOMIC DEVELOPMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 1,430	\$ 1,430
Total Revenues	-	-	1,430	1,430
Expenditures				
Current:				
Community Development				
Planning	-	320,000	320,000	-
Total Community Development	-	320,000	320,000	-

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ECONOMIC DEVELOPMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Total Expenditures	-	320,000	320,000	-
Other Financing Sources (Uses):				
Transfers in	-	65,000	65,000	-
Transfers out	-	-	318,571	318,571
Total Other Financing Sources (Uses)	-	65,000	383,571	318,571
Net Change in Fund Balances	-	(255,000)	65,001	320,001
Fund Balances, Beginning of Year	372,449	372,449	372,449	-
Fund Balances, End of Year	\$ 372,449	\$ 117,449	\$ 437,450	\$ 320,001

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE C
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 4,500,000	\$ 8,300,256	\$ 8,356,369	\$ 56,113
Use of money and property	-	-	44,398	44,398
Total Revenues	4,500,000	8,300,256	8,400,767	100,511
Expenditures				
Current:				
Public Safety				
Administration	2,580,954	3,505,634	2,249,645	1,255,989
Total Public Safety	2,580,954	3,505,634	2,249,645	1,255,989

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE C
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Capital outlay	-	5,573	5,572	1
Total Expenditures	2,580,954	3,511,207	2,255,217	1,255,990
Other Financing Sources (Uses):				
Transfers out	(2,243,991)	(9,344,896)	(9,204,393)	140,503
Total Other Financing Sources (Uses)	(2,243,991)	(9,344,896)	(9,204,393)	140,503
Net Change in Fund Balances	(324,945)	(4,555,847)	(3,058,843)	(1,014,976)
Fund Balances, Beginning of Year	5,808,691	5,808,691	5,808,691	-
Fund Balances, End of Year	\$ 5,483,746	\$ 1,252,844	\$ 2,749,848	\$ (1,014,976)

NON - MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS:

These funds account for the proceeds derived from specific revenue sources that are legally restricted to expenditures for specified purposes.

LANDSCAPE MAINTENANCE FUND

To account for revenues received and expenditures spent associated with specific park maintenance and operations of the Woodfield Landscape, Stonebridge Landscape and Mossdale Landscape Districts.

GAS TAX FUND

To account for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107, and 2107.5 of the State of California. Expenditures for administration, maintenance, and construction must be street related.

TRAFFIC SAFETY FUND

To account for the fines and forfeitures received under Section 1463 of the Penal Code. These funds are restricted for the use of official traffic control devices and for some street construction purposes.

LOCAL STREET FUND

To account for revenues and expenditures for the City's street division.

PUBLIC NUISANCE FUND

To account for revenues and expenditures for code enforcement activities.

MEASURE K FUND

To account for revenues generated from a 2-cent sales tax for local street repairs. These funds are restricted for maintenance and construction on street-related projects.

TRANSIT LTF FUND

To account for local transportation funds received for transit purposes from the San Joaquin County Council of Governments.

STREETS AND ROADS FUND

To account for local transportation funds received for street and road purposes from the San Joaquin County Council of Governments.

FEDERAL GRANT FUND

To account for federal grant expenditures and activity.

HISTORIC LATHROP LOAN PROGRAM (HLLP) FUND

To account for building permit loans granted to Historic Lathrop residences.

NON - MAJOR GOVERNMENTAL FUNDS (Continued)

STORM DRAIN FUND

To account for revenues and expenditures related to the maintenance and operations of storm drains and improvements within the created district.

STREET LIGHT FUND

To account for revenues and expenditures associated with the maintenance and operations of the street lighting within the area known as City Zone 2, which is in the City Wide Landscaping and Lighting Assessment District.

AB939 RECYCLING FUND

To account for the financial resources associated with the preparation, implementation, and administration of the City's Integrated Solid Waste Management Plan in accordance with AB939.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

To account for the annual federal grant that provides for development of viable urban communities.

SCHOLARSHIP FUND

To account for the revenues provided by businesses/organizations to provide assistance with tuition of qualified parks and recreation participants.

COPS FUND

To account for local law enforcement grants funded by the office of Community Oriented Policing Services (COPS).

OFFICE OF TRAFFIC SAFETY FUND

To account for grants received from the Office of Traffic Safety to be used to conduct a seat belt compliance campaign.

RTIF SAN JOAQUIN COUNTY FUND

To account for San Joaquin County's 10% share of Regional Traffic Impact Fees collected from builders.

RTIF LATHROP LOCAL WEST FUND

To account for the City's 75% share of Regional Traffic Impact Fees collected from builders on the West side.

RTIF SJCOG FUND

To account for San Joaquin Council of Government's 15% share of Regional Traffic Impact Fees collected from builders.

RTIF LATHROP LOCAL EAST FUND

To account for the City's 75% share of Regional Traffic Impact Fees collected from builders on the East side.

NON - MAJOR GOVERNMENTAL FUNDS (Continued)

CENTRAL LATHROP SPECIFIC PLAN (CLSP) SERVICES CFD FUND

To account for revenues and expenditures associated with the CLSP Community Facility District 2006-2.

LATHROP MANTECA FIRE DISTRICT MEASURE C FUND

To account for revenues and expenditures associated with the sales tax collections specific from Measure C.

STATE GRANTS FUND

To account for revenues and expenditures associated with state grants.

NORTH LATHROP TRANSPORTATION CFF FUND

To account for capital facility fees collected for North Lathrop area.

STEWART ECONOMIC DEVELOPMENT 80% CFF FUND

To account for capital facility fees, collected to support development both on and off the Stewart Tract, that will provide to the City and its citizens.

CITYWIDE ECONOMIC DEVELOPMENT 20% CFF FUND

To account for capital facility fees, collected to support development both on and off the Stewart Tract, that will provide to the City and its citizens.

RIVER ISLANDS CFD 2013-1 FUND

To account for revenue and expenditures related to the maintenance of the River Island community.

LATHROP LAND ACQUISITIONS FUND

To account for revenues and expenditures associated with the CLSP Community Facilities District 2006-1.

URBAN LEVEL OF FLOOD PROTECTION RECLAMATION DISTRICT (ULOP RD-17) LEVEE IMPACT FUND

To account for capital facility fees collected for the Urban Level of Flood Protection plan in the Reclamation District (RD) 17.

DEPARTMENT OF WATER RESOURCES (DWR) GRANT – URBAN LEVEL OF FLOOD PROTECTION (ULOP) PROJECT FUND

To account for revenues and expenditures associated with the Urban Level of Flood Protection plan.

CLSP OFF-SITE ROADWAY IMPROVEMENTS FUND

To account for improvements in the Central Lathrop Development.

NON - MAJOR GOVERNMENTAL FUNDS (Continued)

SOUTH LATHROP CFD 2019-1 FUND

To account for revenue and expenditures related to the maintenance of South Lathrop.

CENTRAL LATHROP CFD 2019-2 FUND

To account for revenue and expenditures related to the maintenance of Central Lathrop.

TOT TRUST FUND

To account for 1% of the 9% TOT from the City as a whole, to help finance regional infrastructure.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are utilized to account for resources used for the acquisition and construction of capital facilities by the City, with the exception of those assets financed by proprietary funds.

GENERAL CIP PROJECTS FUND

To account for the expenditure of funds for projects funded from the General Fund.

STORM DRAIN FUND

To account for expenditures for storm drain capital projects.

PARK IN-LIEU FUND

To account for revenues and expenditures which can legally be made under the Quimby Act. The revenue is collected from residential developers to offset the impact on parks and can only be used for new park development.

CITY OF LATHROP

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	<u>Special Revenue Funds</u>			
	<u>Landscape Maintenance</u>	<u>Gas Tax</u>	<u>Traffic Safety</u>	<u>Local Street</u>
Assets:				
Pooled cash and investments	\$ 1,087,085	\$ 582,720	\$ 79,846	\$ 510,823
Receivables:				
Accounts	-	48,491	5,206	6,765
Notes and loans	-	-	-	-
Accrued interest	290	307	23	165
Total Assets	<u>\$ 1,087,375</u>	<u>\$ 631,518</u>	<u>\$ 85,075</u>	<u>\$ 517,753</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 353,950	\$ -	\$ 133	\$ 67,958
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>353,950</u>	<u>-</u>	<u>133</u>	<u>67,958</u>
Fund Balances:				
Restricted	733,425	631,518	84,942	449,795
Unassigned	-	-	-	-
Total Fund Balances	<u>733,425</u>	<u>631,518</u>	<u>84,942</u>	<u>449,795</u>
Total Liabilities and Fund Balances	<u>\$ 1,087,375</u>	<u>\$ 631,518</u>	<u>\$ 85,075</u>	<u>\$ 517,753</u>

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	<u>Special Revenue Funds</u>			
	<u>Public Nuisance</u>	<u>Measure K</u>	<u>Transit LTF</u>	<u>Streets and Roads</u>
Assets:				
Pooled cash and investments	\$ 10,271	\$ 476,383	\$ -	\$ -
Receivables:				
Accounts	2,019	150,370	-	975,563
Notes and loans	-	-	-	-
Accrued interest	3	261	6	48
Total Assets	<u>\$ 12,293</u>	<u>\$ 627,014</u>	<u>\$ 6</u>	<u>\$ 975,611</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	6	788,440
Total Liabilities	<u>-</u>	<u>-</u>	<u>6</u>	<u>788,440</u>
Fund Balances:				
Restricted	12,293	627,014	-	187,171
Unassigned	-	-	-	-
Total Fund Balances	<u>12,293</u>	<u>627,014</u>	<u>-</u>	<u>187,171</u>
Total Liabilities and Fund Balances	<u>\$ 12,293</u>	<u>\$ 627,014</u>	<u>\$ 6</u>	<u>\$ 975,611</u>

CITY OF LATHROP

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	<u>Special Revenue Funds</u>			
	<u>Federal Grant</u>	<u>Historic Lathrop Loan Program (HLLP)</u>	<u>Storm Drain</u>	<u>Street Light</u>
Assets:				
Pooled cash and investments	\$ 122,627	\$ 231,352	\$ 355,513	\$ 1,652,195
Receivables:				
Accounts	209,790	-	-	81
Notes and loans	-	20,350	-	-
Accrued interest	-	69	98	476
Total Assets	<u>\$ 332,417</u>	<u>\$ 251,771</u>	<u>\$ 355,611</u>	<u>\$ 1,652,752</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 17,078	\$ 90,513
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>17,078</u>	<u>90,513</u>
Fund Balances:				
Restricted	332,417	251,771	338,533	1,562,239
Unassigned	-	-	-	-
Total Fund Balances	<u>332,417</u>	<u>251,771</u>	<u>338,533</u>	<u>1,562,239</u>
Total Liabilities and Fund Balances	<u>\$ 332,417</u>	<u>\$ 251,771</u>	<u>\$ 355,611</u>	<u>\$ 1,652,752</u>

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	AB939 Recycling	Community Development Block Grant	Scholarship Fund	COPS
Assets:				
Pooled cash and investments	\$ 920,865	\$ 7,414	\$ 14,519	\$ 246,395
Receivables:				
Accounts	15,991	-	-	-
Notes and loans	-	-	-	-
Accrued interest	269	18	5	73
Total Assets	\$ 937,125	\$ 7,432	\$ 14,524	\$ 246,468
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 3,200	\$ -	\$ 12,485
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	3,200	-	12,485
Fund Balances:				
Restricted	937,125	4,232	14,524	233,983
Unassigned	-	-	-	-
Total Fund Balances	937,125	4,232	14,524	233,983
Total Liabilities and Fund Balances	\$ 937,125	\$ 7,432	\$ 14,524	\$ 246,468

CITY OF LATHROP

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

Special Revenue Funds

	Office of Traffic and Safety	RTIF San Joaquin County	RTIF Lathrop Local West	RTIF SJCOG
Assets:				
Pooled cash and investments	\$ 6,819	\$ 173,416	\$ 8,063,323	\$ 260,123
Receivables:				
Accounts	1,871	-	-	-
Notes and loans	-	-	-	-
Accrued interest	2	34	2,280	51
Total Assets	\$ 8,692	\$ 173,450	\$ 8,065,603	\$ 260,174
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 684	\$ 173,449	\$ -	\$ 260,174
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	684	173,449	-	260,174
Fund Balances:				
Restricted	8,008	1	8,065,603	-
Unassigned	-	-	-	-
Total Fund Balances	8,008	1	8,065,603	-
Total Liabilities and Fund Balances	\$ 8,692	\$ 173,450	\$ 8,065,603	\$ 260,174

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	RTIF Lathrop Local East	Central Lathrop Specific Plan (CLSP) Services CFD	LMFD Measure C	State Grants
Assets:				
Pooled cash and investments	\$ 2,295,518	\$ 5	\$ 983,398	\$ -
Receivables:				
Accounts	-	-	-	28,961
Notes and loans	-	-	-	-
Accrued interest	687	-	60	-
Total Assets	\$ 2,296,205	\$ 5	\$ 983,458	\$ 28,961
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 5	\$ 120	\$ -
Deposits payable	-	-	-	-
Due to other funds	-	-	-	621
Total Liabilities	-	5	120	621
Fund Balances:				
Restricted	2,296,205	-	983,338	28,340
Unassigned	-	-	-	-
Total Fund Balances	2,296,205	-	983,338	28,340
Total Liabilities and Fund Balances	\$ 2,296,205	\$ 5	\$ 983,458	\$ 28,961

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			
	North Lathrop Transportation	Citywide Economic Dev Fee 20%	River Islands CFD 2013-1	Lathrop Land Acquisitions
Assets:				
Pooled cash and investments	\$ 11,396	\$ 1,472,146	\$ 117,894	\$ 13,894
Receivables:				
Accounts	-	-	406,751	-
Notes and loans	-	-	-	-
Accrued interest	4	442	177	-
Total Assets	\$ 11,400	\$ 1,472,588	\$ 524,822	\$ 13,894
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 11
Deposits payable	-	-	-	12,855
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	12,866
Fund Balances:				
Restricted	11,400	1,472,588	524,822	1,028
Unassigned	-	-	-	-
Total Fund Balances	11,400	1,472,588	524,822	1,028
Total Liabilities and Fund Balances	\$ 11,400	\$ 1,472,588	\$ 524,822	\$ 13,894

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	ULOP RD-17 Levee Impact	DWR Grant - ULOP Project	CLSP Off-Site Roadway Improvement	South Lathrop CFD 2019-1
Assets:				
Pooled cash and investments	\$ 971,219	\$ -	\$ 56,922	\$ 752,530
Receivables:				
Accounts	-	59,401	-	-
Notes and loans	-	-	-	-
Accrued interest	212	-	14	202
Total Assets	\$ 971,431	\$ 59,401	\$ 56,936	\$ 752,732
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 971,431	\$ 59,401	\$ -	\$ 11,737
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	971,431	59,401	-	11,737
Fund Balances:				
Restricted	-	-	56,936	740,995
Unassigned	-	-	-	-
Total Fund Balances	-	-	56,936	740,995
Total Liabilities and Fund Balances	\$ 971,431	\$ 59,401	\$ 56,936	\$ 752,732

CITY OF LATHROP

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds			Capital Projects Fund
	Central Lathrop CFD 2019-2	Stewart Economic Dev Fee 80%	TOT Trust	General CIP Projects
Assets:				
Pooled cash and investments	\$ -	\$ 181,704	\$ 1,090,435	\$ 19,967,573
Receivables:				
Accounts	-	-	12,901	-
Notes and loans	-	-	-	-
Accrued interest	12	34	323	2,637
Total Assets	\$ 12	\$ 181,738	\$ 1,103,659	\$ 19,970,210
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ 55,548	\$ -	\$ -	\$ 444,475
Deposits payable	-	176,000	-	-
Due to other funds	114,081	-	-	-
Total Liabilities	169,629	176,000	-	444,475
Fund Balances:				
Restricted	-	5,738	1,103,659	19,525,735
Unassigned	(169,617)	-	-	-
Total Fund Balances	(169,617)	5,738	1,103,659	19,525,735
Total Liabilities and Fund Balances	\$ 12	\$ 181,738	\$ 1,103,659	\$ 19,970,210

CITY OF LATHROP

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	<u>Capital Project Fund</u>		<u>Total Governmental Funds</u>
	<u>Storm Drain</u>	<u>Park in Lieu</u>	
Assets:			
Pooled cash and investments	\$ 389,184	\$ 340,913	\$ 43,446,420
Receivables:			
Accounts	-	-	1,924,161
Notes and loans	-	-	20,350
Accrued interest	269	86	9,637
Total Assets	<u>\$ 389,453</u>	<u>\$ 340,999</u>	<u>\$ 45,400,568</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ 2,522,352
Deposits payable	-	-	188,855
Due to other funds	-	-	903,148
Total Liabilities	<u>-</u>	<u>-</u>	<u>3,614,355</u>
Fund Balances:			
Restricted	389,453	340,999	41,955,830
Unassigned	-	-	(169,617)
Total Fund Balances	<u>389,453</u>	<u>340,999</u>	<u>41,786,213</u>
Total Liabilities and Fund Balances	<u>\$ 389,453</u>	<u>\$ 340,999</u>	<u>\$ 45,400,568</u>

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	Landscape Maintenance	Gas Tax	Traffic Safety	Local Street
Revenues:				
Taxes and assessments	\$ 2,751,781	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	1,080,858	-	-
Use of money and property	5,299	6,148	481	2,590
Fines and forfeitures	-	-	38,076	-
Miscellaneous	6	-	-	5,983
Total Revenues	2,757,086	1,087,006	38,557	8,573
Expenditures:				
Current:				
Public safety	-	-	15,539	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	2,318,045	-	-	861,087
Capital outlay	6,686	-	-	-
Total Expenditures	2,324,731	-	15,539	861,087
Excess (Deficiency) of Revenues Over (Under) Expenditures	432,355	1,087,006	23,018	(852,514)
Other Financing Sources (Uses):				
Transfers in	44,067	-	-	1,058,500
Transfers out	(315,814)	(1,011,190)	(3,076)	(147,317)
Total Other Financing Sources (Uses)	(271,747)	(1,011,190)	(3,076)	911,183
Net Change in Fund Balances	160,608	75,816	19,942	58,669
Fund Balances, Beginning of Year	572,817	555,702	65,000	391,126
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	572,817	555,702	65,000	391,126
Fund Balances, End of Year	\$ 733,425	\$ 631,518	\$ 84,942	\$ 449,795

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	<u>Special Revenue Funds</u>			
	<u>Public Nuisance</u>	<u>Measure K</u>	<u>Transit LTF</u>	<u>Streets and Roads</u>
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	1,011,055	20,147	975,563
Use of money and property	71	5,104	147	2,316
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	71	1,016,159	20,294	977,879
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	71	1,016,159	20,294	977,879
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(1,091,604)	(21,210)	(1,324,010)
Total Other Financing Sources (Uses)	-	(1,091,604)	(21,210)	(1,324,010)
Net Change in Fund Balances	71	(75,445)	(916)	(346,131)
Fund Balances, Beginning of Year	12,222	702,459	916	533,302
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	12,222	702,459	916	533,302
Fund Balances, End of Year	\$ 12,293	\$ 627,014	\$ -	\$ 187,171

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Special Revenue Funds</u>			
	<u>Federal Grant</u>	<u>Historic Lathrop Loan Program (HLLP)</u>	<u>Storm Drain</u>	<u>Street Light</u>
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	572,616	-	-	-
Use of money and property	-	1,599	1,932	10,353
Fines and forfeitures	-	-	352,505	1,032,563
Miscellaneous	-	-	-	3,879
Total Revenues	572,616	1,599	354,437	1,046,795
Expenditures:				
Current:				
Public safety	-	-	-	157,984
Community development	-	-	-	-
Culture and leisure	37,220	-	-	-
Public works	-	-	282,954	850,600
Capital outlay	-	-	14,500	-
Total Expenditures	37,220	-	297,454	1,008,584
Excess (Deficiency) of Revenues Over (Under) Expenditures	535,396	1,599	56,983	38,211
Other Financing Sources (Uses):				
Transfers in	-	-	20,579	31,025
Transfers out	(534,719)	-	(74,002)	(153,077)
Total Other Financing Sources (Uses)	(534,719)	-	(53,423)	(122,052)
Net Change in Fund Balances	677	1,599	3,560	(83,841)
Fund Balances, Beginning of Year	331,740	250,172	334,973	1,646,080
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	331,740	250,172	334,973	1,646,080
Fund Balances, End of Year	\$ 332,417	\$ 251,771	\$ 338,533	\$ 1,562,239

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	AB939 Recycling	Community Development Block Grant	Scholarship Fund	COPS
Revenues:				
Taxes and assessments	\$ 183,719	\$ -	\$ -	\$ -
Licenses and permits	280	-	-	-
Intergovernmental	6,927	180,030	401	156,727
Use of money and property	5,895	128	106	1,479
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	161	-
Total Revenues	196,821	180,158	668	158,206
Expenditures:				
Current:				
Public safety	-	-	-	112,495
Community development	-	68,556	-	-
Culture and leisure	-	-	-	-
Public works	84,634	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	84,634	68,556	-	112,495
Excess (Deficiency) of Revenues Over (Under) Expenditures	112,187	111,602	668	45,711
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(12,889)	(118,114)	(918)	-
Total Other Financing Sources (Uses)	(12,889)	(118,114)	(918)	-
Net Change in Fund Balances	99,298	(6,512)	(250)	45,711
Fund Balances, Beginning of Year	837,827	10,744	14,774	188,272
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	837,827	10,744	14,774	188,272
Fund Balances, End of Year	\$ 937,125	\$ 4,232	\$ 14,524	\$ 233,983

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Special Revenue Funds</u>			
	<u>Office of Traffic and Safety</u>	<u>RTIF San Joaquin County</u>	<u>RTIF Lathrop Local West</u>	<u>RTIF SJCOG</u>
Revenues:				
Taxes and assessments	\$ -	\$ 451,757	\$ 2,484,670	\$ 677,635
Licenses and permits	-	-	-	-
Intergovernmental	27,823	-	-	-
Use of money and property	10	899	46,258	1,348
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	27,833	452,656	2,530,928	678,983
Expenditures:				
Current:				
Public safety	21,633	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	-	452,663	-	678,994
Capital outlay	-	-	-	-
Total Expenditures	21,633	452,663	-	678,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,200	(7)	2,530,928	(11)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	6,200	(7)	2,530,928	(11)
Fund Balances, Beginning of Year	1,808	8	5,534,675	11
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	1,808	8	5,534,675	11
Fund Balances, End of Year	\$ 8,008	\$ 1	\$ 8,065,603	\$ -

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

	Special Revenue Funds			
	RTIF Lathrop Local East	Central Lathrop Specific Plan (CLSP) Services CFD	LMFD Measure C	State Grants
Revenues:				
Taxes and assessments	\$ 835,740	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	185,000
Use of money and property	14,156	-	675	-
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	849,896	-	675	185,000
Expenditures:				
Current:				
Public safety	-	-	2,959,622	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	2,959,622	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	849,896	-	(2,958,947)	185,000
Other Financing Sources (Uses):				
Transfers in	-	-	3,342,548	-
Transfers out	-	-	-	(156,660)
Total Other Financing Sources (Uses)	-	-	3,342,548	(156,660)
Net Change in Fund Balances	849,896	-	383,601	28,340
Fund Balances, Beginning of Year	1,446,309	-	599,737	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	1,446,309	-	599,737	-
Fund Balances, End of Year	\$ 2,296,205	\$ -	\$ 983,338	\$ 28,340

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			
	North Lathrop Transportation	Citywide Economic Dev Fee 20%	River Islands CFD 2013-1	Lathrop Land Acquisitions
Revenues:				
Taxes and assessments	\$ -	\$ 450,000	\$ 594,651	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	82	9,133	2,188	96
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	406,751	-
Total Revenues	82	459,133	1,003,590	96
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	-	-	22,595	-
Capital outlay	-	-	-	-
Total Expenditures	-	-	22,595	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	82	459,133	980,995	96
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(65,000)	(579,470)	-
Total Other Financing Sources (Uses)	-	(65,000)	(579,470)	-
Net Change in Fund Balances	82	394,133	401,525	96
Fund Balances, Beginning of Year	11,318	1,078,455	123,297	932
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	11,318	1,078,455	123,297	932
Fund Balances, End of Year	\$ 11,400	\$ 1,472,588	\$ 524,822	\$ 1,028

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

(CONTINUED)

Special Revenue Funds

	ULOP RD-17 Levee Impact	DWR Grant - ULOP Project	CLSP Off-Site Roadway Improvement	South Lathrop CFD 2019-1
Revenues:				
Taxes and assessments	\$ 3,934,845	\$ -	\$ 45,105	\$ 521,361
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	(269)	-	230	3,240
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	3,934,576	-	45,335	524,601
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	3,934,845	-	-	97,053
Capital outlay	-	-	-	23,340
Total Expenditures	3,934,845	-	-	120,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	(269)	-	45,335	404,208
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	(269)	-	45,335	404,208
Fund Balances, Beginning of Year	269	-	11,601	336,787
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	269	-	11,601	336,787
Fund Balances, End of Year	\$ -	\$ -	\$ 56,936	\$ 740,995

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			Capital Projects Fund
	Central Lathrop CFD 2019-2	Stewart Economic Dev Fee 80%	TOT Trust	General CIP Projects
	Revenues:			
Taxes and assessments	\$ 397,402	\$ -	\$ 83,170	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Use of money and property	82	748	7,276	53,465
Fines and forfeitures	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	397,484	748	90,446	53,465
Expenditures:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	515,121	-	-	-
Capital outlay	5,723	-	-	2,529,775
Total Expenditures	520,844	-	-	2,529,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	(123,360)	748	90,446	(2,476,310)
Other Financing Sources (Uses):				
Transfers in	-	-	-	14,654,196
Transfers out	(43,757)	-	-	-
Total Other Financing Sources (Uses)	(43,757)	-	-	14,654,196
Net Change in Fund Balances	(167,117)	748	90,446	12,177,886
Fund Balances, Beginning of Year	(2,500)	4,990	-	7,347,849
Restatements	-	-	1,013,213	-
Fund Balances, Beginning of Year, as Restated	(2,500)	4,990	1,013,213	7,347,849
Fund Balances, End of Year	\$ (169,617)	\$ 5,738	\$ 1,103,659	\$ 19,525,735

CITY OF LATHROP

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	<u>Capital Projects Funds</u>		<u>Total Governmental Funds</u>
	<u>Storm Drain</u>	<u>Park in Lieu</u>	
Revenues:			
Taxes and assessments	\$ -	\$ 62,700	\$ 13,474,536
Licenses and permits	-	-	280
Intergovernmental	-	-	4,217,147
Use of money and property	6,176	1,946	191,387
Fines and forfeitures	-	-	1,423,144
Miscellaneous	-	-	416,780
Total Revenues	6,176	64,646	19,723,274
Expenditures:			
Current:			
Public safety	-	-	3,267,273
Community development	-	-	68,556
Culture and leisure	-	-	37,220
Public works	-	-	10,098,591
Capital outlay	536	-	2,580,560
Total Expenditures	536	-	16,052,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,640	64,646	3,671,074
Other Financing Sources (Uses):			
Transfers in	(498,876)	-	18,652,039
Transfers out	(397)	-	(5,653,224)
Total Other Financing Sources (Uses)	(499,273)	-	12,998,815
Net Change in Fund Balances	(493,633)	64,646	16,669,889
Fund Balances, Beginning of Year	883,086	276,353	24,103,111
Restatements	-	-	1,013,213
Fund Balances, Beginning of Year, as Restated	883,086	276,353	25,116,324
Fund Balances, End of Year	\$ 389,453	\$ 340,999	\$ 41,786,213

CITY OF LATHROP

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
LANDSCAPE MAINTENANCE
YEAR ENDED JUNE 30, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 2,736,072	\$ 2,736,072	\$ 2,751,781	\$ 15,709
Use of money and property	3,000	3,000	5,299	2,299
Miscellaneous	-	-	6	6
Total Revenues	2,739,072	2,739,072	2,757,086	18,014
Expenditures				
Current:				
Public works	2,467,633	2,743,045	2,318,045	425,000
Capital outlay	17,500	45,261	6,686	38,575
Total Expenditures	2,485,133	2,788,306	2,324,731	463,575
Other Financing Sources (Uses)				
Transfers in	44,067	44,067	44,067	-
Transfers out	(331,031)	(315,814)	(315,814)	-
Total Other Financing Sources (Uses)	(286,964)	(271,747)	(271,747)	-
Net Change in Fund Balances	(33,025)	(320,981)	160,608	481,589
Fund Balances, Beginning of Year	572,817	572,817	572,817	-
Fund Balances, End of Year	\$ 539,792	\$ 251,836	\$ 733,425	\$ 481,589

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 GAS TAX
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 1,030,000	\$ 1,030,000	\$ 1,080,858	\$ 50,858
Use of money and property	-	-	6,148	6,148
Total Revenues	1,030,000	1,030,000	1,087,006	57,006
Other Financing Sources (Uses)				
Transfers out	(801,987)	(1,129,566)	(1,011,190)	118,376
Total Other Financing Sources (Uses)	(801,987)	(1,129,566)	(1,011,190)	118,376
Net Change in Fund Balances	228,013	(99,566)	75,816	175,382
Fund Balances, Beginning of Year	555,702	555,702	555,702	-
Fund Balances, End of Year	\$ 783,715	\$ 456,136	\$ 631,518	\$ 175,382

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRAFFIC SAFETY
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 481	\$ 481
Fines and forfeitures	25,000	25,000	38,076	13,076
Total Revenues	25,000	25,000	38,557	13,557
Expenditures				
Current:				
Public safety	16,000	16,000	15,539	461
Total Expenditures	16,000	16,000	15,539	461
Other Financing Sources (Uses)				
Transfers out	(3,523)	(3,076)	(3,076)	-
Total Other Financing Sources (Uses)	(3,523)	(3,076)	(3,076)	-
Net Change in Fund Balances	5,477	5,924	19,942	14,018
Fund Balances, Beginning of Year	65,000	65,000	65,000	-
Fund Balances, End of Year	\$ 70,477	\$ 70,924	\$ 84,942	\$ 14,018

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LOCAL STREET
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 2,590	\$ 2,590
Miscellaneous	-	-	5,983	5,983
Total Revenues	-	-	8,573	8,573
Expenditures				
Current:				
Public works	873,592	1,267,064	861,087	405,977
Capital outlay	10,000	10,000	-	10,000
Total Expenditures	883,592	1,277,064	861,087	415,977
Other Financing Sources (Uses)				
Transfers in	1,025,000	1,058,500	1,058,500	-
Transfers out	(142,909)	(185,201)	(147,317)	37,884
Total Other Financing Sources (Uses)	882,091	873,299	911,183	37,884
Net Change in Fund Balances	(1,501)	(403,765)	58,669	462,434
Fund Balances, Beginning of Year	391,126	391,126	391,126	-
Fund Balances, End of Year	\$ 389,625	\$ (12,639)	\$ 449,795	\$ 462,434

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 PUBLIC NUISANCE
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 71	\$ 71
Total Revenues	-	-	71	71
Expenditures				
Current:				
Public safety	4,000	4,000	-	4,000
Total Expenditures	4,000	4,000	-	4,000
Net Change in Fund Balances	(4,000)	(4,000)	71	4,071
Fund Balances, Beginning of Year	12,222	12,222	12,222	-
Fund Balances, End of Year	\$ 8,222	\$ 8,222	\$ 12,293	\$ 4,071

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 MEASURE K
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 481,000	\$ 997,604	\$ 1,011,055	\$ 13,451
Use of money and property	-	-	5,104	5,104
Total Revenues	481,000	997,604	1,016,159	18,555
Other Financing Sources (Uses):				
Transfers out	(575,000)	(1,120,287)	(1,091,604)	28,683
Total Other Financing Sources (Uses)	(575,000)	(1,120,287)	(1,091,604)	28,683
Net Change in Fund Balances	(94,000)	(122,683)	(75,445)	47,238
Fund Balances, Beginning of Year	702,459	702,459	702,459	-
Fund Balances, End of Year	\$ 608,459	\$ 579,776	\$ 627,014	\$ 47,238

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 TRANSIT LTF
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ -	\$ 20,147	\$ 20,147
Use of money and property	-	150	147	(3)
Total Revenues	-	150	20,294	20,144
Other Financing (Uses)				
Transfers in	-	-	-	-
Transfers out	-	(21,210)	(21,210)	-
Total Other Financing (Uses)	-	(21,210)	(21,210)	-
Net Change in Fund Balances	-	(21,060)	(916)	20,144
Fund Balances, Beginning of Year	916	916	916	-
Fund Balances, End of Year	\$ 916	\$ (20,144)	\$ -	\$ 20,144

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STREETS AND ROADS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 472,000	\$ 1,272,938	\$ 975,563	\$ (297,375)
Use of money and property	-	-	2,316	2,316
Total Revenues	472,000	1,272,938	977,879	(295,059)
Other Financing Sources (Uses):				
Transfers out	(472,000)	(1,447,272)	(1,324,010)	123,262
Total Other Financing Sources (Uses)	(472,000)	(1,447,272)	(1,324,010)	123,262
Net Change in Fund Balances	-	(174,334)	(346,131)	(171,797)
Fund Balances, Beginning of Year	533,302	533,302	533,302	-
Fund Balances, End of Year	\$ 533,302	\$ 358,968	\$ 187,171	\$ (171,797)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FEDERAL GRANT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 4,814,576	\$ 572,616	\$ (4,241,960)
Total Revenues	-	4,814,576	572,616	(4,241,960)
Expenditures				
Current:				
Culture and leisure	-	54,500	37,220	17,280
Total Expenditures	-	54,500	37,220	17,280
Other Financing Sources (Uses)				
Transfers out	-	(4,760,076)	(534,719)	4,225,357
Total Other Financing Sources (Uses)	-	(4,760,076)	(534,719)	4,225,357
Net Change in Fund Balances	-	-	677	677
Fund Balances, Beginning of Year	331,740	331,740	331,740	-
Fund Balances, End of Year	\$ 331,740	\$ 331,740	\$ 332,417	\$ 677

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STORM DRAIN
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 1,932	\$ 1,932
Fines and forfeitures	352,506	352,506	352,505	(1)
Total Revenues	352,506	352,506	354,437	1,931
Expenditures				
Current:				
Public works	364,528	503,501	282,954	220,547
Capital outlay	-	14,500	14,500	-
Total Expenditures	364,528	518,001	297,454	220,547
Other Financing (Uses)				
Transfers in	20,579	20,579	20,579	-
Transfers out	(65,275)	(74,002)	(74,002)	-
Total Other Financing (Uses)	(44,696)	(53,423)	(53,423)	-
Net Change in Fund Balances	(56,718)	(218,918)	3,560	222,478
Fund Balances, Beginning of Year	334,973	334,973	334,973	-
Fund Balances, End of Year	\$ 278,255	\$ 116,055	\$ 338,533	\$ 222,478

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STREET LIGHT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 10,353	\$ 10,353
Fines and forfeitures	1,009,125	1,009,125	1,032,563	23,438
Miscellaneous	-	-	3,879	3,879
Total Revenues	1,009,125	1,009,125	1,046,795	37,670
Expenditures				
Current:				
Public safety	164,292	259,292	157,984	101,308
Public works	897,064	1,156,118	850,600	305,518
Capital outlay	-	7,000	-	7,000
Total Expenditures	1,061,356	1,422,410	1,008,584	413,826
Other Financing (Uses)				
Transfers in	31,025	31,025	31,025	-
Transfers out	(149,249)	(153,077)	(153,077)	-
Total Other Financing (Uses)	(118,224)	(122,052)	(122,052)	-
Net Change in Fund Balances	(170,455)	(535,337)	(83,841)	451,496
Fund Balances, Beginning of Year	1,646,080	1,646,080	1,646,080	-
Fund Balances, End of Year	\$ 1,475,625	\$ 1,110,743	\$ 1,562,239	\$ 451,496

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 AB939 RECYCLING
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 80,000	\$ 80,000	\$ 183,719	\$ 103,719
Licenses and permits	-	-	280	280
Intergovernmental	5,000	5,000	6,927	1,927
Use of money and property	-	-	5,895	5,895
Total Revenues	85,000	85,000	196,821	111,821
Expenditures				
Current:				
Public works	60,787	155,084	84,634	70,450
Total Expenditures	60,787	155,084	84,634	70,450
Other Financing (Uses)				
Transfers out	(20,190)	(12,889)	(12,889)	-
Total Other Financing (Uses)	(20,190)	(12,889)	(12,889)	-
Net Change in Fund Balances	4,023	(82,973)	99,298	182,271
Fund Balances, Beginning of Year	837,827	837,827	837,827	-
Fund Balances (Deficits), End of Year	\$ 841,850	\$ 754,854	\$ 937,125	\$ 182,271

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COMMUNITY DEVELOPMENT BLOCK GRANT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 182,610	\$ 180,030	\$ (2,580)
Use of money and property	-	-	128	128
Total Revenues	-	182,610	180,158	(2,452)
Expenditures				
Current:				
Community development	5,000	95,804	68,556	27,248
Total Expenditures	5,000	95,804	68,556	27,248
Other Financing Sources (Uses):				
Transfers out	(301)	(121,406)	(118,114)	3,292
Total Other Financing Sources (Uses)	(301)	(121,406)	(118,114)	3,292
Net Change in Fund Balances	(5,301)	(34,600)	(6,512)	28,088
Fund Balances, Beginning of Year	10,744	10,744	10,744	-
Fund Balances, End of Year	\$ 5,443	\$ (23,856)	\$ 4,232	\$ 28,088

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SCHOLARSHIP FUND
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 401	\$ (4,599)
Use of money and property	-	-	106	106
Miscellaneous	900	900	161	(739)
Total Revenues	5,900	5,900	668	(5,232)
Other Financing Sources (Uses):				
Transfers out	(5,000)	(5,000)	(918)	4,082
Total Other Financing Sources (Uses)	(5,000)	(5,000)	(918)	4,082
Net Change in Fund Balances	900	900	(250)	(1,150)
Fund Balances, Beginning of Year	14,774	14,774	14,774	-
Fund Balances, End of Year	\$ 15,674	\$ 15,674	\$ 14,524	\$ (1,150)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 COPS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 110,000	\$ 156,700	\$ 156,727	\$ 27
Use of money and property	-	-	1,479	1,479
Total Revenues	110,000	156,700	158,206	1,506
Expenditures				
Current:				
Public safety	110,000	197,500	112,495	85,005
Total Expenditures	110,000	197,500	112,495	85,005
Net Change in Fund Balances	-	(40,800)	45,711	(83,499)
Fund Balances, Beginning of Year	188,272	188,272	188,272	-
Fund Balances, End of Year	\$ 188,272	\$ 147,472	\$ 233,983	\$ (83,499)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 OFFICE OF TRAFFIC AND SAFETY
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 140,400	\$ 140,400	\$ 27,823	\$ (112,577)
Use of money and property	-	-	10	10
Total Revenues	140,400	140,400	27,833	(112,567)
Expenditures				
Current:				
Public safety	110,400	110,400	21,633	88,767
Capital outlay	30,000	30,000	-	30,000
Total Expenditures	140,400	140,400	21,633	118,767
Net Change in Fund Balances	-	-	6,200	6,200
Fund Balances, Beginning of Year	1,808	1,808	1,808	-
Fund Balances, End of Year	\$ 1,808	\$ 1,808	\$ 8,008	\$ 6,200

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RTIF SAN JOAQUIN COUNTY
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 189,195	\$ 452,665	\$ 451,757	\$ (908)
Use of money and property	-	-	899	899
Total Revenues	189,195	452,665	452,656	(9)
Expenditures				
Current:				
Public works	189,195	452,665	452,663	2
Total Expenditures	189,195	452,665	452,663	2
Net Change in Fund Balances	-	-	(7)	(7)
Fund Balances, Beginning of Year	8	8	8	-
Fund Balances, End of Year	\$ 8	\$ 8	\$ 1	\$ (7)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RTIF LATHROP LOCAL WEST
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 914,866	\$ 914,866	\$ 2,484,670	\$ 1,569,804
Use of money and property	-	-	46,258	46,258
Total Revenues	914,866	914,866	2,530,928	1,616,062
Expenditures				
Current:				
Public works	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
Net Change in Fund Balances	909,866	909,866	2,530,928	1,621,062
Fund Balances, Beginning of Year	5,534,675	5,534,675	5,534,675	-
Fund Balances, End of Year	\$ 6,444,541	\$ 6,444,541	\$ 8,065,603	\$ 1,621,062

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RTIF SJCOG
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 283,794	\$ 678,994	\$ 677,635	\$ (1,359)
Use of money and property	-	-	1,348	1,348
Total Revenues	283,794	678,994	678,983	(11)
Expenditures				
Current:				
Public works	283,794	678,994	678,994	-
Total Expenditures	283,794	678,994	678,994	-
Net Change in Fund Balances	-	-	(11)	(11)
Fund Balances, Beginning of Year	11	11	11	-
Fund Balances, End of Year	\$ 11	\$ 11	\$ -	\$ (11)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RTIF LATHROP LOCAL EAST
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 686,941	\$ 686,941	\$ 835,740	\$ 148,799
Use of money and property	-	-	14,156	14,156
Total Revenues	686,941	686,941	849,896	162,955
Expenditures				
Current:				
Public works	5,000	5,000	-	5,000
Total Expenditures	5,000	5,000	-	5,000
Net Change in Fund Balances	681,941	681,941	849,896	167,955
Fund Balances, Beginning of Year	1,446,309	1,446,309	1,446,309	-
Fund Balances, End of Year	\$ 2,128,250	\$ 2,128,250	\$ 2,296,205	\$ 167,955

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 LMFD MEASURE C
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 675	\$ 675
Total Revenues	-	-	675	675
Expenditures				
Current:				
Public safety	1,800,000	3,342,550	2,959,622	382,928
Total Expenditures	1,800,000	3,342,550	2,959,622	382,928
Other Financing Sources (Uses):				
Transfers in	1,800,000	3,342,550	3,342,548	(2)
Total Other Financing Sources (Uses)	1,800,000	3,342,550	3,342,548	(2)
Net Change in Fund Balances	-	-	383,601	383,601
Fund Balances, Beginning of Year	599,737	599,737	599,737	-
Fund Balances, End of Year	\$ 599,737	\$ 599,737	\$ 983,338	\$ 383,601

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 STATE GRANTS
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ -	\$ 239,296	\$ 185,000	\$ (54,296)
Total Revenues	-	239,296	185,000	(54,296)
Other Financing Sources (Uses):				
Transfers out	-	(239,296)	(156,660)	82,636
Total Other Financing Sources (Uses)	-	(239,296)	(156,660)	82,636
Net Change in Fund Balances	-	-	28,340	28,340
Fund Balances, Beginning of Year	-	-	-	-
Fund Balances, End of Year	\$ -	\$ -	\$ 28,340	\$ 28,340

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CITYWIDE ECONOMIC DEV FEE 20%
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 200,000	\$ 200,000	\$ 450,000	\$ 250,000
Use of money and property	-	-	9,133	9,133
Total Revenues	200,000	200,000	459,133	259,133
Other Financing Sources (Uses):				
Transfers out	-	(65,000)	(65,000)	-
Total Other Financing Sources (Uses)	-	(65,000)	(65,000)	-
Net Change in Fund Balances	200,000	135,000	394,133	259,133
Fund Balances, Beginning of Year	1,078,455	1,078,455	1,078,455	-
Fund Balances, End of Year	\$ 1,278,455	\$ 1,213,455	\$ 1,472,588	\$ 259,133

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 RIVER ISLANDS CFD 2013-1
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 305,000	\$ 305,000	\$ 594,651	\$ 289,651
Use of money and property	-	-	2,188	2,188
Miscellaneous	415,000	415,000	406,751	(8,249)
Total Revenues	720,000	720,000	1,003,590	283,590
Expenditures				
Current:				
Public works	15,700	15,700	22,595	(6,895)
Total Expenditures	15,700	15,700	22,595	(6,895)
Other Financing Sources (Uses):				
Transfers out	(704,300)	(704,283)	(579,470)	124,813
Total Other Financing Sources (Uses)	(704,300)	(704,283)	(579,470)	124,813
Net Change in Fund Balances	-	17	401,525	401,508
Fund Balances, Beginning of Year	123,297	123,297	123,297	-
Fund Balances, End of Year	\$ 123,297	\$ 123,314	\$ 524,822	\$ 401,508

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 ULOP RD-17 LEVEE IMPACT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 1,951,827	\$ 1,951,827	\$ 3,934,845	\$ 1,983,018
Use of money and property	-	-	(269)	(269)
Total Revenues	1,951,827	1,951,827	3,934,576	1,982,749
Expenditures				
Current:				
Public works	1,951,827	1,951,827	3,934,845	(1,983,018)
Total Expenditures	1,951,827	1,951,827	3,934,845	(1,983,018)
Net Change in Fund Balances	-	-	(269)	(269)
Fund Balances, Beginning of Year	269	269	269	-
Fund Balances, End of Year	\$ 269	\$ 269	\$ -	\$ (269)

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CLSP OFF-SITE ROADWAY IMPROVEMENT
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 15,000	\$ 15,000	\$ 45,105	\$ 30,105
Use of money and property	-	-	230	230
Total Revenues	15,000	15,000	45,335	30,335
Net Change in Fund Balances	15,000	15,000	45,335	30,335
Fund Balances, Beginning of Year	11,601	11,601	11,601	-
Fund Balances, End of Year	\$ 26,601	\$ 26,601	\$ 56,936	\$ 30,335

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 SOUTH LATHROP CFD 2019-1
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 531,686	\$ 531,686	\$ 521,361	\$ (10,325)
Use of money and property	-	-	3,240	3,240
Total Revenues	531,686	531,686	524,601	(7,085)
Expenditures				
Current:				
Public works	301,686	309,128	97,053	212,075
Capital outlay	230,000	230,000	23,340	206,660
Total Expenditures	531,686	539,128	120,393	418,735
Net Change in Fund Balances	-	(7,442)	404,208	411,650
Fund Balances, Beginning of Year	336,787	336,787	336,787	-
Fund Balances, End of Year	\$ 336,787	\$ 329,345	\$ 740,995	\$ 411,650

CITY OF LATHROP

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 CENTRAL LATHROP CFD 2019-2
 YEAR ENDED JUNE 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes and assessments	\$ 396,327	\$ 396,327	\$ 397,402	\$ 1,075
Use of money and property	-	-	82	82
Total Revenues	396,327	396,327	397,484	1,157
Expenditures				
Current:				
Public works	349,065	553,534	515,121	38,413
Capital outlay	-	5,723	5,723	-
Total Expenditures	349,065	559,257	520,844	38,413
Other Financing Sources (Uses)				
Transfers out	(47,262)	(43,757)	(43,757)	-
Total Other Financing Sources (Uses)	(47,262)	(43,757)	(43,757)	-
Net Change in Fund Balances	-	(206,687)	(167,117)	39,570
Fund Balances (Deficits), Beginning of Year	(2,500)	(2,500)	(2,500)	-
Fund Balances (Deficits), End of Year	\$ (2,500)	\$ (209,187)	\$ (169,617)	\$ 39,570

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CUSTODIAL FUNDS

Custodial Funds account for assets held by the City as agent for individuals, governmental entities, and non-public organizations. These funds include the following:

MOSSDALE VILLAGE ASSESSMENT DISTRICT FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Mosssdale Village Assessment District.

CROSSROADS ASSESSMENTS FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Crossroads Assessment District.

JOINT WASTEWATER COMMUNITY FACILITIES DISTRICT FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Joint Wastewater Community Facilities District.

NORTH HARLAN WATER IMPROVEMENT FUND

To account for special assessments associated with the payment of limited obligation improvement bonds for the North Harlan Water Improvement District.

COMMUNITY FACILITIES DISTRICT CLSP INFRASTRUCTURE FUND

To account for special assessments associated with the infrastructure in the Central Lathrop Specific Plan area.

SEWER ASSESSMENT DISTRICT NO.1 FUND

To account for the special assessments associated with the payments of the limited-obligation improvement bonds for the Lathrop Sanitary Sewer Assessment District No.1.

MOSSDALE VILLAGE REASSESSMENT 2015 – 1 FUND

To account for the special assessments associated with the payment of bonds for the Mosssdale Village District.

CITY OF LATHROP

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2021

	Mossdale Village Assessment District	Crossroads Assessments	Joint Wastewater Community Facilities District	North Harlan Water Improvement
Assets:				
Pooled cash and investments	\$ 2,055,987	\$ 561,630	\$ 784,415	\$ 59,961
Receivables:				
Accrued interest	282	128	205	20
Restricted assets:				
Cash and investments with fiscal agents	178	741,756	698,815	3
Total Assets	2,056,447	1,303,514	1,483,435	59,984
Liabilities:				
Accounts payable	-	-	131,097	40,928
Deposits payable	-	-	-	-
Due to other governments	619	-	-	-
Long term liabilities				
Bonds due in one year	470,000	290,000	215,000	-
Bonds due in more than one year	8,125,000	8,960,000	4,960,000	-
Total Liabilities	8,595,619	9,250,000	5,306,097	40,928
Net Position (Deficit):				
Restricted for:				
Individuals, organizations and other governments	(6,539,172)	(7,946,486)	(3,822,662)	19,056
Total Net Position (Deficit)	\$ (6,539,172)	\$ (7,946,486)	\$ (3,822,662)	\$ 19,056

CITY OF LATHROP

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 JUNE 30, 2021

	Community Facilities District CLSP Infrastructure	Sewer Assessment District #1	Mossdale Village Reassessment 2015-1	Totals
Assets:				
Pooled cash and investments	\$ 1,515,069	\$ 6,832	\$ 657,769	\$ 5,641,663
Receivables:				
Accrued interest	291	5	173	1,104
Restricted assets:				
Cash and investments with fiscal agents	940,924	382,806	240,250	3,004,732
Total Assets	2,456,284	389,643	898,192	8,647,499
Liabilities:				
Accounts payable	-	-	-	172,025
Deposits payable	30,747	-	-	30,747
Due to other governments	21,788	1,391	54,189	77,987
Long term liabilities				
Bonds due in one year	75,000	65,000	270,000	1,385,000
Bonds due in more than one year	45,640,000	520,000	4,890,000	73,095,000
Total Liabilities	45,767,535	586,391	5,214,189	74,760,759
Net Position (Deficit):				
Restricted for:				
Individuals, organizations and other governments	(43,311,251)	(196,748)	(4,315,997)	(66,113,260)
Total Net Position (Deficit)	\$ (43,311,251)	\$ (196,748)	\$ (4,315,997)	\$ (66,113,260)

CITY OF LATHROP

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2021

	Mossdale Village Assessment District	Crossroads Assessments	Joint Wastewater Community Facilities District	North Harlan Water Improvement
Additions:				
Collections for assessment districts	\$ 972,861	\$ 754,983	\$ 924,337	\$ 90,585
Investment earnings	4,344	1,513	4,272	301
Total Additions	977,205	756,496	928,609	90,886
Deductions:				
Administrative expenses	12,450	9,195	9,252	7,576
Contractual services	26,397	8,741	9,083	10,273
Interest expense	461,298	449,149	350,432	2,015
Total Deductions	500,145	467,085	368,767	19,864
Changes in Net Position	477,060	289,411	559,842	71,022
Net Position - Beginning of the Year	-	-	-	-
Restatements	(7,016,232)	(8,235,897)	(4,382,504)	(51,966)
Net Position (Deficit) - Beginning of the Year, as Restated	(7,016,232)	(8,235,897)	(4,382,504)	(51,966)
Net Position (Deficit) - End of the Year	\$ (6,539,172)	\$ (7,946,486)	\$ (3,822,662)	\$ 19,056

Community Facilities District CLSP Infrastructure	Sewer Assessment District #1	Mossdale Village Reassessment 2015-1	Totals
\$ 2,975,107	\$ 125,733	\$ 504,979	\$ 6,348,585
3,728	95	2,843	17,096
2,978,835	125,828	507,822	6,365,681
12,997	7,403	12,450	71,323
27,997	-	19,521	102,012
2,914,538	20,963	469,149	4,667,544
2,955,532	28,366	501,120	4,840,879
23,303	97,462	6,702	1,524,802
-	-	-	-
(43,334,554)	(294,210)	(4,322,699)	(67,638,062)
(43,334,554)	(294,210)	(4,322,699)	(67,638,062)
\$ (43,311,251)	\$ (196,748)	\$ (4,315,997)	\$ (66,113,260)

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STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Property Tax Levies and Collections
2. Assessed Value and Estimated Actual Value of Taxable Property
3. Principal Property Taxpayers

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Direct and Overlapping Property Tax Rates
2. Direct and Overlapping Governments Sales Tax Rates
3. Legal Debt Margin Information
4. Outstanding Debt
5. Computation of Direct and Overlapping Debt
6. Pledged-Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-time and Part-time City Employees by Function
2. Operating Indicators by Function
3. Capital Asset Statistics by Function
4. Water Sold by Type of Customer
5. Water Rates
6. Ten Largest Water Customers
7. Top 25 Sales Tax Producers

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF LATHROP
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:				
Net investments in capital assets	\$ 124,614,693	\$ 127,600,645	\$ 140,357,523	\$ 145,671,748
Restricted	6,738,303	6,989,280	4,865,583	7,733,824
Unrestricted	<u>31,849,848</u>	<u>31,954,985</u>	<u>31,716,374</u>	<u>35,612,693</u>
Total governmental activities net position	<u><u>\$ 163,202,844</u></u>	<u><u>\$ 166,544,910</u></u>	<u><u>\$ 176,939,480</u></u>	<u><u>\$ 189,018,265</u></u>
Business-type activities:				
Net investments in capital assets	\$ 73,145,195	\$ 76,371,218	\$ 88,125,585	\$ 92,350,319
Restricted	2,865,215	2,865,251	2,696,850	2,995,846
Unrestricted	<u>17,446,635</u>	<u>19,333,520</u>	<u>25,692,676</u>	<u>23,944,509</u>
Total business-type activities net position	<u><u>\$ 93,457,045</u></u>	<u><u>\$ 98,569,989</u></u>	<u><u>\$ 116,515,111</u></u>	<u><u>\$ 119,290,674</u></u>
Primary government:				
Net investments in capital assets	\$ 197,759,888	\$ 203,971,863	\$ 228,483,108	\$ 238,022,067
Restricted	9,603,518	9,854,531	7,562,433	10,729,670
Unrestricted	<u>49,296,483</u>	<u>51,288,505</u>	<u>57,409,050</u>	<u>59,557,202</u>
Total Primary government net position	<u><u>\$ 256,659,889</u></u>	<u><u>\$ 265,114,899</u></u>	<u><u>\$ 293,454,591</u></u>	<u><u>\$ 308,308,939</u></u>

Source: City of Lathrop, California Comprehensive Annual Financial Reports.

CITY OF LATHROP
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 148,474,931	\$ 155,971,046	\$ 159,727,304	\$ 179,501,255	\$ 206,211,349	\$ 218,894,403
10,223,760	11,858,920	10,376,172	13,552,647	16,013,046	103,964,923
38,941,548	47,769,952	52,396,920	72,645,973	87,005,385	33,463,086
<u>\$ 197,640,239</u>	<u>\$ 215,599,918</u>	<u>\$ 222,500,396</u>	<u>\$ 265,699,875</u>	<u>\$ 309,229,780</u>	<u>\$ 356,322,412</u>
\$ 93,906,914	\$ 103,695,833	\$ 120,279,431	\$ 150,452,677	\$ 160,481,074	\$ 166,717,832
2,698,250	1,706,637	1,650,031	1,652,234	1,651,396	1,650,648
26,437,255	37,146,214	30,919,752	34,710,083	43,373,359	52,748,394
<u>\$ 123,042,419</u>	<u>\$ 142,548,684</u>	<u>\$ 152,849,214</u>	<u>\$ 186,814,994</u>	<u>\$ 205,505,829</u>	<u>\$ 221,116,874</u>
\$ 242,381,845	\$ 259,666,879	\$ 280,006,735	\$ 329,953,932	\$ 366,692,423	\$ 385,612,235
12,922,010	13,565,557	12,026,203	15,204,881	17,664,442	105,615,571
65,378,803	84,916,166	83,316,672	107,356,056	130,378,744	86,211,480
<u>\$ 320,682,658</u>	<u>\$ 358,148,602</u>	<u>\$ 375,349,610</u>	<u>\$ 452,514,869</u>	<u>\$ 514,735,609</u>	<u>\$ 577,439,286</u>

CITY OF LATHROP
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2012	2013	2014	2015
Expenses:				
Governmental activities:				
General government	\$ 4,233,613	\$ 3,733,840	\$ 4,680,110	\$ 7,449,500
Public safety	4,173,142	4,624,518	5,940,125	6,962,351
Public works	12,303,005	10,246,951	13,888,678	10,864,104
Culture and leisure	1,096,206	1,161,712	1,111,917	779,976
Community development	1,284,271	1,472,084	1,573,972	602,719
Interest on long-term debt	382,402	369,832	924,941	340,120
Total governmental activities expense	<u>23,472,639</u>	<u>21,608,937</u>	<u>28,119,743</u>	<u>26,998,770</u>
Business-type activities:				
Water	6,367,625	7,090,866	7,376,261	5,108,071
Wastewater	4,357,544	3,987,951	6,289,560	4,433,501
Total business-type activities expenses	<u>10,725,169</u>	<u>11,078,817</u>	<u>13,665,821</u>	<u>9,541,572</u>
Total primary government expenses	<u>\$ 34,197,808</u>	<u>\$ 32,687,754</u>	<u>\$ 41,785,564</u>	<u>\$ 36,540,342</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General Government	277,653	335,511	397,607	491,076
Public Safety	159,813	174,862	716,360	356,989
Public Works	79,604	178,087	202,488	248,089
Culture and leisure	153,052	152,379	242,500	220,963
Community development	809,268	1,515,837	2,189,603	2,551,889
Operating grants and contributions	5,066,429	5,076,581	4,947,223	4,969,720
Capital grants and contributions	4,285,232	8,304,237	23,115,518	22,155,191
Total governmental activities program revenues	<u>10,831,051</u>	<u>15,737,494</u>	<u>31,811,299</u>	<u>30,993,917</u>
Business-type activities:				
Charges for services:				
Water	5,561,650	6,293,790	6,551,486	6,042,517
Wastewater	4,959,693	5,186,053	5,827,902	5,730,148
Operating grants and contributions	-	3,710,000	12,002,670	-
Capital grants and contributions	263,903	159,854	159,854	159,854
Total business-type activities program revenues	<u>10,785,246</u>	<u>15,349,697</u>	<u>24,541,912</u>	<u>11,932,519</u>
Total primary government program revenues	<u>\$ 21,616,297</u>	<u>\$ 31,087,191</u>	<u>\$ 56,353,211</u>	<u>\$ 42,926,436</u>
Net revenues (expenses):				
Governmental activities	(12,641,588)	(5,871,443)	3,691,556	3,995,147
Business-type activities	60,077	4,270,880	10,876,091	2,390,947
Total net revenues (expenses)	<u>\$ (12,581,511)</u>	<u>\$ (1,600,563)</u>	<u>\$ 14,567,647</u>	<u>\$ 6,386,094</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property tax	2,821,113	2,810,704	2,946,083	3,273,006
Sales and use taxes	2,512,565	3,128,882	6,676,994	5,947,812
Franchise taxes	679,295	667,509	705,405	685,140
Other taxes	232,204	466,328	419,267	449,950
Motor vehicle in lieu, unrestricted	1,100,388	1,076,010	1,118,489	1,237,606
Investment income	104,018	38,959	67,431	80,844
Other general revenues	63,662	262,023	395,810	301,192
Transfers	1,200,418	763,094	(5,626,465)	(84,391)
Total governmental activities	<u>8,713,663</u>	<u>9,213,509</u>	<u>6,703,014</u>	<u>11,891,159</u>
Business-type activities:				
Investment income	178,169	59,419	49,915	63,492
Miscellaneous	1,560,928	1,545,739	1,392,651	675,204
Transfers	(1,200,418)	(763,094)	5,626,465	84,391
Total business-type activities	<u>538,679</u>	<u>842,064</u>	<u>7,069,031</u>	<u>823,087</u>
Total primary government	<u>\$ 9,252,342</u>	<u>\$ 10,055,573</u>	<u>\$ 13,772,045</u>	<u>\$ 12,714,246</u>
Changes in net position				
Governmental activities	(3,927,925)	3,342,066	10,394,570	15,886,306
Business-type activities	598,756	5,112,944	17,945,122	3,214,034
Total primary government	<u>\$ (3,329,169)</u>	<u>\$ 8,455,010</u>	<u>\$ 28,339,692</u>	<u>\$ 19,100,340</u>

CITY OF LATHROP
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

2016	2017	2018	2019	2020	2021
\$ 5,614,173	\$ 4,580,381	\$ 4,917,617	\$ 5,307,052	\$ 5,944,111	\$ 6,544,720
8,048,625	9,683,636	10,965,814	11,284,963	12,121,072	11,729,668
7,864,470	13,125,373	13,066,756	16,835,406	19,195,792	19,892,748
1,395,287	1,300,832	1,331,811	1,442,202	1,468,471	1,466,177
1,712,156	993,885	1,256,506	977,552	1,317,693	8,227,717
880,036	319,164	100,088	46,410	89,123	241,454
<u>25,514,747</u>	<u>30,003,271</u>	<u>31,638,592</u>	<u>35,893,585</u>	<u>40,136,262</u>	<u>48,102,484</u>
4,941,845	5,828,411	4,969,618	6,303,489	6,906,021	6,767,503
3,587,602	5,393,728	1,204,762	9,206,503	7,476,439	7,926,063
8,529,447	11,222,139	6,174,380	15,509,992	14,382,460	14,693,566
<u>\$ 34,044,194</u>	<u>\$ 41,225,410</u>	<u>\$ 37,812,972</u>	<u>\$ 51,403,577</u>	<u>\$ 54,518,722</u>	<u>\$ 62,796,050</u>
551,613	462,696	438,974	528,673	465,303	6,961,502
365,009	231,164	424,909	775,581	504,277	243,035
258,005	1,697,831	1,184,297	1,874,445	473,036	3,581,829
205,376	283,662	279,505	341,016	285,143	124,652
3,947,881	3,131,768	2,916,089	3,880,593	6,507,913	3,880,053
5,016,283	4,841,037	5,459,511	5,674,834	6,105,531	2,709,984
9,759,080	30,838,179	10,069,773	40,920,445	43,291,735	16,740,299
<u>20,103,247</u>	<u>41,486,337</u>	<u>20,773,058</u>	<u>53,995,587</u>	<u>57,632,938</u>	<u>34,241,354</u>
5,849,963	6,856,028	8,331,835	9,052,906	10,352,614	10,239,976
5,233,840	5,791,155	6,533,098	7,923,942	8,633,545	8,776,287
-	-	-	-	-	-
159,854	159,854	159,854	32,556,339	11,691,580	6,862,837
<u>11,243,657</u>	<u>12,807,037</u>	<u>15,024,787</u>	<u>49,533,187</u>	<u>30,677,739</u>	<u>25,879,100</u>
<u>\$ 31,346,904</u>	<u>\$ 54,293,374</u>	<u>\$ 35,797,845</u>	<u>\$ 103,528,774</u>	<u>\$ 88,310,677</u>	<u>\$ 60,120,454</u>
(5,411,500)	11,483,066	(10,865,534)	18,102,002	17,496,676	(13,861,130)
2,714,210	1,584,898	8,850,407	34,023,195	16,295,279	11,185,534
<u>(2,697,290)</u>	<u>\$ 13,067,964</u>	<u>\$ (2,015,127)</u>	<u>\$ 52,125,197</u>	<u>\$ 33,791,955</u>	<u>\$ (2,675,596)</u>
3,566,656	3,980,606	4,285,832	4,710,374	5,333,918	8,613,482
6,209,105	6,337,138	9,211,228	12,001,476	10,501,615	18,190,475
518,183	771,288	877,633	1,204,106	1,241,635	1,530,878
743,896	565,715	634,335	666,791	582,552	30,620,998
1,324,094	1,555,026	1,794,526	1,898,011	2,193,976	738,708
346,915	19,282	979,493	1,996,503	2,786,291	701,941
1,745,978	10,090,096	379,591	149,364	184,705	945,547
(421,353)	(16,842,538)	(137,582)	2,439,302	3,255,411	1,777,930
<u>14,033,474</u>	<u>6,476,613</u>	<u>18,025,056</u>	<u>25,065,927</u>	<u>26,080,103</u>	<u>63,119,959</u>
200,063	214,510	405,014	782,839	741,372	364,403
416,119	864,319	907,527	1,599,048	4,909,595	5,692,221
421,353	16,842,538	137,582	(2,439,302)	(3,255,411)	(1,777,930)
1,037,535	17,921,367	1,450,123	(57,415)	2,395,556	4,278,694
<u>\$ 15,071,009</u>	<u>\$ 24,397,980</u>	<u>\$ 19,475,179</u>	<u>\$ 25,008,512</u>	<u>\$ 28,475,659</u>	<u>\$ 67,398,653</u>
8,621,974	17,959,679	7,159,522	43,167,929	43,576,779	49,258,829
3,751,745	19,506,265	10,300,530	33,965,780	18,690,835	15,464,228
<u>\$ 12,373,719</u>	<u>\$ 37,465,944</u>	<u>\$ 17,460,052</u>	<u>\$ 77,133,709</u>	<u>\$ 62,267,614</u>	<u>\$ 64,723,057</u>

CITY OF LATHROP
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund:				
Nonspendable	\$ 7,235,931	\$ 7,175,257	\$ 6,380,018	\$ 6,852,691
Restricted	-	-	-	
Committed	402,197	-	-	
Assigned	1,248,093	1,229,504	-	
Unassigned	<u>8,038,858</u>	<u>9,784,715</u>	<u>16,234,527</u>	<u>11,091,860</u>
Total general fund	<u>\$ 16,925,079</u>	<u>\$ 18,189,476</u>	<u>\$ 22,614,545</u>	<u>\$ 17,944,551</u>
All other governmental funds:				
Restricted	\$ 3,813,152	\$ 4,142,620	\$ 3,890,049	\$ 6,823,678
Committed	19,727,430	19,333,997	12,977,322	22,534,880
Assigned	-	264,923	930,347	880,383
Unassigned	<u>259,533</u>	<u>-</u>	<u>-</u>	<u>(364)</u>
Total all other governmental funds	<u>\$ 23,800,115</u>	<u>\$ 23,741,540</u>	<u>\$ 17,797,718</u>	<u>\$ 30,238,577</u>

* FY2021 reflects the implementation of GASB 84.

Source: City of Lathrop, California

CITY OF LATHROP
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021*</u>
\$ 6,665,677	\$ 6,180,434	\$ 5,650,104	\$ 5,225,742	\$ 3,470,982	\$ 3,282,311
-	-	-	-	-	-
2,233,234	-	-	-	29,678,802	29,664,824
-	-	-	-	2,616,835	-
<u>12,861,107</u>	<u>16,496,212</u>	<u>21,538,365</u>	<u>31,169,562</u>	<u>4,289,278</u>	<u>6,679,913</u>
<u>\$ 21,760,018</u>	<u>\$ 22,676,646</u>	<u>\$ 27,188,469</u>	<u>\$ 36,395,304</u>	<u>\$ 40,055,897</u>	<u>\$ 39,627,048</u>
\$ 4,513,322	\$ 4,701,300	\$ 3,797,087	\$ 4,701,645	\$ 9,116,860	\$103,964,923
25,829,474	35,779,675	36,015,106	49,619,728	58,214,668	-
975,042	784,139	663,674	549,720	572,817	-
(233)	(120)	-	(163,756)	(2,500)	(773,287)
<u>\$ 31,317,605</u>	<u>\$ 41,264,994</u>	<u>\$ 40,475,867</u>	<u>\$ 54,707,337</u>	<u>\$ 67,901,845</u>	<u>\$103,191,636</u>

CITY OF LATHROP
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues:				
Taxes and assessments	\$ 10,091,942	\$ 12,092,527	\$ 15,462,332	\$ 21,268,849
Licenses and permits	406,819	634,934	749,845	1,373,909
Fines, forfeitures, and penalties	1,568,643	1,564,795	1,476,258	1,486,888
Intergovernmental	3,672,978	7,107,760	13,291,995	11,177,149
Use of Money & Property	135,177	62,939	116,968	159,262
Charges for current services	835,195	1,449,684	2,727,193	2,207,080
Contributions (Developer)	-	-	9,779,408	1,094,140
Other	1,633,542	1,275,270	536,779	4,202,190
Total revenues	<u>\$ 18,344,296</u>	<u>\$ 24,187,909</u>	<u>\$ 44,140,778</u>	<u>\$ 42,969,467</u>
Expenditures				
Current:				
General government	3,952,670	3,318,835	4,240,661	8,063,724
Community development	987,494	1,222,152	1,323,932	1,254,836
Public safety	4,088,676	4,510,204	5,829,809	7,030,624
Public works	9,007,812	9,197,006	17,040,900	15,482,137
Culture and leisure	1,043,340	1,069,332	1,063,957	1,048,531
Capital Outlay	480,929	3,795,717	9,334,496	1,604,530
Debt service:				
Principal retirement	249,347	262,103	274,370	289,709
Interest and fiscal charges	382,402	369,832	924,941	340,120
Total expenditures	<u>\$ 20,192,670</u>	<u>\$ 23,745,181</u>	<u>\$ 40,033,066</u>	<u>\$ 35,114,211</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (1,848,374)</u>	<u>\$ 442,728</u>	<u>\$ 4,107,712</u>	<u>\$ 7,855,256</u>
Other financing sources (uses):				
Proceeds from issuance of long-term debt	-	-	-	-
Transfers in	11,926,959	9,379,077	18,471,301	17,566,636
Transfers out	(10,726,541)	(8,615,983)	(24,097,766)	(17,651,027)
Total other financing sources (uses)	<u>\$ 1,200,418</u>	<u>\$ 763,094</u>	<u>\$ (5,626,465)</u>	<u>\$ (84,391)</u>
Net change in fund balances	<u>\$ (647,956)</u>	<u>\$ 1,205,822</u>	<u>\$ (1,518,753)</u>	<u>\$ 7,770,865</u>
Debt service as a percentage of noncapital expenditures	3.3%	3.3%	4.1%	1.9%

* FY2021 reflects the implementation of GASB 84.

Source: City of Lathrop, California

CITY OF LATHROP
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021*</u>
\$ 18,494,460	\$ 22,885,183	\$ 22,571,206	\$ 35,307,490	\$ 32,969,640	\$ 59,694,541
1,283,193	1,808,623	1,266,197	1,823,951	2,930,344	3,191,727
1,658,639	1,949,910	2,237,680	2,542,551	1,973,138	1,628,103
5,489,546	3,134,272	4,420,261	4,373,978	5,281,487	7,045,036
382,724	392,493	1,366,160	2,433,126	3,299,084	701,941
3,725,964	3,605,846	3,508,608	4,656,065	4,523,327	6,208,805
-	19,675,946	2,751,850	536,277	357,105	7,595,547
3,523,548	1,353,215	813,734	550,982	657,995	945,547
<u>\$ 34,558,074</u>	<u>\$ 54,805,488</u>	<u>\$ 38,935,696</u>	<u>\$ 52,224,420</u>	<u>\$ 51,992,120</u>	<u>\$ 87,011,247</u>
4,675,898	4,406,106	4,770,853	5,137,588	5,748,979	6,241,381
1,657,178	784,763	1,109,714	838,993	1,153,119	1,220,515
7,297,872	9,560,119	10,724,423	11,222,012	12,001,225	11,507,852
6,687,275	7,616,246	7,048,016	9,984,165	10,701,329	19,627,773
1,296,370	1,226,638	1,275,334	1,384,798	1,411,336	1,323,042
4,361,924	2,920,897	9,761,990	2,643,451	6,950,445	11,300,021
1,683,347	265,000	285,000	-	290,000	300,000
390,710	319,164	100,088	46,410	89,123	241,454
<u>\$ 28,050,574</u>	<u>\$ 27,098,933</u>	<u>\$ 35,075,418</u>	<u>\$ 31,257,417</u>	<u>\$ 38,345,556</u>	<u>\$ 51,762,038</u>
\$ 6,507,500	\$ 27,706,555	\$ 3,860,278	\$ 20,967,003	\$ 13,646,564	\$ 35,249,209
(1,191,652)	-	-	-	-	-
12,971,420	10,394,523	12,389,403	14,380,867	24,940,959	35,131,963
<u>(13,392,773)</u>	<u>(27,237,061)</u>	<u>(12,526,985)</u>	<u>(11,941,565)</u>	<u>(21,685,548)</u>	<u>(33,354,033)</u>
<u>\$ (1,613,005)</u>	<u>\$ (16,842,538)</u>	<u>\$ (137,582)</u>	<u>\$ 2,439,302</u>	<u>\$ 3,255,411</u>	<u>\$ 1,777,930</u>
<u>\$ 4,894,495</u>	<u>\$ 10,864,017</u>	<u>\$ 3,722,696</u>	<u>\$ 23,406,305</u>	<u>\$ 16,901,975</u>	<u>\$ 37,027,139</u>
9.6%	2.5%	1.5%	0.2%	1.2%	1.4%

CITY OF LATHROP
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of Levy</u>		<u>Collection in Subsequent Years</u>	<u>Total Collection to Date</u>	
		<u>Amount</u>	<u>Percent of Levy</u>		<u>Amount</u>	<u>Percent of Levy</u>
2012	2,706,678	2,706,678	100.00%	-	2,706,678	100.00%
2013	2,681,516	2,681,516	100.00%	-	2,681,516	100.00%
2014	2,821,126	2,821,126	100.00%	-	2,821,126	100.00%
2015	3,098,364	3,098,364	100.00%	-	3,098,364	100.00%
2016	3,353,607	3,353,607	100.00%	-	3,353,607	100.00%
2017	3,727,479	3,727,479	100.00%	-	3,727,479	100.00%
2018	4,125,753	4,125,753	100.00%	-	4,125,753	100.00%
2019	4,309,587	4,309,587	100.00%	-	4,309,587	100.00%
2020	4,812,631	4,812,631	100.00%	-	4,812,631	100.00%
2021	5,326,609	5,326,609	100.00%	-	5,326,609	100.00%

Source: County of San Joaquin, California, Office of the Controller.

CITY OF LATHROP
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	City				Net Taxable Assessed Value	Total Direct Tax Rate
	Gross Taxable Assessed Value			Less: Exemptions		
	Secured	Unsecured	SBE Nonunitary			
2012	1,785,998,562	157,292,439	2,596,710	(17,214,244)	1,928,673,467	0.140%
2013	1,732,727,557	166,654,824	2,596,710	(17,214,244)	1,884,764,847	0.142%
2014	1,839,562,001	136,568,139	5,070,340	(18,622,849)	1,962,577,631	0.144%
2015	2,028,168,720	148,658,207	5,070,340	(19,297,974)	2,162,599,293	0.143%
2016	2,188,540,780	198,130,929	5,070,340	(18,624,442)	2,373,117,607	0.141%
2017	2,559,643,198	163,451,777	6,170,020	(18,624,442)	2,710,640,553	0.138%
2018	2,941,872,358	174,127,391	6,170,020	(18,831,913)	3,103,337,856	0.133%
2019	3,117,977,243	190,538,705	6,170,020	-	3,314,685,968	0.130%
2020	3,554,886,516	282,202,562	6,170,020	-	3,843,259,098	0.125%
2021	4,139,024,746	280,821,500	15,952,158	-	4,435,798,404	0.120%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is re-assessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of San Joaquin, California, Office of the County Assessor.

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CITY OF LATHROP
Principal Property Taxpayers
Current Year and Ten Years Ago

<u>Taxpayer</u>	<u>2021</u>		<u>2012</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
TESLA MOTORS INC	\$ 194,872,463	4.39%	\$ -	0.00%
TRIPOINT LOGISTICS CENTER ILP	129,000,000	2.91%	-	0.00%
LIT INDUSTRIAL LP	122,693,416	2.77%	-	0.00%
UNITED PARCEL SERVICE INC	87,157,790	1.96%	-	0.00%
PW FUND B DEVELOPMENT LLC	72,753,116	1.64%	-	0.00%
COLONY 2019 2 BULK INDUSTRIAL LL	65,280,000	1.47%	-	0.00%
SUPER STORE INDUSTRIES	64,145,220	1.45%	41,364,326	2.14%
CENTERPOINT PROPERTIES TRUST	63,234,645	1.43%	-	0.00%
J R SIMPLOT COMPANY CORP	62,164,162	1.40%	40,873,844	2.12%
CALIFIA LLC	59,157,736	1.33%	55,349,250	2.87%

Source: County of San Joaquin, California, Office of the County Assessor.

CITY OF LATHROP
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	Basic County-wide Levy ⁽¹⁾	School ⁽²⁾	All Other	Total Rate
2012	1.00000%	0.09500%	0.00000%	1.09500%
2013	1.00000%	0.09610%	0.00000%	1.09610%
2014	1.00000%	0.09250%	0.00000%	1.09250%
2015	1.00000%	0.09230%	0.00000%	1.09230%
2016	1.00000%	0.14200%	0.00000%	1.14200%
2017	1.00000%	0.12820%	0.00000%	1.12820%
2018	1.00000%	0.13030%	0.00000%	1.13030%
2019	1.00000%	0.12280%	0.00000%	1.12280%
2020	1.00000%	0.11400%	0.00000%	1.11400%
2021	1.00000%	0.10490%	0.00000%	1.10490%

NOTE:

(1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies, including the City of Lathrop, for which the subject property resides within. The City of Lathrop's portion varies by several Tax Rate Areas (TRAs) within the City.

Source: San Joaquin County Assessor 2011/12 - 2020/21 Tax Rate Table

CITY OF LATHROP
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Measure K Rate	Measure C General Purpose		Transportation Development Act Rate	San Joaquin County Rate	State of California Rate	Total
2012	1.00%	0.50%			0.25%	1.00%	5.00%	7.75%
2013	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2014	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2015	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2016	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2017	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2018	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2019	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2020	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2021	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%

NOTE:

* A 1.00% increase in Sales and Use Tax became effective as of April 1, 2009 to augment the State of California's budget. On May 19, 2009, the voters did not approve the proposed "Budget Stabilization" constitutional amendment and the expiration date of this 1.00% increase was on July 1, 2011.

** On November 6, 2012 the voters of Lathrop approved Measure C. Measure C is an additional 1: sales tax to be used for Public Safety and essential City services

Source: *City of Lathrop, California Finance Department*
County of San Joaquin, California, Office of the Auditor-Controller

CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Gross Assessed Valuation	\$ 1,928,673,467	\$ 1,884,764,847	\$ 1,962,577,631	\$ 2,162,599,293
Debt Margin Ratio (1)	3.75%	3.75%	3.75%	3.75%
Debt Margin (Limit)	\$ 72,325,255	\$ 70,678,682	\$ 73,596,661	\$ 81,097,473
Less: total net debt applicable to limit: General obligation bonds	\$ -	\$ -	\$ -	\$ -
Net Legal Debt Margin	<u>\$ 72,325,255</u>	<u>\$ 70,678,682</u>	<u>\$ 73,596,661</u>	<u>\$ 81,097,473</u>
Total debt applicable to the the limit as a percentage of debt limit	0%	0%	0%	0%

Notes

(1) The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computation shown above reflects a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state. The limit shown is 3.75% (one-fourth of the previous limit of 15%).

Source: City of Lathrop, California Finance Department and the County of San Joaquin, California, Office of the Controller

CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 2,373,117,607	\$ 2,710,640,553	\$ 3,103,337,856	\$ 3,314,685,968	\$ 3,843,259,098	\$ 4,435,798,404
3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
\$ 88,991,910	\$ 101,649,021	\$ 116,375,170	\$ 124,300,724	\$ 144,122,216	\$ 166,342,440
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>\$ 88,991,910</u>	<u>\$ 101,649,021</u>	<u>\$ 116,375,170</u>	<u>\$ 124,300,724</u>	<u>\$ 144,122,216</u>	<u>\$ 166,342,440</u>
0%	0%	0%	0%	0%	0%

**CITY OF LATHROP
Outstanding Debt
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities		Business-type Activities			
	Capital Leases (1)	Total Governmental Activities	Water Revenue Bonds	Notes	Certificates of Participation	PNC Bank Loan (2)
2012	7,651,202	7,651,202	29,305,000		-	6,203,000
2013	7,139,752	7,139,752	24,945,000		-	5,950,203
2014	6,865,382	6,865,382	12,970,000		-	5,667,004
2015	6,599,319	6,599,319	12,635,000		-	5,373,806
2016	4,190,000	4,190,000	12,635,000		-	5,070,256
2017	3,925,000	3,925,000	11,455,000	(4)	-	4,755,863
2018	3,640,000	3,640,000	10,846,145		-	4,430,488
2019	3,640,000	3,640,000	10,207,524		-	4,093,638
2020	3,350,000	3,350,000	9,550,312		-	3,744,895
2021	3,050,000	3,050,000	8,873,968		-	3,383,840

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

- (1) On July 1, 2005, the City entered into a capital lease agreement for the new City Hall Building.
- (2) On May 4, 2012, the City refunded the 2000 Certificates of Participation with the Compass Bank Loan.
- (3) These ratios are calculated using personal income and population for the prior calendar year.
- (4) On May 2017, the City refunded the Water Revenue Bonds.

Source: City of Lathrop, California Finance Department

**CITY OF LATHROP
Outstanding Debt
Last Ten Fiscal Years**

Business-type Activities

State Revolving Fund Loan	Capital Leases	Total Business- type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita (3)
9,528,982	31,055	45,068,037	52,719,239	147.02%	2,745
9,340,188	23,717	40,259,108	47,398,860	143.22%	2,390
8,956,038	-	27,593,042	34,458,424	105.13%	1,742
8,562,968	-	26,571,774	33,171,094	93.63%	1,500
8,160,773	-	25,866,029	30,056,029	82.47%	1,301
7,749,237	-	23,960,100	27,885,100	69.04%	1,149
7,328,146	-	22,604,779	26,244,779	57.43%	1,081
6,897,278	-	21,198,440	24,838,440	47.89%	996
6,456,406	-	19,751,613	23,101,613	44.54%	861
6,010,445	-	18,268,253	21,318,253	37.66%	748

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CITY OF LATHROP
Computation of Direct and Overlapping Debt
June 30, 2021

FY 2020/21 City Assessed Valuation	\$ 4,435,798,404
Redevelopment Agency Incremental Valuation	\$ -
Adjusted Assessed Valuation	<u>\$ 4,435,798,404</u>

<u>Overlapping Tax and Assessment Debt</u>	<u>Total Debt 6/30/21</u>	<u>Percentage Applicable to City of Lathrop (1)</u>	<u>City's Share of Debt 6/30/2021</u>
San Joaquin Delta Community College District	\$ 200,505,000	4.794%	\$ 9,612,210
Manteca Unified School District	167,369,885	20.375%	34,101,614
Tracy Unified School District	33,705,000	4.399%	1,482,683
Banta School District	415,000	64.012%	265,650
Manteca Unified School District Community Facility District No. 1989-2	21,305,000	20.749%	4,420,574
Manteca Unified School District Community Facility District No. 2005-4	5,130,000	100.000%	5,130,000
Banta School District Community Facilities District No. 2011-1	4,813,000	100.000%	4,813,000
River Islands Public Financing Authority Community Facilities District No. 2003-1	253,718,493	100.000%	253,718,493
River Islands Public Financing Authority Community Facilities District No. 2015-1	185,110,000	100.000%	185,110,000
River Islands Public Financing Authority Community Facilities District No. 2019-1	38,430,000	100.000%	38,430,000
City of Lathrop Community Facilities District No 2003-1	5,245,000	100.000%	5,245,000
City of Lathrop Community Facilities District No 2003-2	5,175,000	100.000%	5,175,000
City of Lathrop Community Facilities District No 2018-1, I.A.s 1-5	45,715,000	100.000%	45,715,000
City of Lathrop 1915 Act Bonds	23,590,000	100.000%	23,590,000
Reclamation District No. 17 Assessment District	21,637,111	54.349%	11,759,553
California Statewide Community Development Authority 1915 Act Bonds	1,937,000	100.000%	1,937,000
Total Overlapping Tax and Assessment Debt	<u>\$ 1,013,800,489</u>		<u>\$ 630,505,777</u>

Ratios to FY 2020/21 Assessed Valuation:

Total Overlapping Tax and Assessment Debt 14.21%

Direct and Overlapping General Fund Obligation Debt

San Joaquin County Certificates of Participation	65,595,000	5.210%	3,417,500
Manteca Unified School District General Fund Obligations	17,973,000	20.375%	3,661,999
City of Lathrop General Fund Obligations	3,050,000	100.000%	3,050,000
Lathrop-Manteca Rural Fire Protection District Certificates of Participation	3,570,000	76.013%	2,713,664
Total Direct and Overlapping General Fund Debt			<u>\$ 12,843,162</u>
Total Direct Debt			<u>\$ 3,050,000</u>
Total Overlapping Debt			<u>\$ 640,298,940</u>
Combined Total Debt			<u>\$ 643,348,940</u>

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to Adjusted Assessed Valuation

Total Direct Debt 0.07%
Combined Total Debt 14.50%

Source: California Municipal Statistics, Inc.

CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water Revenue (3)	Less Operating Expenses (4)	Net Available Revenue	2000 Certificates of Participation/ PNC Bank Loan (1)		Coverage
				Principal	Interest	
2012	7,115,515	3,332,047	3,783,468	-	353,750	10.70
2013	7,803,287	3,989,183	3,814,104	252,797	236,203	7.80
2014	7,884,887	3,815,990	4,068,897	283,199	205,801	8.32
2015	6,642,758	3,484,902	3,157,856	293,198	195,802	6.46
2016	6,385,191	3,479,010	2,906,181	303,550	185,450	5.94
2017	7,834,887	4,366,161	3,468,726	314,393	174,733	7.09
2018	8,491,689	4,969,618	3,522,071	325,363	163,637	7.20
2019	9,212,760	6,303,489	2,909,271	336,850	152,150	5.95
2020	10,949,739	5,539,228	5,410,511	348,743	140,257	11.06
2021	10,241,182	6,216,829	4,024,353	361,056	127,944	8.23

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

- (1) The 2000 COP's were refunded by the PNC Bank Loan on May 4, 2012. The Required Debt coverage ratio for the PNC Bank Loan is 1.10%.
- (2) The Required Debt coverage ratio for 2003 COP's/ Pacific Premier Bank Loan & SRF Loan is 1.00%.
- (3) Gross revenues include interest earnings and connection fees.
- (4) Operating expenses from Statement of Revenues, Expenses and Changes.
- (5) Source: Debt Service Schedule. The Water Revenue Certificates of Deposit Series 1993A were funded on May 24, 2000. On May 24, 2000 the City issued the Installment Purchase Certificates of Participation, 2000 Series A. On July 16, 2003 the City issued Revenue Bonds (Water Supply Project), Series 2003. On May 4, 2012 the Compass Bank Loan refunded the 2000 COPs (Compass Bank Loan Cash Flow and Yield Verification Report)
- (6) Expenses include 2000 Certificates of Participation Debt Service Requirements.
- (7) Debt Service Requirements of 2003 Certificates of Participation & SRF Loan is net of capitalized interest.

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years

2003 COP's/ Pacific Premier Bank Loan & SRF Loan (2)

Debt Service

Net Available Revenue (5)	Principal	Interest	Coverage
3,429,718	615,000	1,743,738	1.45
3,325,104	650,000	1,713,603	1.41
3,579,897	680,000	1,681,102	1.52
2,668,856	728,070	954,719	1.59
2,417,181	402,196	945,592	1.79
2,979,600	411,536	936,254	2.21
3,033,071	421,091	926,699	2.25
2,420,271	1,069,489	475,545	1.57
4,921,511	1,093,053	451,981	3.19
3,535,353	1,122,305	422,729	2.29

CITY OF LATHROP
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2011	18,908	360,197	19,050	13.7%
2012	19,209	358,594	18,668	10.4%
2013	19,831	330,960	16,689	9.4%
2014	19,786	327,775	16,566	10.3%
2015	22,112	354,280	16,022	8.5%
2016	23,110	364,434	15,769	7.8%
2017	24,268	403,896	16,643	6.3%
2018	24,936	457,006	18,327	5.2%
2019	26,833	518,675	19,329	4.3%
2020	28,503	566,062	19,859	9.6%

Sources: (1) California State Department of Finance
(2) 2010 and later - Income, Age and Education Data - US Census Bureau,
most recent American Community Survey

CITY OF LATHROP
Principal Employers
Current Year and Nine Years Ago

Employer	2021		2012	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Tesla	2054	19.94%	0	0.00%
United Parcel Service (UPS)	1500	14.56%	0	0.00%
Army Air Force Exchange Services	800	7.77%	0	0.00%
Super Store Industries (SSI)	50	0.49%	401	7.54%
Pflug Packaging	450	4.37%	75	1.41%
Simwon America Corp.	378	3.67%	0	0.00%
California Natural Products (CNP)	375	3.67%	250	4.70%
MUSD (Lathrop Schools)	337	3.64%	0	0.00%
Coast Professional, Inc	300	3.27%	0	0.00%
Wayfair	238	2.91%	0	0.00%
Ashley Furniture	190	2.31%	0	0.00%
CBC Steel Buildings	185	1.84%	100	1.88%
Diamond Pet Foods	163	1.80%	100	1.88%
JR Simplot Company	145	1.58%	200	3.76%
Pratt, LLC	120	1.41%	0	0.00%

"Total Employment" as used above represents the Estimated total employment of all employers located within City limits.

*Source: California Labor Market Information, California EDD Website (www.ca.gov)
City of Lathrop Community Development Department*

CITY OF LATHROP
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

Function	2012	2013	2014	2015	2016
General Government	25.50	25.50	23.40	23.60	24.60
Neighborhood & Community Services (1)	5.00	5.00	-	-	-
Public Safety (2)	30.33	30.33	32.00	36.98	36.98
Public Works	41.00	41.00	21.83	22.83	29.50
Community Development	23.75	23.75	8.34	6.67	4.00
Culture & Leisure	19.64	20.64	18.41	20.76	21.00
Total Positions	<u>145.22</u>	<u>146.22</u>	<u>103.98</u>	<u>110.84</u>	<u>116.08</u>
less Unfunded Positions (3)	<u>52.61</u>	<u>53.61</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Employees	<u><u>92.61</u></u>	<u><u>92.61</u></u>	<u><u>103.98</u></u>	<u><u>110.84</u></u>	<u><u>116.08</u></u>

(1) The Neighborhood & Community Services Department was created in March 2010 and later collapsed into Public Works/ Community

(2) Police services are a contract service provided by San Joaquin County Sherriff Department.
 Fire Service is provided by Lathrop Manteca Fire District.

(3) Fiscal Year 2013 was the last year of allocating and tracking unfunded positions.

Source: *City of Lathrop, California Annual Adopted Budgets.*

CITY OF LATHROP
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
23.60	23.60	24.60	26.60	28.63
-	-	-	-	-
37.98	35.98	36.98	36.98	36.98
30.80	33.80	40.47	40.47	42.47
3.10	4.10	4.43	4.43	4.40
20.56	21.01	21.01	21.01	28.60
<u>116.04</u>	<u>118.49</u>	<u>127.49</u>	<u>129.49</u>	<u>141.08</u>
-	-	-	-	-
<u>116.04</u>	<u>118.49</u>	<u>127.49</u>	<u>129.49</u>	<u>141.08</u>

CITY OF LATHROP
Operating Indicators by Function
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police:										
Arrests	612	670	489	708	572	705	550	558	554	624
Parking Citations Issued	567	291	380	444	696	1,385	1,084	1,389	1,237	1,489
Code Enforcement										
Housing Cases	21	40	20	35	29	28	54	74	64	55
Public Nuisance Cases	185	213	61	206	287	345	204	126	165	210
Vehicle Cases	21	28	12	11	67	193	140	118	129	145
Weed Abatement Cases	31	-	5	-	2	108	122	126	124	120
Building Permits										
Single Family Dwellings	63	146	130	350	220	291	392	381	649	879
Parks and recreation:										
Number of recreation classes	49	49	202	34	56	67	116	126	95	176
Number of facility rentals	302	675	1,870	542	450	390	1,598	1,388	1,041	206
Water:										
New connections	38	140	190	266	179	163	392	381	649	879
Average daily consumption (thousands of gallons)	3,110	4,014	3,550	3,508	3,052	3,274	4,200	4,128	4,128	4,742
Sewer:										
New connections	38	140	190	266	179	163	392	381	649	879

Source: City of Lathrop, California departmental sources.

CITY OF LATHROP
Capital Assets Statistics by Function
Last Ten Fiscal Years

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations (1)	-	-	-	-	-	-	-	-	-	-
Public works:										
Streets (miles)	72.74	82.80	82.80	84.20	84.20	84.20	92.90	92.90	97.90	109.70
Streetlights	1,433	1,433	1,433	1,448	1,472	1,472	1,835	1,835	1,835	2,135
Parks and recreation:										
Parks (2)	13	14	16	16	16	16	18	20	22	25
Community centers	1	1	2	2	2	2	2	2	2	2
Senior centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	73.08	101.40	99.60	101.80	101.80	101.80	101.80	142.00	147.00	159.00
Maximum daily capacity (thousands of gallons)	20,126	21,700	15,250	15,250	15,250	15,250	15,250	16,500	16,500	16,500
Wastewater:										
Sanitary sewer (miles)	57.16	60.40	62.03	71.00	71.00	71.00	71.00	91.80	96.80	108.80
Miles of Reclaimed Water Lines	18.33	18.33	21.40	21.80	21.80	21.80	21.80	21.80	25.80	27.80
Maximum daily treatment capacity (thousands of gallons)	2,140	2,416	2,416	2,200	2,200	1,450	1,450	3,140	3,140	3,140

NOTE:

- (1) The City of Lathrop's fire protection is provided by the Lathrop-Manteca Fire District.
- (2) Source: City of Lathrop, Parks and Recreation Guide

Source: City of Lathrop, California departmental sources.

CITY OF LATHROP
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

Type of Customer:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Residential	656,723	740,938	690,963	671,095	628,208	625,187	745,359	738,530	794,181	907,150
Industrial	263,466	329,816	291,935	343,231	283,410	278,985	395,110	415,471	406,181	435,637
Commercial	68,559	107,530	116,496	91,599	71,396	101,549	139,290	135,130	145,195	152,476
Governmental	129,524	265,931	157,119	172,972	177,791	139,511	149,952	126,761	144,421	199,298
Construction	16,720	20,995	39,058	1,615	-	49,923	103,309	91,038	85,601	36,154
Total	1,134,992	1,465,210	1,295,571	1,280,512	1,160,805	1,195,155	1,533,020	1,506,930	1,575,579	1,730,715
Total direct rate per 1,000 gallons	\$ 2.45	\$ 2.45	\$ 2.63	\$ 2.63	\$ 3.04	\$ 3.49	\$ 3.99	\$ 3.99	\$ 3.99	\$ 3.99

Source: City of Lathrop, California Public Works Department

**CITY OF LATHROP
Water Rates
Last Ten Fiscal Years**

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons	CSCDA Loan (1)	SCSWSP Facility Charge (2)
2011	\$ 10.30	\$ 2.24	-	\$ 9.10
2012	10.60	2.45	-	9.10
2013	11.50	2.63	-	9.10
2014	11.50	2.63	-	9.10
2015	11.50	2.63	-	9.10
2016	12.80	3.04	-	9.10
2017	14.40	3.49	-	9.10
2018	16.30	3.99	-	9.10
2019	16.30	3.99	-	9.10
2020	16.30	3.99	-	9.10
2021	16.30	3.99	-	9.10

NOTE:

Rates are based on 5/8" meter, which is the standard household meter size.

- (1) State of California Loan under the Safe Drinking Water Bond Law of 1976 was paid off on March 1, 2001.
- (2) On July 16, 2003, The City of Lathrop issued \$32,530,000 in Revenue Bonds to finance the acquisition and construction of water system improvements and related facilities, including water treatment facilities and distribution pipelines and to pay cost of issuance. The bonds have an ascending interest rate ranging from 3% to 6% and a final maturity date of June 1, 2035.

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Ten Largest Water Customers
Current Year and Nine Years Ago

Water Customer	2021		2012	
	Water Charges	Percent of Total Water Revenues	Water Charges	Percent of Total Water Revenue
California Natural Products	\$941,085	9.19%	\$ 324,858	4.57%
City of Lathrop	642,972	6.28%	57,543	0.81%
Manteca Unified School District	263,855	2.58%	-	0.00%
Super Store Industries	144,099	1.41%	84,121	1.18%
Teichert Construction	110,509	1.08%	-	0.00%
Tesla Motors Inc	90,624	0.88%	-	0.00%
Banta Elementary School District	83,702	0.82%	-	0.00%
River Islands Public Finance Authority	66,618	0.65%	-	0.00%
IN-N-OUT Burger #804	54,204	0.53%	-	0.00%
Camino Real Mobile Estates	53,028	0.52%	-	0.00%

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Top 25 Sales Tax Producers
Current Year and Nine Years Ago

2021		2012	
Business Name	Business Category	Business Name	Business Category
Percent of Fiscal Year Total Paid By Top 25 Accounts = 88.20%		Percent of Fiscal Year Total Paid By Top 25 Accounts = 85.77%	
Arco AM PM	Service Stations	Anderson Truss	Building Materials
Ashley Furniture Dist Center	Fulfillment Centers	Arco AM PM	Service Stations
Boral Roofing	Contractors	Carpenter Co	Textiles/Furnishings
CBC Steel Buildings	Contractors	CBC Steel Buildings	Contractors
Chevron	Service Stations	Central Precast Concrete	Contractors
Chevron Power Market	Service Stations	Chevron	Service Stations
Eagles Nest Harley Davidson	Boats/Motorcycles	Chevron	Service Stations
Flying J Travel Plaza	Service Stations	City of Lathrop	Government/Social Org
In N Out Burger	Quick-Service Restaurants	Eagles Nest Harley Davidson	Boats/Motorcycles
Joes Travel Plaza	Service Stations	Fast Lane	Service Stations
Pape Kenworth	New Motor Vehicle Dealers	Interior Specialists	Home Furnishings
Raymond Handling Concepts	Warehse/Farm/Const. Equip.	Jack in th Box	Quick-Service Restaurants
Save Mart	Grocery Stores	Joes Travel Plaza	Service Stations
Shell	Service Stations	McDonalds	Quick-Service Restaurants
Simwon America Corp	Warehse/Farm/Const. Equip.	Medcal Sales	Medical/Biotech
Target	Discount Dept Stores	Mikasa Japanese Bistro	Casual Dining
Tec Equipment	Trailers/Auto Parts	Save Mart	Grocery Stores
Tesla Motors	New Motor Vehicle Dealers	Shell	Service Stations
Top Gun Drywall Supply	Building Materials	Target	Discount Dept Stores
Totten Tubes	Heavy Industrial	Top Gun Drywall Supply	Building Materials
Tri West	Building Materials	Tower Mart	Service Stations
Tuff Boy Sales	Trailers/RVs	Two Guys Food & Fuel	Service Stations
Two Guys Food & Fuel Inc	Service Stations	USAMotors.Com	Used Automotive Dealers
Utility Trailer Sales	Trailers/RVs	Utility Trailer Sales	Trailers/RVs
Wayfair	Fulfillment Centers	Walgreens	Drug Stores

* Firms Listed Alphabetically

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office.

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