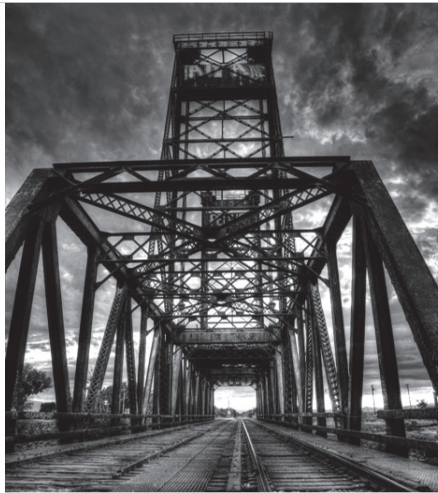


# City of Lathrop California

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019



*Lathrop – Past, Present, Future*



City of Lathrop  
390 Towne Centre Drive  
Lathrop, CA 95330

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CITY OF  
LATHROP, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2019

Prepared  
By  
The Finance Department

Cari James  
Director of Finance

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**CITY OF LATHROP, CALIFORNIA**  
**Comprehensive Annual Financial Report**  
**For the Year Ended June 30, 2019**

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## City of Lathrop

Department of Finance  
390 Towne Centre Drive  
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January 28, 2020

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

The Comprehensive Annual Financial Report of the City of Lathrop for the fiscal year (FY) ended June 30, 2019 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.

The Comprehensive Annual 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), the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB) and includes the report of the City's, independent certified public accountants, Maze and Associates. Based on the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion which state that the City's financial statements for the fiscal year ended June 30, 2019, 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

City management is responsible for establishing and maintaining an internal control structure 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 accounting principles generally accepted 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.

In addition to internal controls, the City also maintains budgetary controls. Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles accepted in the United States of America. The budget for the General and Special Revenue Funds are the only legally adopted budgets. Budgets for the Debt Service and Capital Project Funds are used for management and control purposes only. Expenditures may not legally exceed budgeted amounts at the department level. If the expenditures exceed appropriations, the City Manager is authorized to transfer budgeted amounts between line items within any department or between divisions within a department.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Under this system, governmental funds are encumbered when purchase orders, contracts, or other commitments are signed or approved. Encumbered amounts may be carried over to the following fiscal year with the City Manager's approval.

### **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 Maze & Associates. 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, Maze & Associates 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.

### **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 120 Freeway. As of January 1, 2019, the City had an estimated population of 24,936.

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.

This report includes all funds of the City of Lathrop. It 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, 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.

## 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, which is benefiting Lathrop due to its strategic location at the intersection of three major freeways. The City experienced a period of growth through the mid 2000's with a strong surge 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. Development activity slowed dramatically in the latter half of 2008 as the impacts from the recession began to be felt. Conditions worsened over the course of the next several years with the City's assessed valuation (AV) dropping by almost one third. However, beginning in FY 2012/13 development activity began to pick up improving the housing market conditions in the area. Permit issuance remained strong in FY 2018/19 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's sales tax revenues remained stable throughout the recession and, over the past several years, have continued to experienced 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.

While revenues fell during the recession, demand for services continued to escalate. The City has seen higher levels of expenditures due to increases in the City's pension contribution requirements, funding requirements for Other Post-Employment Benefits (OPEB) and other operational expenditure increases needed to provide necessary services to a growing population. The City, however, has remained vigilant in maintaining its fiscal strength and in recent years cost saving measures, along with one-time revenues, have allowed the City to maintain a balanced General Fund budget and Unassigned Fund Balance between 10-50% of the annual operating appropriations and transfers.

Since 2015, drought conservation mandates have been lifted and water usage has returned to a new normal. Normalization in water consumption equates to the Water Fund meeting revenue requirements without the need for additional rate increases at this time. Close monitoring of fiscal, usage and policy trends for the Water Fund will be kept to determine the need to implement additional rate increases in the future.

### **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 a 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.

The June 30, 2019 financial report indicates that the City of Lathrop concluded the year having consistently provided quality services to citizens, while actively managing recent tax revenue challenges through budget reductions to meet its obligations. Lathrop maintains adequate fund balances for emergencies in a majority of its governmental operations funds and proprietary funds. At fiscal year-end 2019, the General Fund unassigned available fund balance was 37% of total expenditures.

### **Long-Term Financial Planning**

Management encourages its departments to project their resource needs for a period longer than the traditional annual budget. In May 2009, the City Council adopted a 5-Year Survival Plan that stabilizes the City's finances by cutting departmental costs and utilizing the General Fund reserve over a period of 5 years. With only modest growth projected for revenues, in May 2010, the City changed the 5-Year Survival Plan to a 5-Year Stabilization Plan and in 2013 the City created a 10-year Fiscal Model which began to address the structural deficit while minimizing the use of reserves.

The Fiscal Model has become a tool to the City Council and the City Manager to assist with the decision making process to determine the financial feasibility of any priorities or goals they may wish to adopt. Additionally, the model alerts management and the City Council of potential shortfalls and affords them the time to develop practical

solutions with minimal impacts to our citizens. The Fiscal Model has allowed the City to prepare for difficult times by managing reduced revenues and steadily increasing expenditures. Due to the timely implementation of cost containment measures, the City sustained modest but healthy reserves through the Great Recession. Using the model to forecast the years ahead, the City remains hopeful that revenue streams will maintain its current upward trend. However, continual achievement of a balanced General Fund budget will be difficult in the years to come, as most of the new revenue generated through the current economic recovery will be consumed by increasing demands for services driven by growth in population and development.

The Fiscal Model shows that over the next nine fiscal years expenditures are projected to increase more than revenues, resulting in a negative fund balance by Fiscal Year Ending 2028. In addition, the City faces increasing expenses in several areas of operations, including the potential relocation of its 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 to a minimum.

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 2018/19, 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.

**CERTIFICATE OF ACHIEVEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Lathrop, California for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized report Comprehensive Annual Financial Report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual 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 Comprehensive Annual 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 all who assisted and contributed to the preparation of this report.

Respectfully submitted,



Stephen J. Salvatore  
City Manager



Cari James  
Director of Finance

# City of Lathrop Organizational Chart FY 2018-19

## CITIZENS OF LATHROP



Jennifer Torres-O'Callaghan  
Councilmember



Martha Salcedo  
Vice Mayor



Sonny Dhaliwal  
Mayor



Paul Akinjo  
Councilmember



Diane Lazard  
Councilmember

Commissions

City Manager

City Attorney

City Clerk

Administrative Services

Finance Department

City Engineer

Public Works

Community Development

Parks & Recreation

Police Services

## **DIRECTORY OF OFFICIALS AND ADVISORY BODIES**

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### **CITY COUNCIL**

Sonny Dhaliwal, Mayor  
Martha Salcedo, Vice Mayor  
Paul Akinjo, Council Member  
Diane Lazard, Council Member  
Jennifer Torres-O'Callaghan, 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 Salvatore
City Attorney	Salvador Navarrete
City Engineer	Glenn Gebhardt
City Clerk	Teresa Vargas
Director of Finance	Cari James
Director of Administrative Services	Cari James
Parks and Recreation Director	Zach Jones
Chief of Police	Ryan Biedermann
Director of Public Works	Michael King
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 Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrill*

Executive Director/CEO

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lathrop, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

Management adopted the provision of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2019:

Governmental Accounting Standards Board Statement 88 – *Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements*. See Note 5 to the financial statements for relevant disclosures.

The emphasis of this matter does not constitute a modification of our opinion.

***Other Matters***

*Required Supplementary Information*

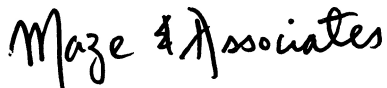
Accounting principles generally accepted in the United States of America require that Management’s Discussion and Analysis, and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements as a whole. The Introductory Section, Supplemental Information, and Statistical Section as listed in the Table of Contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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



Pleasant Hill, California  
January 27, 2020



## City of Lathrop

*Department of Finance*  
390 Towne Centre Drive  
Lathrop, California 95330  
209-941-7320  
[www.ci.lathrop.ca.us](http://www.ci.lathrop.ca.us)

January 28, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Lathrop, we offer readers of the City of Lathrop's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. Please read the information presented in conjunction with additional information that we have furnished in our letter of transmittal, beginning on page v, and the financial statements and disclosure notes beginning on page 35.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City of Lathrop exceeded its liabilities at June 30, 2019 by \$452.5 million (net assets). Of this amount, \$107.3 million (unrestricted net assets) 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 \$40.8 million due in large part to \$40.9 million in capital grants and developer contributions.
- The total revenue from all sources increased \$72.2 million from the prior year due to the one-time revenue received in capital grants and developer contributions.
- The General Fund reported excess revenues over expenditures (including transfers) of \$9 million, thereby increasing the fund balance.
- Sales and use tax collections increased by \$2.7 million, a 30.3 percent increase from the prior year.
- At June 30, 2019, the City's governmental funds reported combined ending fund balances of \$91.1 million, an increase of \$23.4 million in comparison with June 30, 2018. Of this \$91.1 million total amount, \$31.2 million or 34.2 percent is unassigned fund balance.
- At June 30, 2019, the unassigned fund balance for the General Fund was \$31.2 million, compared to last year's unassigned actual fund balance of \$21.5 million.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This Management Discussion and Analysis is intended to serve as an introduction to the financial statements of the City of Lathrop. This comprehensive annual financial report is comprised of five parts: (1) this management discussion and analysis (Pages 3 – 15), (2) the basic financial statements and notes to the financial statements (Pages 19 - 65), (3) statements of revenue, expenditures and changes in fund balance-budget to actual of major governmental funds (Pages 74 - 77), and postemployment benefits other than pensions trend information (Note 9, Pages 60 – 64), (4) other combining statements for non-major governmental funds and agency funds (Pages 96 - 128) and (5) the statistical section (Pages 131 - 152).

Due to Governmental Accounting Standards Board (GASB) Statement No. 34, 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 Assets** – a statement that combines the financial position as of June 30, 2019 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, 2019 on a government-wide basis.

- **Statements for Governmental Funds** – these present the major governmental funds such as the general fund, landscape maintenance special revenue fund, developers projects special revenue fund, streets and roads capital projects 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.

Fund financial statements focus on individual parts of the City government, reporting the City’s operations in more detail than the government-wide statements. 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 of Lathrop’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 of Lathrop’s finances using accounting methods similar to a private-sector business.

The **statement of net assets** presents information on all the City of Lathrop’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Lathrop is improving or deteriorating.

The **statement of activities** presents information showing how the government’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of 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 of Lathrop that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Lathrop include general government, community development, public safety, public works, culture and leisure, and debt service. The business-type activities of the City of Lathrop include the City’s water and sewer utility enterprise functions.

The government-wide financial statements include solely the operations of the City of Lathrop itself. There are no additional discrete or blended component units. The government-wide financial statements can be found on Pages 19 – 21 of this report.

### **Fund financial statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives, or as required by legal enabling legislation. The City of Lathrop, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City of Lathrop 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 of Lathrop maintained 87 individual governmental funds in 2019. 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, landscape maintenance special revenue fund, developer projects special revenue fund, and streets and roads capital projects fund, all of which are designated as major funds. Data from the remaining 73 non-major governmental funds are shown as other supplementary information.

The City of Lathrop adopts an annual appropriated budget for all of its funds. A budgetary 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 24 - 27 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 of 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 of Lathrop 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 30 – 32 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 of Lathrop's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has 55 fiduciary funds. The fiduciary fund financial statements can be found on Page 34 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 35 - 65 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 73 non-major governmental funds and 55 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 82 - 128 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 of Lathrop, assets exceeded liabilities by \$451 million at the close of Fiscal Year 2018/19.

Compared to the previous year, the City's total net position increased by 20.5 percent. This increase is primarily due to developer contributions of capital assets that took place in Fiscal Year 2018/19.

By far the largest portion of this year's net position reflects the City's investment in capital assets of \$329 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 of Lathrop 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 of Lathrop'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 \$15 million or 3.4 percent of total net position. The remaining balance of \$107 million (24 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 and net position for both fiscal years ended June 30, 2018 and 2019.

**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		
	2018	2019	2018	2019	2018	2019	
<b>Assets:</b>							
Capital assets	\$ 163,367	\$ 183,141	\$ 142,884	\$ 171,651	\$ 306,251	\$ 354,792	15.85%
Other assets	82,894	107,872	35,509	39,341	118,403	147,213	24.33%
<b>Total Assets</b>	<b>246,261</b>	<b>291,013</b>	<b>178,393</b>	<b>210,992</b>	<b>424,654</b>	<b>502,005</b>	<b>18.22%</b>
<b>Deferred Outflows</b>							
Deferred Outflows Related to Pension	<b>2,316</b>	<b>2,211</b>	<b>212</b>	<b>205</b>	<b>2,528</b>	<b>2,416</b>	<b>-4.43%</b>
<b>Liabilities:</b>							
Current liabilities	15,224	16,042	3,927	3,991	19,151	20,033	4.61%
Long-term liabilities	9,884	10,514	21,772	20,324	31,656	30,838	-2.58%
<b>Total Liabilities</b>	<b>25,108</b>	<b>26,556</b>	<b>25,699</b>	<b>24,315</b>	<b>50,807</b>	<b>50,871</b>	<b>0.13%</b>
<b>Deferred Inflows</b>							
Deferred Inflows Related to Pension	<b>937</b>	<b>968</b>	<b>58</b>	<b>67</b>	<b>995</b>	<b>1,035</b>	<b>4.02%</b>
<b>Net Position:</b>							
Net Investment in Capital Assets	159,727	179,501	120,279	150,453	280,006	329,954	17.84%
Restricted	10,408	13,553	1,650	1,652	12,058	15,205	26.10%
Unrestricted	52,397	72,646	30,920	34,710	83,317	107,356	28.85%
<b>Total Net Position</b>	<b>\$ 222,532</b>	<b>\$ 265,700</b>	<b>\$ 152,849</b>	<b>\$ 186,815</b>	<b>\$ 375,381</b>	<b>\$ 452,515</b>	<b>20.55%</b>

At the end of the fiscal year, the City of Lathrop 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 20.5 percent this year, from \$375.3 million at June 30, 2018 to \$452.5 million at June 30, 2019.

Although the net position of the City's business-type activities are \$186.8 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 \$51.4 million are less than the revenues of \$128.5 million for an increase in net position as of June 30, 2019 of \$77.1 million. The table on the next page shows the summarized revenues and expenses for both fiscal years 2017/18 and 2018/19.

The City's fiscal year 2018/19 change in net position was 341 percent higher than fiscal year 2017/18, due to an increase of 132 percent in total revenues and an increase of 36 percent in total expenditures in fiscal year 2018/19. The expenditure increase is largely found in the Business-Type activities, which is a result of capital projects in the area.

Governmental program activities and general revenues of \$76.7 million and transfers in of 2.4 million, supported expenses of \$35.9 million, for a total net increase in net position in tax-supported activities of \$43 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 \$51.9 million supported expenses of \$15.5 million and transfers out of \$2.4 million, for a total change in net position in utility enterprise activities of \$34.0 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 \$34.0 million is available for future water and sewer improvement needs as required by projected City population increases and development needs.

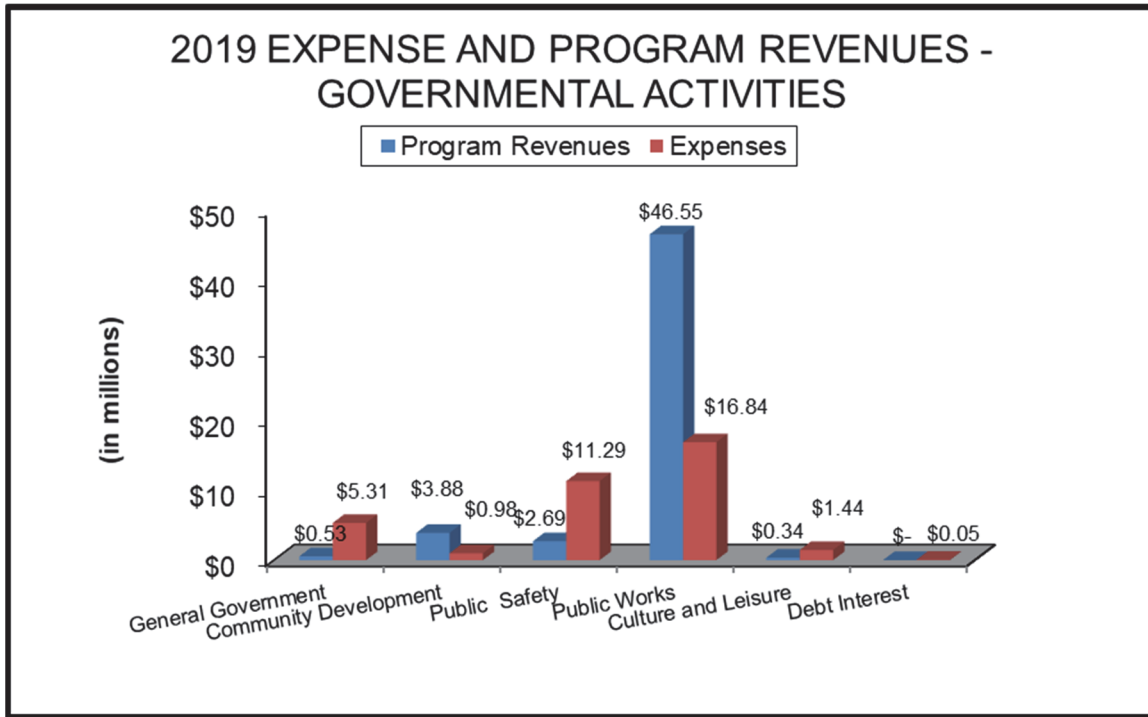
**City of Lathrop Changes in Net Position**  
**For the Fiscal Years Ended June 30**  
*(in Thousands)*

	Governmental		Business-Type		Total Primary		Total Percent Change
	Activities		Activities		Government		
	2018	2019	2018	2019	2018	2019	
<b>Revenues:</b>							
<i>Program revenues:</i>							
Charges for services	\$ 5,244	\$ 7,400	\$ 14,865	\$ 16,977	\$ 20,109	\$ 24,377	21.22%
Operating grants and contributions	5,460	5,674	-	-	5,460	5,674	3.92%
Capital grants and contributions	10,102	40,920	160	32,556	10,262	73,476	616.00%
<i>General revenues:</i>							
Sales and use taxes	9,211	12,001	-	-	9,211	12,001	30.29%
Property taxes	4,286	4,710	-	-	4,286	4,710	9.89%
Franchise taxes	878	1,204	908	1,599	1,786	2,803	56.94%
Transient occupancy taxes	634	667	-	-	634	667	5.21%
Other taxes	-	-	-	-	-	-	
Motor Vehicle in lieu	1,795	1,898	-	-	1,795	1,898	5.74%
Other miscellaneous	380	149	-	-	380	149	-60.79%
Unrestricted investment earnings	979	1,997	405	783	1,384	2,780	100.87%
<b>Total Revenues</b>	<b>38,969</b>	<b>76,620</b>	<b>16,338</b>	<b>51,915</b>	<b>55,307</b>	<b>128,535</b>	<b>132.40%</b>
<b>Expenses:</b>							
<i>Governmental activities:</i>							
General government	4,918	5,307	-	-	4,918	5,307	7.91%
Community development	1,257	978	-	-	1,257	978	-22.20%
Public safety	10,966	11,285	-	-	10,966	11,285	2.91%
Public works	13,067	16,835	-	-	13,067	16,835	28.84%
Culture and leisure	1,332	1,442	-	-	1,332	1,442	8.26%
Interest on long-term debt	100	46	-	-	100	46	-54.00%
<i>Business-type activities:</i>							
Water enterprise	-	-	4,970	6,303	4,970	6,303	26.82%
Sewer enterprise	-	-	1,205	9,207	1,205	9,207	664.07%
<b>Total expenses</b>	<b>31,640</b>	<b>35,893</b>	<b>6,175</b>	<b>15,510</b>	<b>37,815</b>	<b>51,403</b>	<b>35.93%</b>
<b>Excess before transfers</b>	<b>7,329</b>	<b>40,727</b>	<b>10,163</b>	<b>36,405</b>	<b>17,492</b>	<b>77,132</b>	<b>340.96%</b>
Transfers	(138)	2,439	138	(2,439)	-	-	
<b>Change in Net Position</b>	<b>7,191</b>	<b>43,166</b>	<b>10,301</b>	<b>33,966</b>	<b>17,492</b>	<b>77,132</b>	<b>340.96%</b>
Net Position - Beginning	215,341	222,532	142,549	152,850	357,890	375,382	4.89%
Prior Period Adjustment	-	-	-	-	-	-	-
Net Position, Beginning, Restated	215,341	222,532	142,549	152,850	357,890	375,382	4.89%
<b>Net Position - Ending</b>	<b>\$ 222,532</b>	<b>\$ 265,700</b>	<b>\$ 152,850</b>	<b>\$ 186,815</b>	<b>\$ 375,382</b>	<b>\$ 452,514</b>	<b>20.55%</b>

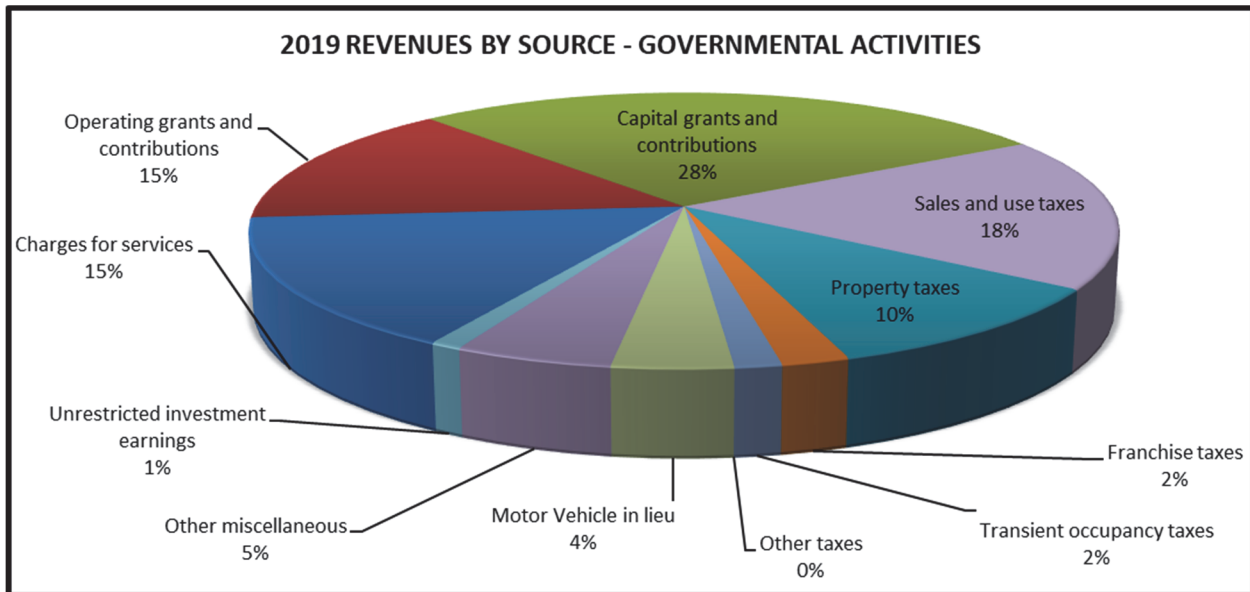


**Governmental Activities**

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 result in expenditures in excess of revenues of \$5.3 million. General government services and public safety delivery costs exceeded program revenues by \$4.7 million and \$8.5 million, respectively.



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 2018/19, property tax revenues increased by \$424 thousand.

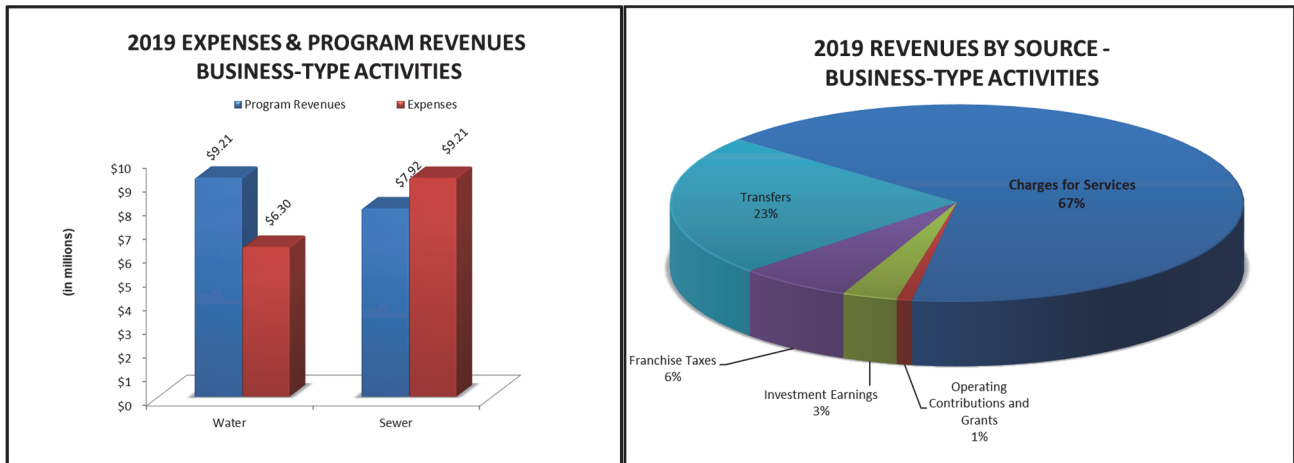
The following table shows the cost of the City’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the City’s taxpayers by each of the programs. The cost of all governmental activities this year was \$35.8 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 FY2018/19 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		
	2018	2019	Percent Change	2018	2019	Percent Change
General government	\$ 4,918	\$ 5,307	7.91%	\$ (4,361)	\$ (4,776)	9.52%
Community development	1,257	978	-22.20%	1,660	2,903	74.88%
Public safety	10,966	11,285	2.91%	(9,865)	(8,591)	-12.91%
Public works	13,067	16,835	28.84%	2,884	29,712	930.24%
Culture and leisure	1,332	1,442	8.26%	(1,051)	(1,100)	4.66%
Other	100	46	-54.00%	(100)	(46)	-54.00%
<b>Total</b>	<b>\$ 31,640</b>	<b>\$ 35,893</b>	<b>13.44%</b>	<b>\$ (10,833)</b>	<b>\$ 18,102</b>	<b>-267.10%</b>

**Business-type Activities**

Business-type activities increased the City’s net position by \$34.0 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 \$2.9 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 \$9.0 million. This shows operating revenues exceeding operating expenditures by \$2.9 million. On 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 \$1.2 million. This signifies that sewer operating income is meeting standard operating and infrastructure renewal and replacement costs. On February 2016, the City adopted a 5-Year water rate program based on the Water Rate Study findings.

## ***FINANCIAL ANALYSIS OF THE CITY'S FUNDS***

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

### ***Governmental funds***

The focus of the City of Lathrop'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 of Lathrop'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, 2019, the City of Lathrop's governmental funds (general, special revenue, and capital project funds) reported combined ending fund balances of \$91.1 million, an increase of \$23.4 million in comparison with the prior fiscal year. Approximately 34.0 percent of this total amount (\$31.0 million) constitutes unassigned fund balance, which is available for spending, at the City's governing body's discretion. Of the remainder fund balance, \$5.2 million is nonspendable, \$4.7 million is restricted, \$49.6 million is committed and \$0.6 million is assigned and are not available for new spending.

The General Fund is the chief operating fund of the City of Lathrop. At the end of the 2019 fiscal year, fund balance of the general fund was \$36.4 million, of which \$31.2 million is unassigned fund balance. The increase in unassigned fund balance of the General Fund for Fiscal Year 2018/19 was \$9.6 million. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Total unassigned fund balance represents 160.9 percent of total General Fund expenditures of \$19.4 million in 2019. This means the City's general governmental operations could continue for about 19-months without any additional revenue generation.

In Fiscal Year 2018/19, taxes are the General Fund's largest source of revenue at 64.5 percent, or \$18.6 million, of total revenues of \$28.8 million. Property taxes represent 25.2 percent, or \$4.7 million, of this total taxes amount in the General Fund.

The Developer Projects fund had an ending fund balance of \$0.6 million at June 30, 2019. 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 \$30.9 million as of June 30, 2019. 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 Other Governmental Funds fund had an ending fund balance of \$23.2 million as of June 30, 2019. The monies in this fund are collected from state and federal funding sources for specific projects. The committed fund balance can only be used to fund specific projects in future fiscal years.

### ***Proprietary funds***

The City of Lathrop proprietary funds provide similar information to that which is found in the government-wide financial statements, but in more detail. Each funds' 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 2018/19, the water utility enterprise fund increased its net position from \$58.2 million to \$61.9 million. Unrestricted net assets at the end of the fiscal year amounted to \$23.1 million, and are available for future capital water system improvements. \$37 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.

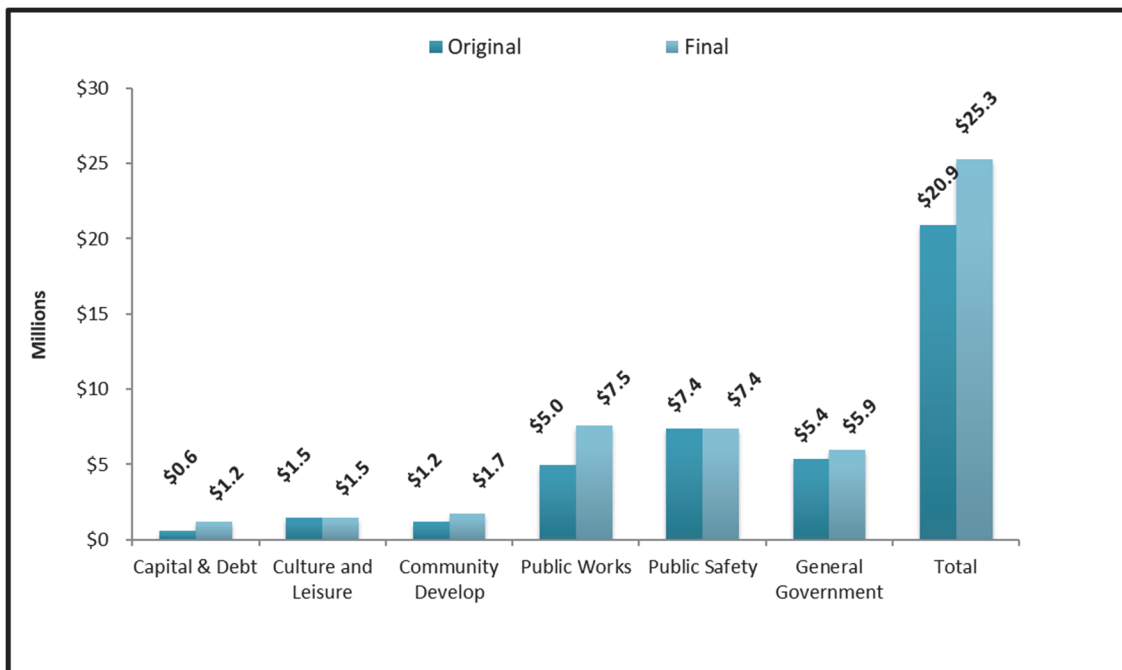
In Fiscal Year 2018/19, the sewer utility fund increased its net position from \$94.7 million to \$124.9 million. Unrestricted net position at the end of the fiscal year amounted to \$11.6 million and, are available for future capital sewer system improvements. \$113.3 million of the Sewer Fund's net 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 of Lathrop'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 2018/19, the General Fund's original budgeted expenditures of \$20.9 million increased to \$25.3 million at Final Amended Budget. Original adopted revenue estimates were \$18.4 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 2018/19.

### **GENERAL FUND FISCAL YEAR 2018/19 ORIGINAL AND FINAL BUDGETS BY GOVERNMENTAL FUNCTION CATEGORY**



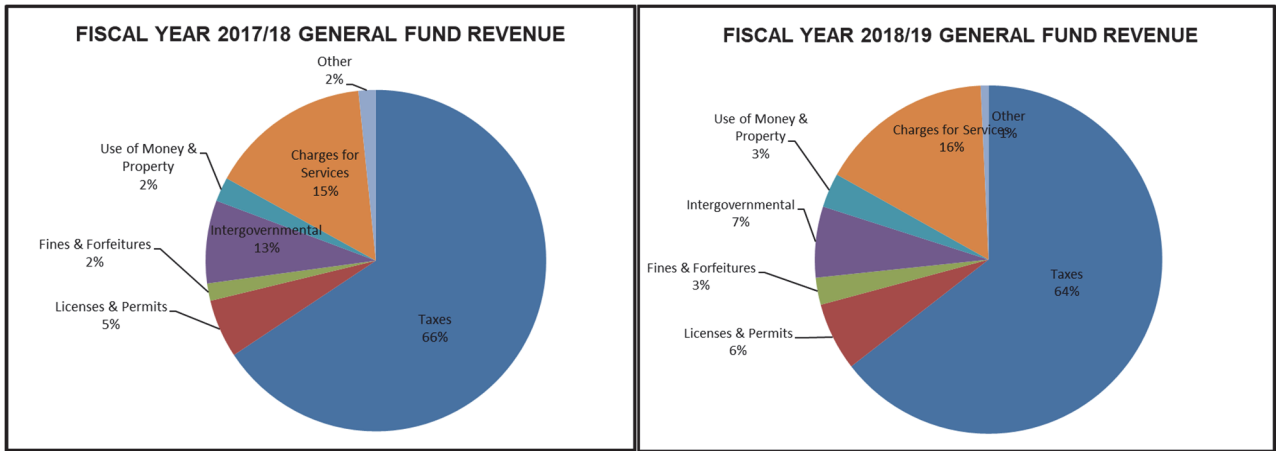
Over the course of the year, the City Council revised the City budget with adjustments that are comprised within the following two categories:

- 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 \$4.3 million and are primarily a result of increased costs to carry out operations for public purposes and the purchase of replacement fleet. Budgeted General Fund revenues were increased by \$1.7 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 \$19.4 million. Capital Outlay expenditure savings contributed to this reduced spending level. Actual revenues in the General Fund were \$8.6 million higher than the final budget revenue estimate. The result of the higher revenues and significantly lower spending increased the ending unassigned fund balance of the General Fund by \$9.6 million.

The City's General Fund revenue structure slightly changed compared to Fiscal Year 2017/18. The two pie charts below present total actual revenues for Fiscal Years 2017/18 and 2018/19 by revenue category. Total actual taxes comprised 66 percent of total General Fund revenues in Fiscal Year 2017/18 and 64 percent in Fiscal Year 2018/19.



## ***CAPITAL ASSET AND DEBT ADMINISTRATION***

### ***Capital Assets***

At the end of Fiscal Year 2018/19, the City had \$354.8 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 \$48.5 million, or a 15 percent increase, over Fiscal Year 2017/18.

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			
	2018	2019	2018	2019	2018	2019
<b>Capital Assets Not Being Depreciated</b>						
Land	\$ 9,630	\$ 9,630	\$ 3,565	\$ 3,565	\$ 13,195	\$ 13,195
Construction in progress	24,657	20,738	55,705	38,414	80,362	59,152
<b>Depreciable Capital Assets</b>						
Buildings	8,659	8,432	9	8	8,668	\$8,440
Improvements	41,729	39,433	83,343	129,450	125,072	168,883
Equipment and vehicles	1,337	1,519	262	214	1,599	1,733
Infrastructure	77,355	103,389	-	-	77,355	103,389
<b>Total</b>	<b>\$ 163,367</b>	<b>\$ 183,141</b>	<b>\$ 142,884</b>	<b>\$ 171,651</b>	<b>\$ 306,251</b>	<b>\$ 354,792</b>

This year's major capital additions included:

- Infrastructure \$23,756,584
- Water and Sewer Systems Improvements \$30,342,647
- Equipment & Vehicles \$ 637,062

More detailed information about the City's capital assets is presented in Note 4 to the financial statements on Pages 47 - 49.

**Debt Administration**

At the end of the current fiscal year, the City had a total of \$24.8 million in outstanding debt. The total outstanding at June 30, 2018 was \$26.2 million. Overall in Fiscal Year 2018/19, the City's outstanding debt was reduced by \$1.4 million.

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

	Governmental		Business-Type		Total	
	Activities		Activities			
	2018	2019	2018	2019	2018	2019
Revenue Bonds - Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2017 Bank Loan	-	-	10,846	10,208	10,846	10,208
State Revolving Fund Loan	-	-	7,328	6,897	7,328	6,897
Compass Bank Loan	-	-	4,430	4,094	4,430	4,094
Capital Lease - City Hall	3,640	3,640	-	-	3,640	3,640
<b>Total</b>	<b>\$ 3,640</b>	<b>\$ 3,640</b>	<b>\$ 22,604</b>	<b>\$ 21,199</b>	<b>\$ 26,244</b>	<b>\$ 24,839</b>

The City continues to maintain its credit ratings on all of its rated debt. Note 5 to the financial statements presents more detail about the debt position of the City on Pages 49 - 51.

## ***ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES***

The City Council considered many factors when setting the Fiscal Year 2018/19 budget. One of those factors was the economy. The City's main revenues are: sales & use tax, property tax, utility service charges, and revenues related to new construction building permits. Northern California unemployment figures have stabilized to the levels of the Great Recession in December 2007. Many Lathrop families saw their per capita personal income increase from \$42,822 in Fiscal Year 2017/18 to \$44,955 in Fiscal Year 2018/19 (See Demographic and Economic Statistics in the statistical section.)

While Lathrop's population grew from 24,268 in 2018 to 24,936 during 2019, the growth rate signaled a slower growth trend compared to prior years. Complementary to this trend, a total of 393 building permits were issued, which, also, illustrates a development growth rate that is a fraction of the pace set in the mid 2000's. (Refer to the transmittal letter for a further discussion of the Lathrop's economy).

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 393 in Fiscal Year 2018/19, this level exceeds the 334 issued eight 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 2019/20.

## ***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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**CITY OF LATHROP**

**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 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, Capital Projects and Debt Service Funds. Since the City's Internal Service Funds service 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, 2019

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments (Note 2)	\$ 97,534,743	\$ 37,448,341	\$ 134,983,084
Cash and investments, restricted, with fiscal agents (Note 2)		1,652,234	1,652,234
Accounts receivable	4,864,800	5,363,026	10,227,826
Interest receivable	226,000	103,207	329,207
Loans receivable	20,350		20,350
Internal balances (Note 3C)	5,225,742	(5,225,742)	
Capital assets, not being depreciated (Note 4)	30,367,637	41,979,091	72,346,728
Capital assets, being depreciated, net of accumulated depreciation (Note 4)	152,773,618	129,672,026	282,445,644
<b>Total assets</b>	<b>291,012,890</b>	<b>210,992,183</b>	<b>502,005,073</b>
<b>DEFERRED OUTFLOWS</b>			
Related to pension (Note 8)	1,719,291	204,929	1,924,220
Related to OPEB (Note 9)	491,658		491,658
<b>Total deferred outflows</b>	<b>2,210,949</b>	<b>204,929</b>	<b>2,415,878</b>
<b>LIABILITIES</b>			
Accounts payable	3,424,582	1,173,601	4,598,183
Accrued payroll and benefits	229,027		229,027
Accrued interest		189,568	189,568
Due to others		298,787	298,787
Deposits payable	3,734,528	818,452	4,552,980
Unearned revenue	8,151,687	58,494	8,210,181
Compensated absences (Note 1G):			
Due within one year	212,375	5,574	217,949
Due in more than one year	1,203,452	31,587	1,235,039
Long-term debt (Note 5):			
Due within one year	290,000	1,446,827	1,736,827
Due in more than one year	3,350,000	19,751,613	23,101,613
Net pension liabilities (Note 8):			
Due in more than one year	4,536,574	540,733	5,077,307
Net OPEB liabilities (Note 9):			
Due in more than one year	1,423,609		1,423,609
<b>Total liabilities</b>	<b>26,555,834</b>	<b>24,315,236</b>	<b>50,871,070</b>
<b>DEFERRED INFLOWS</b>			
Related to pension (Note 8)	561,118	66,882	628,000
Related to OPEB (Note 9)	407,012		407,012
<b>Total deferred inflows</b>	<b>968,130</b>	<b>66,882</b>	<b>1,035,012</b>
<b>NET POSITION (Note 7)</b>			
Net investment in capital assets	179,501,255	150,452,677	329,953,932
Restricted for:			
Debt service		1,652,234	1,652,234
Parks	268,982		268,982
Public safety	129,313		129,313
Community development	6,461,349		6,461,349
Streets	6,693,003		6,693,003
<b>Total restricted net positions</b>	<b>13,552,647</b>	<b>1,652,234</b>	<b>15,204,881</b>
Unrestricted	72,645,973	34,710,083	107,356,056
<b>Total net positions</b>	<b>\$ 265,699,875</b>	<b>\$ 186,814,994</b>	<b>\$ 452,514,869</b>

See accompanying notes to financial statements

CITY OF LATHROP  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Governmental activities:				
General government	\$ 5,307,052	\$ 528,673	\$ 2,802	\$ -
Community development	977,552	3,880,593		
Public safety	11,284,963	775,581	237,491	1,680,674
Public works	16,835,406	1,874,445	5,432,845	39,239,771
Culture and leisure	1,442,202	341,016	1,246	
Interest on long-term debt	46,410			
Total governmental activities	<u>35,893,585</u>	<u>7,400,308</u>	<u>5,674,384</u>	<u>40,920,445</u>
Business-type activities:				
Water	6,303,489	9,052,906		159,854
Sewer	9,206,503	7,923,942		32,396,485
Total business-type activities	<u>15,509,992</u>	<u>16,976,848</u>		<u>32,556,339</u>
Total government	<u>\$ 51,403,577</u>	<u>\$ 24,377,156</u>	<u>\$ 5,674,384</u>	<u>\$ 73,476,784</u>

General Revenues  
Property taxes  
Sales and use taxes  
Transient occupancy taxes  
Franchise taxes  
Motor vehicle in-lieu, unrestricted  
Investment incomes  
Miscellaneous revenues  
Transfers  
  
Total general revenues and transfers  
  
Change in net position  
  
Net Position, beginning  
  
Net Position, ending

See accompanying notes to financial statements

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Totals
\$ (4,775,577)	\$ -	\$ (4,775,577)
2,903,041		2,903,041
(8,591,217)		(8,591,217)
29,711,655		29,711,655
(1,099,940)		(1,099,940)
(46,410)		(46,410)
<u>18,101,552</u>		<u>18,101,552</u>
	2,909,271	2,909,271
	<u>31,113,924</u>	<u>31,113,924</u>
	34,023,195	34,023,195
<u>18,101,552</u>	<u>34,023,195</u>	<u>52,124,747</u>
4,710,374		4,710,374
12,001,476		12,001,476
666,791		666,791
1,204,106	1,599,048	2,803,154
1,898,011		1,898,011
1,996,503	782,839	2,779,342
149,364		149,364
2,439,302	(2,439,302)	
<u>25,065,927</u>	<u>(57,415)</u>	<u>25,008,512</u>
43,167,479	33,965,780	77,133,259
<u>222,532,396</u>	<u>152,849,214</u>	<u>375,381,610</u>
<u>\$ 265,699,875</u>	<u>\$ 186,814,994</u>	<u>\$ 452,514,869</u>

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<b>FUND FINANCIAL STATEMENTS</b>
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**MAJOR GOVERNMENTAL FUNDS**

The funds described below were determined to be Major Funds by the City in fiscal year 2019. 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.

**DEVELOPERS PROJECTS SPECIAL REVENUE FUND**

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

**CAPITAL FACILITIES 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.

CITY OF LATHROP  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
June 30, 2019

	General	Developers Projects	Capital Facilities Fee	Other Governmental Funds	Totals
<b>Assets</b>					
Cash and investments (Note 2)	\$ 38,375,955	\$ 3,376,020	\$ 31,085,458	\$ 23,468,140	\$ 96,305,573
Receivables:					
Accounts	3,386,196	41,059	110,250	1,327,295	4,864,800
Interest	92,969	7,907	76,857	48,267	226,000
Due from other funds (Note 3D)	166,602				166,602
Loans				20,350	20,350
Advances to other funds (Note 3A)	5,225,742				5,225,742
Total Assets	<u>\$ 47,247,464</u>	<u>\$ 3,424,986</u>	<u>\$ 31,272,565</u>	<u>\$ 24,864,052</u>	<u>\$ 106,809,067</u>
<b>Liabilities</b>					
Accounts payable	\$ 1,699,738	\$ 180	\$ 346,380	\$ 1,378,284	\$ 3,424,582
Accrued payroll and benefits	229,027				229,027
Due to other funds (Note 3D)				166,602	166,602
Deposits payable	791,855	2,805,818		136,855	3,734,528
Unearned revenue	8,131,540			20,147	8,151,687
Total Liabilities	<u>10,852,160</u>	<u>2,805,998</u>	<u>346,380</u>	<u>1,701,888</u>	<u>15,706,426</u>
<b>Fund Balances (Note 7)</b>					
Nonspendable	5,225,742				5,225,742
Restricted				4,701,645	4,701,645
Committed		618,988	30,926,185	18,074,555	49,619,728
Assigned				549,720	549,720
Unassigned	31,169,562			(163,756)	31,005,806
Total Fund Balances	<u>36,395,304</u>	<u>618,988</u>	<u>30,926,185</u>	<u>23,162,164</u>	<u>91,102,641</u>
Total Liabilities and Fund Balances	<u>\$ 47,247,464</u>	<u>\$ 3,424,986</u>	<u>\$ 31,272,565</u>	<u>\$ 24,864,052</u>	<u>\$ 106,809,067</u>

See accompanying notes to financial statements



CITY OF LATHROP  
 Reconciliation of the  
 GOVERNMENTAL FUNDS - BALANCE SHEET  
 with the  
 STATEMENT OF NET POSITION  
 June 30, 2019

Total fund balance reported on the Governmental Funds Balance Sheet		\$ 91,102,641
<p>Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:</p>		
<p>Capital assets used in Governmental Activities are not current resources and, therefore, are not reported in the Governmental Funds Balance Sheet.</p>		183,141,255
<p>The liabilities below are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet.</p>		
Capital lease payable	\$ (3,640,000)	
Compensated absences	(186,657)	
Net pension liability and related deferred outflows and inflows of resources	(3,378,401)	
Net OPEB liability and related deferred outflows and inflows of resources	(1,338,963)	(8,544,021)
NET POSITION OF GOVERNMENTAL ACTIVITIES		\$ 265,699,875

See accompanying notes to financial statements

CITY OF LATHROP  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	General	Developers Projects	Capital Facilities Fee	Other Governmental Funds	Totals
<b>Revenues</b>					
Taxes and assessments	\$ 18,582,747	\$ -	\$ 9,587,445	\$ 7,137,298	\$ 35,307,490
Licenses and permits	1,823,951				1,823,951
Fines, forfeitures, and penalties	724,723			1,817,828	2,542,551
Intergovernmental	1,898,011			2,475,967	4,373,978
Use of money and property	918,734	52,566	635,766	826,060	2,433,126
Charges for current services	4,656,065				4,656,065
Contributions from developments (Note 11)		536,277			536,277
Other	209,724	165,370		175,888	550,982
<b>Total Revenues</b>	<b>28,813,955</b>	<b>754,213</b>	<b>10,223,211</b>	<b>12,433,041</b>	<b>52,224,420</b>
<b>Expenditures</b>					
<b>Current:</b>					
General government	5,137,588				5,137,588
Community development	801,096			37,897	838,993
Public safety	6,366,264			4,855,748	11,222,012
Public works	5,122,613	210,969		4,650,583	9,984,165
Culture and leisure	1,384,798				1,384,798
Capital outlay	513,294	11,849		2,118,308	2,643,451
<b>Debt service:</b>					
Interest	46,410				46,410
<b>Total Expenditures</b>	<b>19,372,063</b>	<b>222,818</b>		<b>11,662,536</b>	<b>31,257,417</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>9,441,892</b>	<b>531,395</b>	<b>10,223,211</b>	<b>770,505</b>	<b>20,967,003</b>
<b>Other Financing Sources (Uses)</b>					
Transfers in (Note 3B)	4,095,216			10,285,651	14,380,867
Transfers out (Note 3B)	(4,330,273)	(204,922)	(3,126,860)	(4,279,510)	(11,941,565)
<b>Total Other Financing Sources (Uses)</b>	<b>(235,057)</b>	<b>(204,922)</b>	<b>(3,126,860)</b>	<b>6,006,141</b>	<b>2,439,302</b>
<b>Net Changes in Fund Balances</b>	<b>9,206,835</b>	<b>326,473</b>	<b>7,096,351</b>	<b>6,776,646</b>	<b>23,406,305</b>
<b>Fund Balances</b>	<b>27,188,469</b>	<b>292,515</b>	<b>23,829,834</b>	<b>16,385,518</b>	<b>67,696,336</b>
<b>Fund Balances, End of the Year</b>	<b>\$ 36,395,304</b>	<b>\$ 618,988</b>	<b>\$ 30,926,185</b>	<b>\$ 23,162,164</b>	<b>\$ 91,102,641</b>

See accompanying notes to financial statements

CITY OF LATHROP  
 Reconciliation of the  
 NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
 with the  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2019

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES \$ 23,406,305

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay expenditures are added back to fund balances	\$ 2,643,451	
Developer Contributions are added back to fund balances	24,397,342	
Non-capitalized capital outlay expenditures were reclassified to various governmental activities	(945,708)	
Depreciation expense not reported in governmental funds	<u>(6,321,134)</u>	19,773,951

The amounts below included in the Statement of Activities do not provide (require) the use of current financial resources and, therefore, are not reported as revenues or expenditures in governmental funds (net change):

Compensated absences	(161,061)
Net pension liability and related deferred outflows and inflows of resources	(32,147)
Net OPEB liability and related deferred outflows and inflows of resources	<u>180,431</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 43,167,479

See accompanying notes to financial statements

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## 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.

### **INTERNAL SERVICES 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  
 PROPRIETARY FUNDS  
 STATEMENT OF NET POSITION  
 June 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Compensated Absences Internal Service Fund
	Water	Sewer	Totals	Fund
<b>Assets</b>				
Current Assets:				
Cash and investments (Note 2)	\$ 21,701,431	\$ 15,746,910	\$ 37,448,341	\$ 1,229,170
Restricted cash and investments, with fiscal agents (Note 2)	1,652,234		1,652,234	
Receivables:				
Accounts	4,495,100	867,926	5,363,026	
Interest	50,895	52,312	103,207	
Total Current Assets	27,899,660	16,667,148	44,566,808	1,229,170
Noncurrent Assets:				
Capital assets, not being depreciated (Note 4)	16,347,670	25,631,421	41,979,091	
Capital assets, being depreciated, net of accumulated depreciation (Note 4)	41,973,337	87,698,689	129,672,026	
Total Noncurrent Assets	58,321,007	113,330,110	171,651,117	
Total Assets	86,220,667	129,997,258	216,217,925	1,229,170
<b>Deferred Outflows</b>				
Related to pension (Note 8)	97,558	107,371	204,929	
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	614,698	558,903	1,173,601	
Accrued interest payable	189,568		189,568	
Due to other governments	298,787		298,787	
Unearned revenue	58,494		58,494	
Deposits payable	787,164	31,288	818,452	
Current portion of compensated absences (Note 1G)	3,442	2,132	5,574	184,376
Current portion of long-term liabilities (Note 5)	1,446,827		1,446,827	
Total Current Liabilities	3,398,980	592,323	3,991,303	184,376
Noncurrent Liabilities:				
Compensated absences (Note 1G)	19,503	12,084	31,587	1,044,794
Advances from other funds (Note 3A)	962,868	4,262,874	5,225,742	
State revolving fund loan (Note 5)	6,456,406		6,456,406	
Compass bank loan payable (Note 5)	3,744,895		3,744,895	
2017 bank loan (Note 5)	9,550,312		9,550,312	
Net pension liabilities (Note 8)	257,419	283,314	540,733	
Total Long-Term Liabilities	20,991,403	4,558,272	25,549,675	1,044,794
Total Liabilities	24,390,383	5,150,595	29,540,978	1,229,170
<b>Deferred Inflows</b>				
Related to pension (Note 8)	31,840	35,042	66,882	
<b>Net Position (Note 7)</b>				
Net investment in capital assets	37,122,567	113,330,110	150,452,677	
Restricted for debt service	1,652,234		1,652,234	
Unrestricted	23,121,201	11,588,882	34,710,083	
Total Net Position	\$ 61,896,002	\$ 124,918,992	\$ 186,814,994	\$ -

See accompanying notes to financial statements

CITY OF LATHROP  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Compensated Absences Internal Service Fund
	Water	Sewer	Totals	
Operating Revenues				
Service charges	\$ 8,957,445	\$ 7,800,739	\$ 16,758,184	\$ -
Other income	95,461	123,203	218,664	
Total Operating Revenues	<u>9,052,906</u>	<u>7,923,942</u>	<u>16,976,848</u>	
Operating Expenses				
General and administrative	599,378	712,049	1,311,427	
Maintenance and operations	3,438,825	6,172,559	9,611,384	
Depreciation	1,456,193	2,321,895	3,778,088	
Total Operating Expenses	<u>5,494,396</u>	<u>9,206,503</u>	<u>14,700,899</u>	
Operating Income	<u>3,558,510</u>	<u>(1,282,561)</u>	<u>2,275,949</u>	
Non-Operating Revenues (Expenses)				
Investment earnings	429,171	353,668	782,839	
Taxes and assessments	1,277,103	321,945	1,599,048	
Interest expense	(809,093)		(809,093)	
Total Non-Operating Revenues (Expenses)	<u>897,181</u>	<u>675,613</u>	<u>1,572,794</u>	
Income Before Contributions and Transfers	4,455,691	(606,948)	3,848,743	
Developer contributions	159,854	32,396,485	32,556,339	
Transfers:				
Transfers in (Note 3B)	3,018,668	2,865,566	5,884,234	
Transfers out (Note 3B)	(3,933,069)	(4,390,467)	(8,323,536)	
Changes in Net Position	3,701,144	30,264,636	33,965,780	
Net Position, Beginning of the Fiscal Year	<u>58,194,858</u>	<u>94,654,356</u>	<u>152,849,214</u>	
Net Position, End of the Fiscal Year	<u>\$ 61,896,002</u>	<u>\$ 124,918,992</u>	<u>\$ 186,814,994</u>	<u>\$ -</u>

See accompanying notes to financial statements

CITY OF LATHROP  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities-
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 9,339,884	\$ 7,814,489	\$ 17,154,373	\$ 12,196
Payments to suppliers and users	(3,043,769)	(6,545,832)	(9,589,601)	
Payments to employees and benefits	(583,557)	(710,077)	(1,293,634)	
Net Cash Provided (Used) by Operating Activities	<u>5,712,558</u>	<u>558,580</u>	<u>6,271,138</u>	<u>12,196</u>
Cash Flows from Noncapital Financing Activities				
Taxes and assessments	1,277,103	321,945	1,599,048	
Interfund payments		(424,362)	(424,362)	
Transfers in	3,018,668	2,865,566	5,884,234	
Transfers (out)	(3,933,069)	(4,390,467)	(8,323,536)	
Net Cash Provided (Used) by Noncapital Financing Activities	<u>362,702</u>	<u>(1,627,318)</u>	<u>(1,264,616)</u>	
Cash Flows from Capital and Related Financing Activities				
Principal repayments			(1,406,339)	
Interest paid			(809,090)	
Developer contributions			159,854	
Purchase of capital assets		21,507	(148,510)	
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,225,592)</u>	<u>21,507</u>	<u>(2,204,085)</u>	
Cash Flows from Investing Activities				
Interest received	415,255	334,201	749,456	
Net Cash Provided by Investing Activities	<u>415,255</u>	<u>334,201</u>	<u>749,456</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	4,264,923	(713,030)	3,551,893	12,196
Cash and Cash Equivalents at the Beginning of the Year	<u>19,088,742</u>	<u>16,459,940</u>	<u>35,548,682</u>	<u>1,216,974</u>
Cash and Cash Equivalents at the End of the Year	<u>\$ 23,353,665</u>	<u>\$ 15,746,910</u>	<u>\$ 39,100,575</u>	<u>\$ 1,229,170</u>
Reconciliation of Cash and Cash Equivalents to Statement of Net Position:				
Cash and investments	\$ 21,701,431	\$ 15,746,910	\$ 37,448,341	\$ 1,229,170
Restricted cash and investments	1,652,234		1,652,234	
Total Cash and Cash Equivalents	<u>\$ 23,353,665</u>	<u>\$ 15,746,910</u>	<u>\$ 39,100,575</u>	<u>\$ 1,229,170</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:				
Operating income	\$ 3,558,510	\$ (1,282,561)	\$ 2,275,949	\$ -
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,456,193	2,321,895	3,778,088	
(Increase) Decrease in Operating Assets:				
Accounts receivable	286,978	(109,453)	177,525	
Increase (Decrease) in Operating Liabilities:				
Accounts payable	79,649	(373,273)	(293,624)	
Due to other governments	298,787		298,787	
Deposits payable	16,620		16,620	
Pension liability	1,824	2,008	3,832	
Compensated absences	13,997	(36)	13,961	12,196
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,712,558</u>	<u>\$ 558,580</u>	<u>\$ 6,271,138</u>	<u>\$ 12,196</u>

See accompanying notes to financial statements



<b>FIDUCIARY FUNDS</b>
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**FIDUCIARY FUNDS**

Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. 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  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET POSITION  
 June 30, 2019

	Agency Funds
<b>ASSETS</b>	
Cash and investments (Note 2)	\$ 5,933,094
Cash and investments, restricted, with fiscal agents (Note 2)	7,315,067
Accounts receivable	2,951,576
Interest receivable	14,707
Total assets	\$ 16,214,444
<b>LIABILITIES</b>	
Accounts payable	\$ 440,754
Deposits payable	361,839
Due to developers	3,905,981
Due to bondholders	11,505,870
Total liabilities	\$ 16,214,444

See accompanying notes to financial statements

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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 FACILITIES 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.

**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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**INTERNAL SERVICE FUND**

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

**FIDUCIARY FUNDS**

Agency Funds are used to account for assets held by the City as an agent for certain special assessment districts and developers' deposits, and the TOT Trust Fund. 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 and proprietary 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*.

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.

The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**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. 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.

Changes in compensated absences for the year ended June 30, 2019, were as follows:

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 1,242,570	\$ 23,200	\$ 1,265,770
Additions	173,257	15,720	188,977
Payments		(1,759)	(1,759)
Ending Balance	<u>\$ 1,415,827</u>	<u>\$ 37,161</u>	<u>\$ 1,452,988</u>
Current Portion	<u>\$ 212,375</u>	<u>\$ 5,574</u>	<u>\$ 217,949</u>

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Compensated absences are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities compensated absences is liquidated by the Compensated Absences Internal Service Fund.

**H. *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.

**I. *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.

**J. *New Governmental Accounting Standards Board (GASB) Pronouncements***

Management adopted the provisions of the following Governmental Accounting Standards Board (GASB) Statements, which became effective during the year ended June 30, 2019:

GASB Statement No. 83 - In December 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain assets retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. GASB Statement No. 83 statement requires the current value of a government's AROs to annually be adjusted for the effects of general inflation or deflation, and relevant factors that may significantly change the estimated asset retirement outlays. This statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. This Statement had no effect on the City's financial statements.

GASB Statement No. 88 - In June 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. It requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for the City's fiscal year ending June 30, 2019. See Note 5 for relevant disclosures.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**L. New Fund**

In fiscal year 2019, the City established the Universal Hiring Grant Special Revenue Fund to account for grant received from the Office of Traffic Safety to be used to conduct a seat belt compliance campaign.

**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 market 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.



**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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, 2019, are as follows:

City cash and investments in primary government:	
Cash and investments	\$ 134,983,084
Cash and investments, restricted, with fiscal agents	<u>1,652,234</u>
Total City cash and investments in primary government	<u>136,635,318</u>
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments,	5,933,094
Cash and investments, restricted, with fiscal agents	<u>7,315,067</u>
Total Fiduciary Funds cash and investments	<u>13,248,161</u>
Total cash and investments	<u><u>\$ 149,883,479</u></u>

Cash and investments as of June 30, 2019, consist of the following:

Cash on hand	\$ 2,760
Cash with financial institutions	44,468,634
Investments	<u>105,412,085</u>
Total Cash and Investments	<u><u>\$ 149,883,479</u></u>

**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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

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 that 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 (State Pool)	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**  
**For the Year Ended June 30, 2019**

**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 (State Pool)	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	12 Months or less	13 to 24 Months	25 to 60 Months	Total
US Treasury Obligations	\$ 4,201,612	\$ 11,088,499	\$ 11,482,352	\$ 26,772,463
US Government Agencies Issues	796,308	778,037	2,427,916	4,002,261
Supranational Obligations			304,056	304,056
California Local Agency Investment Fund	52,183,768			52,183,768
California Asset Management Program	10,071,470			10,071,470
Money Market Mutual Funds	11,235,319			11,235,319
Investments in County Pool	353,265			353,265
Certificates of Deposit	489,483			489,483
<b>Total Investments</b>	<b>\$ 79,331,225</b>	<b>\$ 11,866,536</b>	<b>\$ 14,214,324</b>	<b>105,412,085</b>
<b>Cash in Banks and on hand</b>				<b>44,471,394</b>
<b>Total City Cash and Investments</b>				<b>\$ 149,883,479</b>

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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. 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, 2019, these investments have an average maturity of 173 days.

Money market mutual funds are available for withdrawal on demand and at June 30, 2019, have an average maturity of 33 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, 2019:

<i>Investments by Fair Value Level:</i>	Level 1	Level 2	Total
US Treasury Obligations	\$ 26,772,463	\$ -	\$ 26,772,463
US Government Agencies Issues		4,002,261	4,002,261
Supranational Obligations		304,056	304,056
Total Investments	\$ 26,772,463	\$ 4,002,261	31,078,780
 <i>Investments Measured at Amortized Cost:</i>			
California Local Agency Investment Fund			52,183,768
California Asset Management Program			10,071,470
Money Market Mutual Funds			11,235,319
Investments in County Pool			353,265
Certificates of Deposit			489,483
 <i>Cash in banks and on hand</i>			44,471,394
Total Cash and investments			\$ 149,883,479

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. US Government Agencies Issues and Supranationals Obligations classified in Level 2 is valued based on other observable inputs. 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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 2 - CASH AND INVESTMENTS (Continued)**

**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, 2019, as provided by Standard and Poor's, are as follows:

Investment Type	AAAm	AA+	AAA	Total
US Government Agencies Issues	\$ -	\$ 4,002,261	\$ -	\$ 4,002,261
Supranational Obligations			304,056	304,056
Money Market Mutual Funds	11,235,319			11,235,319
Totals	<u>\$ 11,235,319</u>	<u>\$ 4,002,261</u>	<u>\$ 304,056</u>	15,541,636
<i>Not Rated:</i>				
US Treasury Obligations				26,772,463
California Local Agency Investment Fund				52,183,768
California Asset Management Program				10,071,470
Investments in County Pool				353,265
Certificates of Deposit				489,483
Total Investments				<u>\$ 105,412,085</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, 2019.

**NOTE 3 - INTERFUND TRANSACTIONS**

**A. Long-Term Advances**

As of June 30, 2019, the General Fund had advanced \$4,262,874 to the Sewer 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.

As of June 30, 2019, the General Fund had made advances to the Water Fund in the amount of \$962,868, which was used to cover debt service payments on 2003 Water Revenue Bonds. The advances will be repaid with future revenues, but not within the next fiscal year.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**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, 2019, were as follows:

	Transfers In	Transfer Out
Major Governmental Funds:		
General	\$ 4,095,216	\$ 4,330,273
Developer Projects		204,922
Capital Facilities Fee		3,126,860
Major Enterprise Funds:		
Water	3,018,668	3,933,069
Sewer	2,865,566	4,390,467
Non Major Governmental Funds	10,285,651	4,279,510
Total Interfund Transfers	\$ 20,265,101	\$ 20,265,101

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

**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, 2019, Due To (From) Other Funds were as follows:

Due From Other Funds	Due To Other Funds	Amount
General Fund	CLSP Service CFD Special Revenue Fund	\$ 161,154
	Universal Hiring Grant	5,448
	Total	\$ 166,602

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 4 – CAPITAL ASSETS**

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. 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.

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. GASB Statement No. 34 requires 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	40	years
Improvements	10-40	years
Equipment	3-10	years
Infrastructure	4-100	years

The City capitalized all capital assets with a cost greater than \$3,000 and a useful life of more than one year.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 4 - CAPITAL ASSETS (Continued)**

**A. Capital Asset Additions and Retirements**

Capital assets activity for the year ended June 30, 2019, is as follows:

	Balance at June 30, 2018	Additions	Transfers	Balance at June 30, 2019
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 9,629,503	\$ -	\$ -	\$ 9,629,503
Construction in Progress	24,657,071	1,694,648	(5,613,585)	20,738,134
Total capital assets not being depreciated	<u>34,286,574</u>	<u>1,694,648</u>	<u>(5,613,585)</u>	<u>30,367,637</u>
Capital assets being depreciated:				
Buildings	11,784,121			11,784,121
Improvements	58,793,405	6,791		58,800,196
Equipment and Vehicles	4,769,877	637,062		5,406,939
Infrastructure	134,937,477	23,756,584	5,613,585	164,307,646
Total capital assets being depreciated	<u>210,284,880</u>	<u>24,400,437</u>	<u>5,613,585</u>	<u>240,298,902</u>
Less accumulated depreciation:				
Buildings	3,124,508	227,146		3,351,654
Improvements	17,063,620	2,302,889		19,366,509
Equipment and Vehicles	3,433,237	454,538		3,887,775
Infrastructure	57,582,785	3,336,561		60,919,346
Total accumulated depreciation	<u>81,204,150</u>	<u>6,321,134</u>		<u>87,525,284</u>
Net capital assets being depreciated	<u>129,080,730</u>	<u>18,079,303</u>	<u>5,613,585</u>	<u>152,773,618</u>
Governmental Activities Capital Assets, Net	<u>\$ 163,367,304</u>	<u>\$ 19,773,951</u>	<u>\$ -</u>	<u>\$ 183,141,255</u>
	Balance at June 30, 2018	Additions	Transfers	Balance at June 30, 2019
<b>Business-type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 3,565,179	\$ -	\$ -	\$ 3,565,179
Construction in Progress	55,705,296	2,202,348	(19,493,732)	38,413,912
Total capital assets not being depreciated	<u>59,270,475</u>	<u>2,202,348</u>	<u>(19,493,732)</u>	<u>41,979,091</u>
Capital assets, being depreciated:				
Buildings	65,773			65,773
Improvements	125,447,313	30,342,647	19,493,732	175,283,692
Equipment and Vehicles	1,322,894			1,322,894
Net capital assets being depreciated	<u>126,835,980</u>	<u>30,342,647</u>	<u>19,493,732</u>	<u>176,672,359</u>
Less accumulated depreciation for:				
Buildings	57,158	633		57,791
Improvements	42,103,533	3,730,073		45,833,606
Equipment and Vehicles	1,061,554	47,382		1,108,936
Total accumulated depreciation	<u>43,222,245</u>	<u>3,778,088</u>		<u>47,000,333</u>
Net capital assets being depreciated	<u>83,613,735</u>	<u>26,564,559</u>	<u>19,493,732</u>	<u>129,672,026</u>
Business-type Activities Capital Assets, Net	<u>\$ 142,884,210</u>	<u>\$ 28,766,907</u>	<u>\$ -</u>	<u>\$ 171,651,117</u>



**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
For the Year Ended June 30, 2019

**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:

<i>Governmental Activities</i>			
General governments	\$	94,662	
Community development		142,914	
Public safety		109,927	
Public works		5,929,977	
Culture and leisure		43,654	
<b>Total Governmental Activities</b>	<b>\$</b>	<b>6,321,134</b>	
<i>Business-Type Activities</i>			
Water	\$	1,456,193	
Sewer		2,321,895	
<b>Total Business-Type Activities</b>	<b>\$</b>	<b>3,778,088</b>	

**NOTE 5 - LONG-TERM DEBT**

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 Long-Term Debt**

The City's long-term debt activities for the year ended June 30, 2019, is as follows:

	Balance June 30, 2018	Retirements	Balance June 30, 2019	Current Portion
<i>Governmental Activities Long-Term Debt,</i>				
<b>Direct Borrowing:</b>				
<i>Capital Lease Obligation</i>				
2016 Lease Agreement				
2.55%, due 07/15/2029	\$ 3,640,000	\$ -	\$ 3,640,000	\$ 290,000
Total Governmental Activities	\$ 3,640,000	\$ -	\$ 3,640,000	\$ 290,000

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 5 - LONG-TERM DEBT (Continued)**

	Balance June 30, 2018	Retirements	Balance June 30, 2019	Current Portion
<b>Business-type Activities Long-Term Debt,</b>				
<b>Direct Borrowings:</b>				
2017 Bank Loan				
2.89%, due 06/01/2032	\$ 10,846,145	\$ 638,621	\$ 10,207,524	\$ 657,212
State Revolving Fund Loan				
2.3086%, due 7/1/2032	7,328,146	430,868	6,897,278	440,872
Compass Bank Loan				
3.500%, due 6/1/2029	4,430,488	336,850	4,093,638	348,743
	<u>22,604,779</u>	<u>1,406,339</u>	<u>21,198,440</u>	<u>1,446,827</u>
Total Business-type Activities	<u>\$ 22,604,779</u>	<u>\$ 1,406,339</u>	<u>\$ 21,198,440</u>	<u>\$ 1,446,827</u>

**B. Debt Service Requirements**

Future principal and interest payments on all Governmental and Business-type long-term debt were as follows at June 30, 2019:

For The Year Ending June 30	Governmental Activities		Business-Type Activities					
	Direct Borrowing		Direct Borrowings					
	City Hall Lease		2017 Bank Loan		State Revolving Fund Loan		Compass Bank Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 290,000	\$ 89,123	\$ 657,212	\$ 290,249	\$ 440,872	\$ 156,701	\$ 348,743	\$ 140,257
2021	300,000	81,600	676,343	271,117	451,109	146,464	361,056	127,944
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 - 2029	1,735,000	160,460	4,020,373	716,931	2,589,959	397,912	2,222,371	219,232
2030 - 2033	375,000	4,781	2,704,126	138,257	1,998,187	93,319	-	-
Total	<u>\$ 3,640,000</u>	<u>\$ 533,716</u>	<u>\$ 10,207,524</u>	<u>\$ 2,109,466</u>	<u>\$ 6,897,278</u>	<u>\$ 1,169,964</u>	<u>\$ 4,093,638</u>	<u>\$ 792,965</u>

**C. Description of the City's Long-Term Debt 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 15<sup>th</sup> of each year, the City has prepaid the principal and interest. In current year, the City did not prepay the debt service amount; Therefore, there is no reduction in principal in fiscal year 2019 and the next payment of \$290,000 for principal and \$46,410 is due in fiscal year 2020.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 5 - LONG-TERM DEBT (Continued)**

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 revenues have been pledged for the repayment of debt service on loan.

**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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 6 - 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, 2019 is as follows:

Mossdale Assessment District Refunding 2015	\$ 5,685,000 *
Lathrop Financing Authority Special Tax Revenue Bonds (Mossdale Village Reassessment District No. 2013-1) 2013 Series A	9,505,000
Lathrop Financing Authority Special Tax Revenue Bonds (Community Facilities No. 2003-1) 2013 Series A	5,705,000
Crossroad Assessment District Series 2015	9,810,000
Joint Wastewater Project CFD 2003-2	5,745,000
North Harlan Water	165,000
Lathrop Sanitary Sewer Assessment District No.1	705,000
City Hall Refinancing	3,640,000
Community Facilities District No. 2018-1	45,735,000 **
Community Facilities District No. 2018-2	26,037,800 **

\* 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

**NOTE 7 - NET POSITION AND FUND BALANCES**

**A. 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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - NET POSITION AND FUND BALANCES (Continued)**

**B. Fund Equity**

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.

*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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City's fund balances, as of June 30, 2019, are below:

	<u>General Fund</u>	<u>Developer Projects</u>	<u>Capital Facilities Fee</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Nonspendables:</b>					
Items not in spendable form:					
Advances to other funds	\$ 5,225,742	\$ -	\$ -	\$ -	\$ 5,225,742
<b>Total Nonspendable</b>	<u>5,225,742</u>				<u>5,225,742</u>
<b>Restricted for:</b>					
Recycling projects				684,969	684,969
Community improvements				2,686	2,686
Public safety				129,321	129,321
Traffic and transportation				38,125	38,125
MBR operations and maintenance				46,874	46,874
Parks and recreation				283,225	283,225
Streets and roads contracts				2,875,735	2,875,735
Measure K				640,710	640,710
<b>Total Restricted</b>				<u>4,701,645</u>	<u>4,701,645</u>
<b>Committed to:</b>					
Traffic and transportation				5,224,155	5,224,155
Landscaping maintenance				10,276	10,276
Storm drains operation and maintenance				792,508	792,508
Community Facility Districts					-
Capital projects		618,988	30,926,185	7,953,628	39,498,801
Street lighting contract				1,615,602	1,615,602
Storm drain contracts				367,598	367,598
Code enforcement				12,039	12,039
Building permits				246,034	246,034
North Lathrop Transportation				462,323	462,323
Stewart Economic Development Fee 80%				3,398	3,398
Stewart Economic Development Fee 20%				1,175,162	1,175,162
River Islands CFD 2013-1				195,411	195,411
DWR Grant Project				16,421	16,421
<b>Total Committed</b>		<u>618,988</u>	<u>30,926,185</u>	<u>18,074,555</u>	<u>49,619,728</u>
<b>Assigned to:</b>					
Landscape maintenance				549,720	549,720
<b>Total Assigned</b>				<u>549,720</u>	<u>549,720</u>
<b>Unassigned:</b>					
Economic uncertainty	5,284,153				5,284,153
Exposure and emergency	10,899,149				10,899,149
Capital Equipment	1,879,224				1,879,224
Fund deficits				(163,756)	(163,756)
Residual fund balance	13,107,036				13,107,036
<b>Total Unassigned</b>	<u>31,169,562</u>			<u>(163,756)</u>	<u>31,005,806</u>
<b>Total Fund Balances</b>	<u>\$ 36,395,304</u>	<u>\$ 618,988</u>	<u>\$ 30,926,185</u>	<u>\$ 23,162,164</u>	<u>\$ 91,102,641</u>

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - NET POSITION AND FUND BALANCES (Continued)**

**C. *Minimum Fund Balance Policies***

The City Council has established a fund balance reserve policy with adoption 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, 2019, 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, 2019, the Exposure and Emergency Reserves amounted to \$10,899,149.

**D. *Encumbrances***

The City utilized an encumbrance system during fiscal year 2019 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, 2019, that will be carried over to fiscal year 2020:

General Fund	\$ 4,197,225
Non-major Funds	2,631,425

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 – PENSION PLAN**

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 City’s California Public Employees’ Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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 PEPPRA 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.

The Plan’s provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Miscellaneous		
	<u>Misc - Tier I</u>	<u>Misc - Tier II</u>	<u>Misc - PEPPRA</u>
Hire date	Prior to 7/1/2010	7/1/2010 to 12/31/2012	After 12/31/2012
Benefit Formula	2% at 55	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of 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%	1.000-2.500%
Required employee contribution rates	7.00%	7.00%	6.25%
Required employer contribution rates	8.892%	7.634%	6.842%



**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 - PENSION PLAN (Continued)**

**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, 2019, the City’s contributions to the Plan were as follows:

	Miscellaneous
Contributions - employer	\$ 766,989

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

The long-term portion of the governmental activities’ Net Pension Liability is liquidated primarily by the General Fund. As of June 30, 2019, 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	\$ 5,077,307
Total Net Pension Liability	\$ 5,077,307

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, 2018, 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, 2017 rolled forward to June 30, 2018 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, 2017 and 2018 was as follows:

	Miscellaneous
Proportion - June 30, 2017	0.1319%
Proportion - June 30, 2018	0.1347%
Change - Increase (Decrease)	(0.0028%)

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 - PENSION PLAN (Continued)**

For the year ended June 30, 2019, the City recognized pension expense of \$35,980. At June 30, 2019, 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	\$ 766,989	\$ -
Differences between actual and expected experience	194,807	(66,292)
Changes in assumptions	578,828	(141,860)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	358,495	(419,848)
Net differences between projected and actual earnings on plan investments	25,101	
Total	<u>\$ 1,924,220</u>	<u>\$ (628,000)</u>

\$766,989 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2020	\$ 461,272
2021	271,677
2022	(158,051)
2023	(45,667)

**Actuarial Assumptions** – For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 total pension liability is based on the following actuarial methods and assumptions:

	All Plans
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
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 using CalPERS Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.00% 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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 - PENSION PLANS (Continued)**

**Change of Assumptions** – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

**Discount Rate** – The discount rate used to measure the total pension liability for each Plan was 7.15%. The projection of cash flows used to determine the discount rate for each 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, each Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. 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 for each Plan.

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

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

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

Asset Class(a)	Current Target Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(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.

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 - PENSION PLANS (Continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the City’s proportionate share of the net 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:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 8,607,456
Current Discount Rate	7.15%
Net Pension Liability	\$ 5,077,307
1% Increase	8.15%
Net Pension Liability	\$ 2,163,227

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

**NOTE 9 – 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 administrated 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 Trusts are not considered a component unit by the City or District and have 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**  
**For the Year Ended June 30, 2019**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Benefits Provided** – The following is a summary of Plan benefits by employee group as of June 30, 2019:

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 with 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 future 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 with 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 with 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 with 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 with 5 years of PERS service	100% of the premium for retiree and dependents, 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 2018, the City contributes a maximum of \$1,684 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, 2019, the City's contributions to the Plan were \$459,510.

**Employees Covered by Benefit Terms** – Membership in the plan consisted of the following at the measurement date of June 30, 2018:

Active employees	61
Inactive employees or beneficiaries currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	5
Total	87

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 – 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, 2018 the total OPEB liability was determined by an actuarial valuation dated June 30, 2017. These are the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Payroll Growth	3.25%
Investment Rate of Return	7.00%
Mortality Rate	MacLeod Watts Scale 2017 applied generationally
Healthcare Trend Rate	7.5% and grade down to 5% for years 2024 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	Long-Term Expected Real Rate of Return
Global Equity	57.0%	8.32%
Fixed Income	27.0%	4.87%
Treasury Inflation Protection Securities	5.0%	3.94%
Real Estate Investment Trusts	8.0%	6.75%
Commodities	3.0%	4.84%
Total	100.0%	28.72%

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 – OTHER POST EMPLOYMENT BENEFITS (Continued)**

**Discount Rate** – The discount rate used to measure the total OPEB liability was 7.00%. 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:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at Measurement Date 6/30/2017	\$ 5,060,344	\$ 3,462,011	\$ 1,598,333
Changes Recognized for the Measurement Period:			
Service Cost	231,377		231,377
Interest on the total OPEB liability	359,416		359,416
Expected investment income		248,462	(248,462)
Contributions from the employer		495,719	(495,719)
Changes in benefit terms			
Administrative expenses		(1,813)	1,813
Other Expenses (one time)		(4,582)	4,582
Benefit payments	(314,423)	(314,423)	
Changes of assumptions			
Plan experience			
Investment experience		27,731	(27,731)
Net changes	276,370	451,094	(174,724)
Balance at Measurement Date 6/30/2018	\$ 5,336,714	\$ 3,913,105	\$ 1,423,609

**D. Sensitivity of the Total 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 (6.00%) or 1-percentage-point higher (8.00%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1% (6.00%)	Discount Rate (7.00%)	Discount Rate +1% (8.00%)
\$ 1,991,655	\$ 1,423,609	\$ 940,490

**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - OTHER POST EMPLOYMENT BENEFITS (Continued)**

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 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		
1% Decrease	Trend Rates	1% Increase
6.5% and grade down to 4% for years 2024 and thereafter	7.5% and grade down to 5% for years 2024 and thereafter	8.5% and grade down to 6% for years 2024 and thereafter
\$ 806,458	\$ 1,423,609	\$ 2,247,324

**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, 2019, the City recognized OPEB negative expense of \$180,431. At June 30, 2019, 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	\$ 459,510	\$ -
Differences between actual and expected experience		(329,205)
Changes of assumptions	32,148	
Net differences between projected and actual earnings on plan investments		(77,807)
Total	\$ 491,658	\$ (407,012)

\$459,510 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, 2020. 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 Amortization
2020	\$ (69,647)
2021	(69,647)
2022	(69,649)
2026	(51,108)
2024	(45,561)
Thereafter	(69,252)
Total	\$ (374,864)



**CITY OF LATHROP**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 10 - 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	\$ 50,000,000	\$ -
General and automobile liability	25,000	1,000,000	29,000,000	-
Property damage	5,000 or 10,000	25,000	1,000,000,000	-
Physical damage	2,000	10,000	1,000,000,000	-
Boiler and machinery	Various	100,000,000	-	-
Employment Practices Liability	25,000	-	-	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 CSJVMRA premiums and ERMA premiums totaling \$887,204 during the fiscal year ended June 30, 2019. 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 11 - 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.

During the fiscal year, developers contributed \$536,277 to help fund the City's Wastewater Treatment Facility expansion project.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LATHROP MISCELLANEOUS RATE,  
 COST SHARING-EMPLOYER DEFINED PENSION PLAN  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE  
 OF THE NET PENSION LIABILITY  
 Last 10 Years\***

	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
Plan's proportion of the Net Pension Liability (Asset)	0.1453%	0.1140%	0.1241%
Plan's proportion share of the Net Pension Liability (Asset)	\$ 3,590,219	\$ 3,127,249	\$ 4,309,662
Plan's Covered Payroll	4,501,607	4,364,310	5,148,017
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	79.75%	71.66%	83.71%
Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	80.08%	83.43%	83.19%

**Notes to Schedule:**

Changes in assumption - In 2017, the accounting discount rate was decreased from 7.65% to 7.15%

\* - Fiscal year 2015 was the 1st year of implementation.

<u>6/30/2017</u>		<u>6/30/2018</u>	
	0.1319%		0.1347%
\$	5,199,968	\$	5,077,307
	5,568,372		6,004,176
	93.38%		84.56%
	78.20%		75.26%

**CITY OF LATHROP MISCELLANEOUS PLAN,  
A COST SHARING-EMPLOYER DEFINED PENSION PLAN  
SCHEDULE OF CONTRIBUTIONS  
Last 10 Years\***

<u>Fiscal Year Ended June 30</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 523,329	\$ 369,225	\$ 434,033
Contributions in relation to the actuarially determined contributions	<u>(523,329)</u>	<u>(369,225)</u>	<u>(434,033)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,364,310	\$ 5,148,017	\$ 5,568,372
Contributions as a percentage of covered payroll	11.99%	7.17%	7.79%

\* Fiscal year 2015 was the 1st year of implementation.

<u>2018</u>	<u>2019</u>
\$ 465,746	\$ 766,989
<u>(465,746)</u>	<u>(766,989)</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 6,004,176	\$ 6,384,728
7.76%	12.01%

**City of Lathrop**  
**OPEB Plan – Single Employer**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**For the Fiscal Year Ended June 30, 2019**  
**Last 10 Years\***

<b>Measurement Date</b>	<u><b>6/30/17</b></u>	<u><b>6/30/18</b></u>
<b>Total OPEB Liability</b>		
Service Cost	\$ 228,075	\$ 231,377
Interest	366,257	359,416
Changes in benefit terms	-	-
Differences between expected and actual experience	(430,189)	-
Changes of assumptions	42,010	-
Benefit payments	(299,940)	(314,423)
<b>Net change in total OPEB liability</b>	<u>(93,787)</u>	<u>276,370</u>
<b>Total OPEB liability - beginning</b>	<u>5,154,131</u>	<u>5,060,344</u>
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 5,060,344</u></u>	<u><u>\$ 5,336,714</u></u>
<b>Plan fiduciary net position</b>		
Contributions - employer	\$ 471,077	\$ 495,719
Contributions - employee	-	-
Net investment income	307,578	276,193
Administrative expense	(1,576)	(1,813)
Other Expenses (one time)	-	(4,582)
Benefit payments	(299,940)	(314,423)
<b>Net change in plan fiduciary net position</b>	<u>477,139</u>	<u>451,094</u>
<b>Plan fiduciary net position - beginning</b>	<u>2,984,872</u>	<u>3,462,011</u>
<b>Plan fiduciary net position - ending (b)</b>	<u><u>\$ 3,462,011</u></u>	<u><u>\$ 3,913,105</u></u>
Net OPEB liability - ending (a)-(b)	<u><u>\$ 1,598,333</u></u>	<u><u>\$ 1,423,609</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	68.41%	73.32%
Covered-employee payroll	<u><u>\$ 5,982,337</u></u>	<u><u>\$ 6,377,387</u></u>
Net OPEB liability as a percentage of covered-employee payroll	<u><u>26.72%</u></u>	<u><u>22.32%</u></u>

\* Fiscal year 2018 was the first year of implementation.



**City of Lathrop**  
**OPEB Plan – Single Employer**  
**Schedule of Contributions**  
**For the Fiscal Year Ended June 30, 2019**  
**Last 10 years\***

<b>Fiscal Year Ended June 30,</b>	<b>2018</b>	<b>2019</b>
Actuarially determined contribution	\$ 389,509	\$ 359,460
Contributions in relation to the actuarially determined contribution	<u>495,719</u>	<u>459,510</u>
Contribution deficiency (excess)	<u>\$ (106,210)</u>	<u>\$ (100,050)</u>
Covered-employee payroll	<u>\$ 6,377,387</u>	<u>\$ 6,358,722</u>
Contributions as a percentage of covered-employee payroll	7.77%	7.23%

Valuation date: June 30, 2017

Methods and assumptions used to determine contribution rates:

Actuarial Assumptions:

Discount Rate	7.00%
Inflation	2.75%
Payroll Growth	3.25%
Investment Rate of Return	7.00%
Mortality Rate	2014 CalPERS Experience Study; Improvement using MacLeod Watts Scale 2017
Healthcare Trend Rate	7.5% and grade down to 5% for years 2024 and thereafter

\* Fiscal year 2018 was the first year of implementation.

CITY OF LATHROP  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes				
Property taxes	\$ 3,775,000	\$ 3,775,000	\$ 4,710,374	\$ 935,374
Sales and use taxes	6,550,000	6,885,000	12,001,476	5,116,476
Transient occupancy taxes	475,000	475,000	666,791	191,791
Franchise taxes	750,000	750,000	1,204,106	454,106
Licenses and permits	1,731,793	1,731,793	1,823,951	92,158
Fines, forfeitures, and penalties	95,375	95,375	724,723	629,348
Intergovernmental	1,660,000	1,695,480	1,898,011	202,531
Use of money and property	113,660	113,660	918,734	805,074
Charges for current services	2,754,989	4,138,061	4,656,065	518,004
Other	489,740	511,720	209,724	(301,996)
Total Revenues	<u>18,395,557</u>	<u>20,171,089</u>	<u>28,813,955</u>	<u>8,642,866</u>
Expenditures				
Current				
General government				
City council	75,125	86,725	71,010	15,715
City manager	586,309	814,309	667,978	146,331
City clerk	231,994	324,016	242,313	81,703
City attorney	648,319	648,319	501,964	146,355
Personnel	363,187	310,165	305,935	4,230
Central services	495,037	532,137	441,766	90,371
Finance	1,411,850	1,507,800	1,398,691	109,109
Information systems	1,191,668	1,334,524	1,271,608	62,916
Animal control	356,156	385,168	236,323	148,845
Total General Government	<u>5,359,645</u>	<u>5,943,163</u>	<u>5,137,588</u>	<u>805,575</u>
Public safety				
Administration	<u>7,363,917</u>	<u>7,410,731</u>	<u>6,366,264</u>	<u>1,044,467</u>
Total Public Safety	<u>7,363,917</u>	<u>7,410,731</u>	<u>6,366,264</u>	<u>1,044,467</u>

(Continued)

CITY OF LATHROP  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019  
(Continued)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures				
Current				
Community development				
Planning	\$ 1,191,144	\$ 1,701,741	\$ 801,096	\$ 900,645
Total Community Development	<u>1,191,144</u>	<u>1,701,741</u>	<u>801,096</u>	<u>900,645</u>
Public works				
Administration	747,795	807,098	737,290	69,808
Construction management	753,604	1,792,791	1,184,064	608,727
Land development engineering	876,451	1,414,689	779,923	634,766
City hall	246,320	342,256	249,579	92,677
Utility engineering	210,786	212,792	194,633	18,159
Utility engineering	1,288,334	1,976,379	1,341,224	635,155
Code compliance	304,892	305,468	150,855	154,613
Building maintenance	233,597	320,048	232,393	87,655
Park and landscape maintenance	294,638	377,702	252,652	125,050
Total Public Works	<u>4,956,417</u>	<u>7,549,223</u>	<u>5,122,613</u>	<u>2,426,610</u>
Culture and leisure				
Administration	366,097	360,707	351,070	9,637
Senior center	103,522	104,272	102,032	2,240
Special events	102,059	107,066	103,584	3,482
Day camp kid's club	546,437	518,585	480,105	38,480
Youth development teens				
Youth and adult sports	363,944	374,444	348,007	26,437
Library	1,325	1,325		1,325
Total Culture and Leisure	<u>1,483,384</u>	<u>1,466,399</u>	<u>1,384,798</u>	<u>81,601</u>
Capital outlay	<u>200,000</u>	<u>839,635</u>	<u>513,294</u>	<u>326,341</u>
Debt service				
Principal	285,000	285,000		285,000
Interest	96,454	96,454	46,410	50,044
Total Debt Service	<u>381,454</u>	<u>381,454</u>	<u>46,410</u>	<u>335,044</u>
Total Expenditures	<u>20,935,961</u>	<u>25,292,346</u>	<u>19,372,063</u>	<u>5,920,283</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,540,404)</u>	<u>(5,121,257)</u>	<u>9,441,892</u>	<u>14,563,149</u>
Other Financing Sources (Uses)				
Transfers in	3,980,141	4,119,427	4,095,216	(24,211)
Transfers (out)	<u>(2,141,056)</u>	<u>(3,144,073)</u>	<u>(4,330,273)</u>	<u>(1,186,200)</u>
Total Other Financing Sources (Uses)	<u>1,839,085</u>	<u>975,354</u>	<u>(235,057)</u>	<u>(1,210,411)</u>
Net Changes in Fund Balance	<u>\$ (701,319)</u>	<u>\$ (4,145,903)</u>	<u>9,206,835</u>	<u>\$ 13,352,738</u>
Fund Balance, Beginning of the Year			<u>27,188,469</u>	
Fund Balance, End of the Year			<u>\$ 36,395,304</u>	

CITY OF LATHROP  
 DEVELOPERS PROJECTS SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Use of money and property	\$ 1,550	\$ 1,550	\$ 52,566	\$ 51,016
Developer contribution	450	217,764	536,277	318,513
Other	998,500	998,500	165,370	(833,130)
Total Revenues	<u>1,000,500</u>	<u>1,217,814</u>	<u>754,213</u>	<u>(463,601)</u>
Expenditures:				
Current				
Public works	55,871	55,871	210,969	(155,098)
Capital outlay	433,000	433,000	11,849	421,151
Debt service:				
Interest and fiscal charges	511,629	511,629		511,629
Total Expenditures	<u>1,000,500</u>	<u>1,000,500</u>	<u>222,818</u>	<u>777,682</u>
Other Financing Sources (Uses):				
Transfers (out)	(1,236)	(222,539)	(204,922)	17,617
Total Other Financing Sources (Uses)	<u>(1,236)</u>	<u>(222,539)</u>	<u>(204,922)</u>	<u>17,617</u>
Net Changes in Fund Balance	<u>\$ (1,236)</u>	<u>\$ (5,225)</u>	326,473	<u>\$ 331,698</u>
Fund Balance, Beginning of the Year			<u>292,515</u>	
Fund Balance, End of the Year			<u>\$ 618,988</u>	

CITY OF LATHROP  
 CAPITAL FACILITIES FEE SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental revenue	\$ 5,321,506	\$ 5,321,506	\$ 9,587,445	\$ 4,265,939
Use of money and property			635,766	635,766
Total Revenues	<u>5,321,506</u>	<u>5,321,506</u>	<u>10,223,211</u>	<u>4,901,705</u>
Other Financing Sources (Uses):				
Transfers (out)	<u>(1,184,860)</u>	<u>(3,126,860)</u>	<u>(3,126,860)</u>	
Total Other Financing Sources (Uses)	<u>(1,184,860)</u>	<u>(3,126,860)</u>	<u>(3,126,860)</u>	
Net Changes in Fund Balance	<u>\$ 4,136,646</u>	<u>\$ 2,194,646</u>	7,096,351	<u>\$ 4,901,705</u>
Fund Balance, Beginning of the Year			<u>23,829,834</u>	
Fund Balance, End of the Year			<u>\$ 30,926,185</u>	

<b>NOTES TO REQUIRED SUPPLEMENTAL INFORMATION</b>
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***Budgets and Budgetary Accounting***

The City establishes annual budgets for the General and Special Revenue Funds (except for the ULOP RD-17 Levee Impact Fund), which are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budgets for the General and 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 \$5,457,888.

**SUPPLEMENTAL INFORMATION**

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<b>GENERAL FUND</b>
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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.

**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, 2019

	General Purpose Fund	Measure C	Totals
<b>Assets</b>			
Cash and investments	\$ 34,177,890	\$ 4,198,065	\$ 38,375,955
Receivables:			
Accounts	2,278,775	1,107,421	3,386,196
Interest	80,704	12,265	92,969
Due from other funds	166,602		166,602
Advances to other funds	5,225,742		5,225,742
	<u>5,225,742</u>	<u>1,107,421</u>	<u>6,333,163</u>
Total Assets	<u>\$ 41,929,713</u>	<u>\$ 5,317,751</u>	<u>\$ 47,247,464</u>
<b>Liabilities</b>			
Accounts payable	\$ 1,448,305	\$ 251,433	\$ 1,699,738
Accrued payroll and benefits	229,027		229,027
Deposits payable	791,855		791,855
Unearned revenue	8,131,540		8,131,540
	<u>8,131,540</u>	<u>251,433</u>	<u>8,382,973</u>
Total Liabilities	<u>10,600,727</u>	<u>251,433</u>	<u>10,852,160</u>
<b>Fund Balances</b>			
Nonspendable	5,225,742		5,225,742
Unassigned	26,103,244	5,066,318	31,169,562
	<u>26,103,244</u>	<u>5,066,318</u>	<u>31,169,562</u>
Total Fund Balances	<u>31,328,986</u>	<u>5,066,318</u>	<u>36,395,304</u>
Total Liabilities and Fund Balances	<u>\$ 41,929,713</u>	<u>\$ 5,317,751</u>	<u>\$ 47,247,464</u>

CITY OF LATHROP  
GENERAL FUND  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	General Purpose Fund	Measure C	Totals
<b>Revenues</b>			
Taxes and assessments	\$ 12,067,247	\$ 6,515,500	\$ 18,582,747
Licenses and permits	1,823,951		1,823,951
Fines, forfeitures, and penalties	724,723		724,723
Intergovernmental	1,898,011		1,898,011
Use of money and property	826,720	92,014	918,734
Charges for current services	4,656,065		4,656,065
Other	209,724		209,724
<b>Total Revenues</b>	<b>22,206,441</b>	<b>6,607,514</b>	<b>28,813,955</b>
<b>Expenditures</b>			
Current:			
General government	5,137,588		5,137,588
Community development	801,096		801,096
Public safety	4,519,598	1,846,666	6,366,264
Public works	5,122,613		5,122,613
Culture and leisure	1,384,798		1,384,798
Capital outlay	513,294		513,294
Debt service:			
Interest	46,410		46,410
<b>Total Expenditures</b>	<b>17,525,397</b>	<b>1,846,666</b>	<b>19,372,063</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>4,681,044</b>	<b>4,760,848</b>	<b>9,441,892</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	4,095,216		4,095,216
Transfers out	(1,094,643)	(3,235,630)	(4,330,273)
<b>Total Other Financing Sources (Uses)</b>	<b>3,000,573</b>	<b>(3,235,630)</b>	<b>(235,057)</b>
<b>Net Change in Fund Balances</b>	<b>7,681,617</b>	<b>1,525,218</b>	<b>9,206,835</b>
<b>Fund Balances, Beginning of the Year</b>	<b>23,647,369</b>	<b>3,541,100</b>	<b>27,188,469</b>
<b>Fund Balances, End of the Year</b>	<b>\$ 31,328,986</b>	<b>\$ 5,066,318</b>	<b>\$ 36,395,304</b>

CITY OF LATHROP  
 BUDGETED GENERAL FUND  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	General Purpose Fund			
	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Taxes				
Property taxes	\$ 3,775,000	\$ 3,775,000	\$ 4,710,374	\$ 935,374
Sales and use taxes	3,000,000	3,335,000	5,485,976	2,150,976
Transient occupancy taxes	475,000	475,000	666,791	191,791
Franchise taxes	750,000	750,000	1,204,106	454,106
Licenses and permits	1,731,793	1,731,793	1,823,951	92,158
Fines, forfeitures, and penalties	95,375	95,375	724,723	629,348
Intergovernmental	1,660,000	1,695,480	1,898,011	202,531
Use of money and property	113,660	113,660	826,720	713,060
Charges for current services	2,754,989	4,138,061	4,656,065	518,004
Other	489,740	511,720	209,724	(301,996)
<b>Total Revenues</b>	<b>14,845,557</b>	<b>16,621,089</b>	<b>22,206,441</b>	<b>5,585,352</b>
<b>Expenditures</b>				
Current				
General government				
City council	75,125	86,725	71,010	15,715
City manager	586,309	814,309	667,978	146,331
City clerk	231,994	324,016	242,313	81,703
City attorney	648,319	648,319	501,964	146,355
Personnel	363,187	310,165	305,935	4,230
Central services	495,037	532,137	441,766	90,371
Finance	1,411,850	1,507,800	1,398,691	109,109
Information systems	1,191,668	1,334,524	1,271,608	62,916
Animal control	356,156	385,168	236,323	148,845
<b>Total General Government</b>	<b>5,359,645</b>	<b>5,943,163</b>	<b>5,137,588</b>	<b>805,575</b>
Public safety				
Administration	5,311,875	5,157,175	4,519,598	637,577
<b>Total Public Safety</b>	<b>5,311,875</b>	<b>5,157,175</b>	<b>4,519,598</b>	<b>637,577</b>
Community development				
Planning	1,191,144	1,701,741	801,096	900,645
<b>Total Community Development</b>	<b>1,191,144</b>	<b>1,701,741</b>	<b>801,096</b>	<b>900,645</b>

CITY OF LATHROP  
 BUDGETED GENERAL FUND  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public works				
Administration	\$ 747,795	\$ 807,098	\$ 737,290	\$ 69,808
Construction management	753,604	1,792,791	1,184,064	608,727
Land development engineering	876,451	1,414,689	779,923	634,766
City hall	246,320	342,256	249,579	92,677
Utility engineering	210,786	212,792	194,633	18,159
Building	1,288,334	1,976,379	1,341,224	635,155
Code compliance	304,892	305,468	150,855	154,613
Building maintenance	233,597	320,048	232,393	87,655
Park and landscape maintenance	294,638	377,702	252,652	125,050
Total Public Works	<u>4,956,417</u>	<u>7,549,223</u>	<u>5,122,613</u>	<u>2,426,610</u>
Culture and leisure				
Administration	366,097	360,707	351,070	9,637
Senior center	103,522	104,272	102,032	2,240
Special events	102,059	107,066	103,584	3,482
Day camp kid's club	546,437	518,585	480,105	38,480
Youth development teens				
Youth and adult sports	363,944	374,444	348,007	26,437
Library	1,325	1,325		1,325
Total Culture and Leisure	<u>1,483,384</u>	<u>1,466,399</u>	<u>1,384,798</u>	<u>81,601</u>
Capital outlay	<u>195,000</u>	<u>834,635</u>	<u>513,294</u>	<u>321,341</u>
Debt service				
Principal	285,000	285,000		285,000
Interest	96,454	96,454	46,410	50,044
Total Debt Service	<u>381,454</u>	<u>381,454</u>	<u>46,410</u>	<u>335,044</u>
Total Expenditures	<u>18,878,919</u>	<u>23,033,790</u>	<u>17,525,397</u>	<u>5,508,393</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(4,033,362)</u>	<u>(6,412,701)</u>	<u>4,681,044</u>	<u>11,093,745</u>
Other Financing Sources (Uses):				
Transfers in	3,980,141	4,119,427	4,095,216	(24,211)
Transfers (out)	(91,626)	(1,094,643)	(1,094,643)	
Total Other Financing Sources (Uses)	<u>3,888,515</u>	<u>3,024,784</u>	<u>3,000,573</u>	<u>(24,211)</u>
Net Change in Fund Balances	<u>\$ (144,847)</u>	<u>\$ (3,387,917)</u>	<u>7,681,617</u>	<u>\$ 11,069,534</u>
Fund Balances, Beginning of the Year			<u>23,647,369</u>	
Fund Balances, End of the Year			<u>\$ 31,328,986</u>	

(Continued)

CITY OF LATHROP  
 BUDGETED GENERAL FUND  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	Measure C			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
<b>Revenues:</b>				
Taxes				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	3,550,000	3,550,000	6,515,500	2,965,500
Transient occupancy taxes				
Franchise taxes				
Licenses and permits				
Fines, forfeitures, and penalties				
Intergovernmental				
Use of money and property			92,014	92,014
Charges for current services				
Other				
Total Revenues	<u>3,550,000</u>	<u>3,550,000</u>	<u>6,607,514</u>	<u>3,057,514</u>
<b>Expenditures</b>				
Current				
General government				
City council				
City manager				
City clerk				
City attorney				
Personnel				
Central services				
Finance				
Information systems				
Animal control				
Total General Government				
Public safety				
Administration	<u>2,052,042</u>	<u>2,253,556</u>	<u>1,846,666</u>	<u>406,890</u>
Total Public Safety	<u>2,052,042</u>	<u>2,253,556</u>	<u>1,846,666</u>	<u>406,890</u>
Community development				
Planning				
Total Community Development				

CITY OF LATHROP  
 BUDGETED GENERAL FUND  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Public works				
Administration	\$ -	\$ -	\$ -	\$ -
Construction management				
Land development engineering				
City hall				
Utility engineering				
Building				
Code compliance				
Building maintenance				
Park and landscape maintenance				
<u>Total Public Works</u>				
Culture and leisure				
Administration				
Senior center				
Special events				
Day camp kid's club				
Youth development teens				
Youth and adult sports				
Library				
<u>Total Culture and Leisure</u>				
Capital outlay	5,000	5,000		5,000
Debt service				
Principal				
Interest				
<u>Total Debt Service</u>				
<u>Total Expenditures</u>	<u>2,057,042</u>	<u>2,258,556</u>	<u>1,846,666</u>	<u>411,890</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,492,958</u>	<u>1,291,444</u>	<u>4,760,848</u>	<u>3,469,404</u>
Other Financing Sources (Uses):				
Transfers in				
Transfers (out)	<u>(2,049,430)</u>	<u>(2,049,430)</u>	<u>(3,235,630)</u>	<u>(1,186,200)</u>
<u>Total Other Financing Sources (Uses)</u>	<u>(2,049,430)</u>	<u>(2,049,430)</u>	<u>(3,235,630)</u>	<u>(1,186,200)</u>
<u>Net Change in Fund Balances</u>	<u>\$ (556,472)</u>	<u>\$ (757,986)</u>	<u>1,525,218</u>	<u>\$ 2,283,204</u>
Fund Balances, Beginning of the Year			<u>3,541,100</u>	
Fund Balances, End of the Year			<u>\$ 5,066,318</u>	

(Continued)

CITY OF LATHROP  
 BUDGETED GENERAL FUND  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	Total			
	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
<b>Revenues:</b>				
Taxes				
Property taxes	\$ 3,775,000	\$ 3,775,000	\$ 4,710,374	\$ 935,374
Sales and use taxes	6,550,000	6,885,000	12,001,476	5,116,476
Transient occupancy taxes	475,000	475,000	666,791	191,791
Franchise taxes	750,000	750,000	1,204,106	454,106
Licenses and permits	1,731,793	1,731,793	1,823,951	92,158
Fines, forfeitures, and penalties	95,375	95,375	724,723	629,348
Intergovernmental	1,660,000	1,695,480	1,898,011	202,531
Use of money and property	113,660	113,660	918,734	805,074
Charges for current services	2,754,989	4,138,061	4,656,065	518,004
Other	489,740	511,720	209,724	(301,996)
<b>Total Revenues</b>	<b>18,395,557</b>	<b>20,171,089</b>	<b>28,813,955</b>	<b>8,642,866</b>
<b>Expenditures</b>				
Current				
General government				
City council	75,125	86,725	71,010	15,715
City manager	586,309	814,309	667,978	146,331
City clerk	231,994	324,016	242,313	81,703
City attorney	648,319	648,319	501,964	146,355
Personnel	363,187	310,165	305,935	4,230
Central services	495,037	532,137	441,766	90,371
Finance	1,411,850	1,507,800	1,398,691	109,109
Information systems	1,191,668	1,334,524	1,271,608	62,916
Animal control	356,156	385,168	236,323	148,845
<b>Total General Government</b>	<b>5,359,645</b>	<b>5,943,163</b>	<b>5,137,588</b>	<b>805,575</b>
Public safety				
Administration	7,363,917	7,410,731	6,366,264	1,044,467
<b>Total Public Safety</b>	<b>7,363,917</b>	<b>7,410,731</b>	<b>6,366,264</b>	<b>1,044,467</b>
Community development				
Planning	1,191,144	1,701,741	801,096	900,645
<b>Total Community Development</b>	<b>1,191,144</b>	<b>1,701,741</b>	<b>801,096</b>	<b>900,645</b>



CITY OF LATHROP  
 BUDGETED GENERAL FUND  
 COMBINING SCHEDULES OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget		
Public works				
Administration	\$ 747,795	\$ 807,098	\$ 737,290	\$ 69,808
Construction management	753,604	1,792,791	1,184,064	608,727
Land development engineering	876,451	1,414,689	779,923	634,766
City hall	246,320	342,256	249,579	92,677
Utility engineering	210,786	212,792	194,633	18,159
Building	1,288,334	1,976,379	1,341,224	635,155
Code compliance	304,892	305,468	150,855	154,613
Building maintenance	233,597	320,048	232,393	87,655
Park and landscape maintenance	294,638	377,702	252,652	125,050
Total Public Works	4,956,417	7,549,223	5,122,613	2,426,610
Culture and leisure				
Administration	366,097	360,707	351,070	9,637
Senior center	103,522	104,272	102,032	2,240
Special events	102,059	107,066	103,584	3,482
Day camp kid's club	546,437	518,585	480,105	38,480
Youth development teens				
Youth and adult sports	363,944	374,444	348,007	26,437
Library	1,325	1,325		1,325
Total Culture and Leisure	1,483,384	1,466,399	1,384,798	81,601
Capital outlay	200,000	839,635	513,294	326,341
Debt service				
Principal	285,000	285,000		285,000
Interest	96,454	96,454	46,410	50,044
Total Debt Service	381,454	381,454	46,410	335,044
Total Expenditures	20,935,961	25,292,346	19,372,063	5,920,283
Excess (Deficiency) of Revenues over Expenditures	(2,540,404)	(5,121,257)	9,441,892	14,563,149
Other Financing Sources (Uses):				
Transfers in	3,980,141	4,119,427	4,095,216	(24,211)
Transfers (out)	(2,141,056)	(3,144,073)	(4,330,273)	(1,186,200)
Total Other Financing Sources (Uses)	1,839,085	975,354	(235,057)	(1,210,411)
Net Change in Fund Balances	\$ (701,319)	\$ (4,145,903)	9,206,835	\$ 13,352,738
Fund Balances, Beginning of the Year			27,188,469	
Fund Balances, End of the Year			\$ 36,395,304	

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## 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 Horizon Landscape and Woodfield 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 grant expenditures.

**NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

**HISTORIC LATHROP LOAN PROGRAM (HLLP) FUND**

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

**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.

**MOSSDALE STANDBY 2005-1 FUND**

To account for the MBR facility operations and maintenance.

**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).

**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.

**NON-MAJOR GOVERNMENTAL FUNDS (Continued)**

**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.

**CENTRAL LATHROP SPECIFIC PLAN (CLSP) SERVICES CFD FUND**

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

**STIP AUGMENTATION FUND**

This fund accounts for revenues and expenditures for transportation projects included in the State Transportation Improvement Program (STIP).

**UNIVERSAL HIRING GRANT FUND**

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

**LATHROP MANTECA FIRE DISTRICT MEASURE C FUND**

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

**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.

<b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b>
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**DEPARTMENT OF WATER RESOURCES (DWR) GRANT – URBAN LEVEL OF FLOOD PROTECTION (ULOP) PROJECT**

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

**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.

**STREETS AND ROADS FUND**

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

**CAPITAL PROJECTS FUND**

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

**STORM DRAINAGE FUND**

To account for expenditures for storm drain capital projects.

**PARK IN-LIEU FEES 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.

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CITY OF LATHROP  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2019

SPECIAL REVENUE FUNDS

	Landscape Maintenance	Gas Tax	Traffic Safety	Local Street	Public Nuisance
<b>Assets</b>					
Cash and investments	\$ 877,020	\$ 363,342	\$ 34,152	\$ 796,356	\$ 9,995
Receivables:					
Accounts		41,722	3,361	7,015	2,019
Interest	1,919	629	74	1,890	25
Loans					
<b>Total Assets</b>	<b>\$ 878,939</b>	<b>\$ 405,693</b>	<b>\$ 37,587</b>	<b>\$ 805,261</b>	<b>\$ 12,039</b>
<b>Liabilities</b>					
Accounts payable	\$ 318,943	\$ -	\$ -	\$ 203,630	\$ -
Due to other funds					
Deposits payable					
Unearned revenue					
<b>Total Liabilities</b>	<b>318,943</b>			<b>203,630</b>	
<b>Fund Balances</b>					
Restricted		405,693	37,587	601,631	
Committed	10,276				12,039
Assigned	549,720				
Unassigned					
<b>Total Fund Balances</b>	<b>559,996</b>	<b>405,693</b>	<b>37,587</b>	<b>601,631</b>	<b>12,039</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 878,939</b>	<b>\$ 405,693</b>	<b>\$ 37,587</b>	<b>\$ 805,261</b>	<b>\$ 12,039</b>



SPECIAL REVENUE FUNDS

Measure K	Transit LTF	Streets and Roads	Federal Grant	HLLP	Storm Drain	Street Light	AB939 Recycling
\$ 540,735	\$ 20,635	\$ 147,875	\$ -	\$ 225,135	\$ 381,487	\$ 1,642,367	\$ 670,269
98,739		1,016,731				2,160	13,096
1,236	50	360		549	884	3,908	1,604
				20,350			
<u>\$ 640,710</u>	<u>\$ 20,685</u>	<u>\$ 1,164,966</u>	<u>\$ -</u>	<u>\$ 246,034</u>	<u>\$ 382,371</u>	<u>\$ 1,648,435</u>	<u>\$ 684,969</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,773	\$ 32,833	\$ -
	20,147						
	20,147				14,773	32,833	
640,710	538	1,164,966		246,034	367,598	1,615,602	684,969
<u>640,710</u>	<u>538</u>	<u>1,164,966</u>		<u>246,034</u>	<u>367,598</u>	<u>1,615,602</u>	<u>684,969</u>
<u>\$ 640,710</u>	<u>\$ 20,685</u>	<u>\$ 1,164,966</u>	<u>\$ -</u>	<u>\$ 246,034</u>	<u>\$ 382,371</u>	<u>\$ 1,648,435</u>	<u>\$ 684,969</u>

(Continued)

CITY OF LATHROP  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2019

	SPECIAL REVENUE FUNDS				
	CDBG	Mossdale Standby 2005-1	Scholarship	COPS	RTIF San Joaquin County
<b>Assets</b>					
Cash and investments	\$ 3,572	\$ -	\$ 14,204	\$ 130,101	\$ 76,018
Receivables:					
Accounts		46,874			
Interest	11		39	311	143
Loans					
Total Assets	\$ 3,583	\$ 46,874	\$ 14,243	\$ 130,412	\$ 76,161
<b>Liabilities</b>					
Accounts payable	\$ 897	\$ -	\$ -	\$ 1,091	\$ 76,161
Due to other funds					
Deposits payable					
Unearned revenue					
Total Liabilities	897			1,091	76,161
<b>Fund Balances</b>					
Restricted	2,686	46,874	14,243	129,321	
Committed					
Assigned					
Unassigned					
Total Fund Balances	2,686	46,874	14,243	129,321	
Total Liabilities and Fund Balances	\$ 3,583	\$ 46,874	\$ 14,243	\$ 130,412	\$ 76,161

SPECIAL REVENUE FUNDS

RTIF Lathrop Local West	RTIF SJCOG	RTIF Lathrop Local East	CLSP Service CFD	STIP Augmentation	Universal Hiring Grant	Lathrop Manteca Fire District Measure C	North Lathrop Transportation CFF
\$ 4,161,140	\$ 114,028	\$ 1,134,722	\$ -	\$ -	\$ -	\$ 703,437	\$ 461,197
9,838	214	2,774	4		5,440	8	1,126
<u>\$ 4,170,978</u>	<u>\$ 114,242</u>	<u>\$ 1,137,496</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 5,440</u>	<u>\$ 703,445</u>	<u>\$ 462,323</u>
\$ 84,319	\$ 114,242	\$ -	\$ 2,598 161,154	\$ -	\$ - 5,448	\$ -	\$ -
<u>84,319</u>	<u>114,242</u>		<u>163,752</u>		<u>5,448</u>		
4,086,659		1,137,496				703,445	462,323
			(163,748)		(8)		
<u>4,086,659</u>		<u>1,137,496</u>	<u>(163,748)</u>		<u>(8)</u>	<u>703,445</u>	<u>462,323</u>
<u>\$ 4,170,978</u>	<u>\$ 114,242</u>	<u>\$ 1,137,496</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 5,440</u>	<u>\$ 703,445</u>	<u>\$ 462,323</u>

(Continued)

CITY OF LATHROP  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2019

	SPECIAL REVENUE FUNDS				
	Stewart Economic Development Fee 80% CFF	Citywide Economic Development Fee 20% CFF	River Islands CFD 2013-1	Lathrop Land Acquisitions	ULOP RD-17 Levee Impact
<b>Assets</b>					
Cash and investments	\$ 127,179	\$ 1,172,412	\$ 121,007	\$ 13,521	\$ 192,429
Receivables:					
Accounts			73,678		
Interest	219	2,750	819	33	121
Loans					
Total Assets	<u>\$ 127,398</u>	<u>\$ 1,175,162</u>	<u>\$ 195,504</u>	<u>\$ 13,554</u>	<u>\$ 192,550</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 93	\$ -	\$ 191,296
Due to other funds					
Deposits payable	124,000			12,855	
Unearned revenue					
Total Liabilities	<u>124,000</u>		<u>93</u>	<u>12,855</u>	<u>191,296</u>
<b>Fund Balances</b>					
Restricted					
Committed	3,398	1,175,162	195,411	699	1,254
Assigned					
Unassigned					
Total Fund Balances	<u>3,398</u>	<u>1,175,162</u>	<u>195,411</u>	<u>699</u>	<u>1,254</u>
Total Liabilities Fund Balances	<u>\$ 127,398</u>	<u>\$ 1,175,162</u>	<u>\$ 195,504</u>	<u>\$ 13,554</u>	<u>\$ 192,550</u>

SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS					
DWR Grant - ULOP Project	Streets and Roads	Capital Projects	Storm Drainage	Park In-Lieu Fees	Totals	
\$ -	\$ 5,308,827	\$ 2,905,966	\$ 850,685	\$ 268,327	\$ 23,468,140	
16,421	39 12,576	3,498		655	1,327,295 48,267 20,350	
<u>\$ 16,421</u>	<u>\$ 5,321,442</u>	<u>\$ 2,909,464</u>	<u>\$ 850,685</u>	<u>\$ 268,982</u>	<u>\$ 24,864,052</u>	
\$ -	\$ 175,290	\$ 102,687	\$ 59,431	\$ -	\$ 1,378,284 166,602 136,855 20,147	
	175,290	102,687	59,431		1,701,888	
16,421	5,146,152	2,806,777	791,254	268,982	4,701,645 18,074,555 549,720 (163,756)	
<u>16,421</u>	<u>5,146,152</u>	<u>2,806,777</u>	<u>791,254</u>	<u>268,982</u>	<u>23,162,164</u>	
<u>\$ 16,421</u>	<u>\$ 5,321,442</u>	<u>\$ 2,909,464</u>	<u>\$ 850,685</u>	<u>\$ 268,982</u>	<u>\$ 24,864,052</u>	

CITY OF LATHROP  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	Landscape Maintenance	Gas Tax	Traffic Safety	Local Street	Public Nuisance
Revenues					
Taxes and assessments	\$ 2,499,844	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties			25,718		
Intergovernmental		935,089			
Use of money and property	18,807	15,635	648	9,290	3,973
Other	2,303			1,661	
Total Revenues	2,520,954	950,724	26,366	10,951	3,973
Expenditures					
Current					
Community development					
Public safety	2,264,236		19,157		
Public works				855,771	
Capital outlay	41,374			85,055	
Total Expenditures	2,305,610		19,157	940,826	
Excess (Deficiency) of Revenues over Expenditures	215,344	950,724	7,209	(929,875)	3,973
Other Financing Sources (Uses)					
Transfers in	32,064			1,145,517	
Transfers (out)	(352,437)	(1,173,221)	(3,602)	(144,652)	(77)
Total Other Financing Sources (Uses)	(320,373)	(1,173,221)	(3,602)	1,000,865	(77)
Net Change in Fund Balances	(105,029)	(222,497)	3,607	70,990	3,896
Fund Balances, Beginning of the Year	665,025	628,190	33,980	530,641	8,143
Fund Balances, End of the Year	\$ 559,996	\$ 405,693	\$ 37,587	\$ 601,631	\$ 12,039

SPECIAL REVENUE FUNDS

Measure K	Transit LTF	Streets and Roads	Federal Grant	HLLP	Storm Drain	Street Light	AB939 Recycling
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,032
13,995		1,016,731	179,382		353,844	942,024	
449,206	433	9,627		4,722	7,459	32,182	12,773
					97,000		
<u>463,201</u>	<u>433</u>	<u>1,026,358</u>	<u>179,382</u>	<u>4,722</u>	<u>458,303</u>	<u>974,206</u>	<u>176,805</u>
						132,457	
					347,897	716,497	15,562
					48,900		
					396,797	848,954	15,562
<u>463,201</u>	<u>433</u>	<u>1,026,358</u>	<u>179,382</u>	<u>4,722</u>	<u>61,506</u>	<u>125,252</u>	<u>161,243</u>
(469,919)		(464,068)	(179,382)		40,486	29,076	(15,325)
(469,919)		(464,068)	(179,382)		(69,042)	(150,016)	(15,325)
(6,718)	433	562,290		4,722	32,950	4,312	145,918
647,428	105	602,676		241,312	334,648	1,611,290	539,051
<u>\$ 640,710</u>	<u>\$ 538</u>	<u>\$ 1,164,966</u>	<u>\$ -</u>	<u>\$ 246,034</u>	<u>\$ 367,598</u>	<u>\$ 1,615,602</u>	<u>\$ 684,969</u>

(Continued)

CITY OF LATHROP  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	CDBG	Mossdale Standby 2005-1	Scholarship	COPS	RTIF San Joaquin County
Revenues					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ 249,188
Fines, forfeitures, and penalties					
Intergovernmental	5,000		2,802	153,926	
Use of money and property	162		302	2,523	2,631
Other			1,246		
Total Revenues	<u>5,162</u>		<u>4,350</u>	<u>156,449</u>	<u>251,819</u>
Expenditures					
Current					
Community development	5,897				
Public safety				81,957	
Public works					251,819
Capital outlay					
Total Expenditures	<u>5,897</u>			<u>81,957</u>	<u>251,819</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(735)</u>		<u>4,350</u>	<u>74,492</u>	
Other Financing Sources (Uses)					
Transfers in					
Transfers (out)	<u>(5,035)</u>		<u>(2,802)</u>		
Total Other Financing Sources (Uses)	<u>(5,035)</u>		<u>(2,802)</u>		
Net Change in Fund Balances	(5,770)		1,548	74,492	
Fund Balances, Beginning of the Year	<u>8,456</u>	<u>46,874</u>	<u>12,695</u>	<u>54,829</u>	
Fund Balances, End of the Year	<u>\$ 2,686</u>	<u>\$ 46,874</u>	<u>\$ 14,243</u>	<u>\$ 129,321</u>	<u>\$ -</u>



SPECIAL REVENUE FUNDS

RTIF Lathrop Local West	RTIF SJCOG	RTIF Lathrop Local East	CLSP Service CFD	STIP Augmentation	Universal Hiring Grant	Lathrop Manteca Fire District Measure C	North Lathrop Transportation CFF
\$ 803,360	\$ 373,782	\$ 1,028,170	\$ - 221,400	\$ -		\$ -	\$ -
85,277	3,945	21,081	88	36,752	23,565	2,804	9,674
<u>888,637</u>	<u>377,727</u>	<u>1,049,251</u>	<u>221,488</u>	<u>36,752</u>	<u>23,565</u>	<u>2,804</u>	<u>9,674</u>
					23,573	2,334,368	
436	377,728	436	346,677				
<u>436</u>	<u>377,728</u>	<u>436</u>	<u>346,677</u>		<u>23,573</u>	<u>2,334,368</u>	
888,201	(1)	1,048,815	(125,189)	36,752	(8)	(2,331,564)	9,674
						2,606,200	
(503,406)			(47,771)	(36,752)			
<u>(503,406)</u>			<u>(47,771)</u>	<u>(36,752)</u>		<u>2,606,200</u>	
384,795	(1)	1,048,815	(172,960)		(8)	274,636	9,674
3,701,864	1	88,681	9,212			428,809	452,649
<u>\$ 4,086,659</u>	<u>\$ -</u>	<u>\$ 1,137,496</u>	<u>\$ (163,748)</u>	<u>\$ -</u>	<u>\$ (8)</u>	<u>\$ 703,445</u>	<u>\$ 462,323</u>

(Continued)

CITY OF LATHROP  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	Stewart Economic Development Fee 80% CFF	Citywide Economic Development Fee 20% CFF	River Islands CFD 2013-1	Lathrop Land Acquisitions	ULOP RD-17 Levee Impact
Revenues					
Taxes and assessments	\$ -	\$ 375,000	\$ -	\$ -	\$ 1,643,922
Fines, forfeitures, and penalties			274,842		
Intergovernmental					
Use of money and property	2,031	20,468	4,517	284	282
Other			73,678		
Total Revenues	<u>2,031</u>	<u>395,468</u>	<u>353,037</u>	<u>284</u>	<u>1,644,204</u>
Expenditures					
Current					
Community development	32,000				
Public safety					
Public works			21,512		1,716,248
Capital outlay					
Total Expenditures	<u>32,000</u>		<u>21,512</u>		<u>1,716,248</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(29,969)</u>	<u>395,468</u>	<u>331,525</u>	<u>284</u>	<u>(72,044)</u>
Other Financing Sources (Uses)					
Transfers in					
Transfers (out)			(261,379)		
Total Other Financing Sources (Uses)			<u>(261,379)</u>		
Net Change in Fund Balances	(29,969)	395,468	70,146	284	(72,044)
Fund Balances, Beginning of the Year	<u>33,367</u>	<u>779,694</u>	<u>125,265</u>	<u>415</u>	<u>73,298</u>
Fund Balances, End of the Year	<u>\$ 3,398</u>	<u>\$ 1,175,162</u>	<u>\$ 195,411</u>	<u>\$ 699</u>	<u>\$ 1,254</u>

SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS				
DWR Grant - ULOP Project	Streets and Roads	Capital Projects	Storm Drainage	Park In-Lieu Fees	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,137,298
					1,817,828
108,725					2,475,967
	78,204	10,987	10,416	5,629	826,060
					175,888
<u>108,725</u>	<u>78,204</u>	<u>10,987</u>	<u>10,416</u>	<u>5,629</u>	<u>12,433,041</u>
					37,897
					4,855,748
					4,650,583
	1,020,326	492,318	430,335		2,118,308
	<u>1,020,326</u>	<u>492,318</u>	<u>430,335</u>		<u>11,662,536</u>
<u>108,725</u>	<u>(942,122)</u>	<u>(481,331)</u>	<u>(419,919)</u>	<u>5,629</u>	<u>770,505</u>
	2,629,759	3,019,836	782,713		10,285,651
<u>(394,213)</u>	<u>(5,619)</u>		<u>(792)</u>		<u>(4,279,510)</u>
<u>(394,213)</u>	<u>2,624,140</u>	<u>3,019,836</u>	<u>781,921</u>		<u>6,006,141</u>
<u>(285,488)</u>	<u>1,682,018</u>	<u>2,538,505</u>	<u>362,002</u>	<u>5,629</u>	<u>6,776,646</u>
<u>301,909</u>	<u>3,464,134</u>	<u>268,272</u>	<u>429,252</u>	<u>263,353</u>	<u>16,385,518</u>
<u>\$ 16,421</u>	<u>\$ 5,146,152</u>	<u>\$ 2,806,777</u>	<u>\$ 791,254</u>	<u>\$ 268,982</u>	<u>\$ 23,162,164</u>

CITY OF LATHROP  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

SPECIAL REVENUE FUNDS						
	LANDSCAPE MAINTENANCE			GAS TAX		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ 2,621,817	\$ 2,499,844	\$ (121,973)	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties						
Intergovernmental				882,300	935,089	52,789
Use of money and property	3,000	18,807	15,807		15,635	15,635
Other		2,303	2,303			
Total Revenues	<u>2,624,817</u>	<u>2,520,954</u>	<u>(103,863)</u>	<u>882,300</u>	<u>950,724</u>	<u>68,424</u>
Expenditures:						
Current:						
Community development						
Public safety						
Public works	2,754,470	2,264,236	490,234			
Capital outlay	70,300	41,374	28,926			
Total Expenditures	<u>2,824,770</u>	<u>2,305,610</u>	<u>519,160</u>			
Excess (Deficiency) of Revenues over Expenditures	<u>(199,953)</u>	<u>215,344</u>	<u>415,297</u>	<u>882,300</u>	<u>950,724</u>	<u>68,424</u>
Other Financing Sources (Uses):						
Transfers in	77,064	32,064	(45,000)			
Transfers (out)	<u>(397,437)</u>	<u>(352,437)</u>	<u>45,000</u>	<u>(1,436,241)</u>	<u>(1,173,221)</u>	<u>263,020</u>
Total Other Financing Sources (Uses)	<u>(320,373)</u>	<u>(320,373)</u>		<u>(1,436,241)</u>	<u>(1,173,221)</u>	<u>263,020</u>
Net Change in Fund Balances	<u>\$ (520,326)</u>	<u>(105,029)</u>	<u>\$ 415,297</u>	<u>\$ (553,941)</u>	<u>(222,497)</u>	<u>\$ 331,444</u>
Fund Balances, Beginning of the Year		<u>665,025</u>			<u>628,190</u>	
Fund Balances, End of the Year		<u>\$ 559,996</u>			<u>\$ 405,693</u>	

SPECIAL REVENUE FUNDS

TRAFFIC SAFETY			LOCAL STREET			PUBLIC NUISANCE		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30,000	25,718	(4,282)						
	648	648		9,290	9,290		3,973	3,973
4,531		(4,531)		1,661	1,661			
34,531	26,366	(8,165)		10,951	10,951		3,973	3,973
30,500	19,157	11,343						
			1,290,397	855,771	434,626			
			136,772	85,055	(51,717)			
30,500	19,157	11,343	1,427,169	940,826	382,909			
4,031	7,209	3,178	(1,427,169)	(929,875)	497,294		3,973	3,973
(3,602)	(3,602)		1,145,517	1,145,517		(77)	(77)	
			(144,652)	(144,652)				
(3,602)	(3,602)		1,000,865	1,000,865		(77)	(77)	
\$ 429	3,607	\$ 3,178	\$ (426,304)	70,990	\$ 497,294	\$ (77)	3,896	\$ 3,973
	33,980			530,641			8,143	
	\$ 37,587			\$ 601,631			\$ 12,039	

(Continued)

CITY OF LATHROP  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

SPECIAL REVENUE FUNDS

	MEASURE K			TRANSIT LTF		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties						
Intergovernmental	774,100	449,206	(324,894)			
Use of money and property		13,995	13,995		433	433
Other						
Total Revenues	<u>774,100</u>	<u>463,201</u>	<u>(310,899)</u>		<u>433</u>	<u>433</u>
Expenditures:						
Current:						
Community development						
Public safety						
Public works						
Capital outlay						
Total Expenditures						
Excess (Deficiency) of Revenues over Expenditures	<u>774,100</u>	<u>463,201</u>	<u>(310,899)</u>		<u>433</u>	<u>433</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)	<u>(927,783)</u>	<u>(469,919)</u>	<u>457,864</u>			
Total Other Financing Sources (Uses)	<u>(927,783)</u>	<u>(469,919)</u>	<u>457,864</u>			
Net Change in Fund Balances	<u>\$ (153,683)</u>	<u>(6,718)</u>	<u>\$ 146,965</u>	<u>\$ -</u>	<u>433</u>	<u>\$ 433</u>
Fund Balances, Beginning of the Year		<u>647,428</u>			<u>105</u>	
Fund Balances, End of the Year		<u>\$ 640,710</u>			<u>\$ 538</u>	

SPECIAL REVENUE FUNDS

STREETS AND ROADS			FEDERAL GRANT			HLLP		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
416,500	1,016,731 9,627	600,231 9,627	4,680,978	179,382	(4,501,596)		4,722	4,722
<u>416,500</u>	<u>1,026,358</u>	<u>609,858</u>	<u>4,680,978</u>	<u>179,382</u>	<u>(4,501,596)</u>		<u>4,722</u>	<u>4,722</u>
<u>416,500</u>	<u>1,026,358</u>	<u>609,858</u>	<u>4,680,978</u>	<u>179,382</u>	<u>(4,501,596)</u>		<u>4,722</u>	<u>4,722</u>
<u>(980,403)</u>	<u>(464,068)</u>	<u>516,335</u>	<u>(4,680,978)</u>	<u>(179,382)</u>	<u>4,501,596</u>			
<u>(980,403)</u>	<u>(464,068)</u>	<u>516,335</u>	<u>(4,680,978)</u>	<u>(179,382)</u>	<u>4,501,596</u>			
<u>\$ (563,903)</u>	562,290	<u>\$ 1,126,193</u>	<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	4,722	<u>\$ 4,722</u>
	<u>602,676</u>						<u>241,312</u>	
	<u>\$ 1,164,966</u>			<u>\$ -</u>			<u>\$ 246,034</u>	

(Continued)

CITY OF LATHROP  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	STORM DRAIN			STREET LIGHT		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties	352,393	353,844	1,451	927,710	942,024	14,314
Intergovernmental						
Use of money and property		7,459	7,459		32,182	32,182
Other	95,000	97,000	2,000			
Total Revenues	<u>447,393</u>	<u>458,303</u>	<u>10,910</u>	<u>927,710</u>	<u>974,206</u>	<u>46,496</u>
Expenditures:						
Current:						
Community development						
Public safety				206,527	132,457	74,070
Public works	575,800	347,897	227,903	1,129,972	716,497	413,475
Capital outlay	68,000	48,900	19,100	7,000		7,000
Total Expenditures	<u>643,800</u>	<u>396,797</u>	<u>247,003</u>	<u>1,343,499</u>	<u>848,954</u>	<u>494,545</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(196,407)</u>	<u>61,506</u>	<u>257,913</u>	<u>(415,789)</u>	<u>125,252</u>	<u>541,041</u>
Other Financing Sources (Uses):						
Transfers in	40,486	40,486		29,076	29,076	
Transfers (out)	(69,042)	(69,042)		(150,016)	(150,016)	
Total Other Financing Sources (Uses)	<u>(28,556)</u>	<u>(28,556)</u>		<u>(120,940)</u>	<u>(120,940)</u>	
Net Change in Fund Balances	<u><u>\$ (224,963)</u></u>	<u>32,950</u>	<u><u>\$ 257,913</u></u>	<u><u>\$ (536,729)</u></u>	<u>4,312</u>	<u><u>\$ 541,041</u></u>
Fund Balances, Beginning of the Year		<u>334,648</u>			<u>1,611,290</u>	
Fund Balances, End of the Year		<u><u>\$ 367,598</u></u>			<u><u>\$ 1,615,602</u></u>	



SPECIAL REVENUE FUNDS

AB939 RECYCLING			CDBG			MOSSDALE STANDBY 2005-1		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ 80,000	\$ 164,032	\$ 84,032	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,500	12,773	(5,500) 12,773	11,328	5,000 162	(6,328) 162			
<u>85,500</u>	<u>176,805</u>	<u>91,305</u>	<u>11,328</u>	<u>5,162</u>	<u>(6,166)</u>			
			5,000	5,897	(897)			
52,899	15,562	37,337						
<u>52,899</u>	<u>15,562</u>	<u>37,337</u>	<u>5,000</u>	<u>5,897</u>	<u>(897)</u>			
32,601	161,243	128,642	6,328	(735)	(7,063)			
<u>(15,325)</u>	<u>(15,325)</u>		<u>(6,328)</u>	<u>(5,035)</u>	1,293			
<u>(15,325)</u>	<u>(15,325)</u>		<u>(6,328)</u>	<u>(5,035)</u>	1,293			
<u>\$ 17,276</u>	145,918	<u>\$ 128,642</u>	<u>\$ -</u>	(5,770)	<u>\$ (5,770)</u>	<u>\$ -</u>		<u>\$ -</u>
	<u>539,051</u>			<u>8,456</u>			<u>46,874</u>	
	<u>\$ 684,969</u>			<u>\$ 2,686</u>			<u>\$ 46,874</u>	

(Continued)

CITY OF LATHROP  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	SCHOLARSHIP			COPS		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties						
Intergovernmental	5,000	2,802	(2,198)	110,000	153,926	43,926
Use of money and property		302	302		2,523	2,523
Other	900	1,246	346			
Total Revenues	<u>5,900</u>	<u>4,350</u>	<u>(1,550)</u>	<u>110,000</u>	<u>156,449</u>	<u>46,449</u>
Expenditures:						
Current:						
Community development						
Public safety				104,730	81,957	22,773
Public works						
Capital outlay				<u>5,270</u>		<u>5,270</u>
Total Expenditures				<u>110,000</u>	<u>81,957</u>	<u>28,043</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,900</u>	<u>4,350</u>	<u>(1,550)</u>		<u>74,492</u>	<u>74,492</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)	<u>(5,000)</u>	<u>(2,802)</u>	<u>2,198</u>			
Total Other Financing Sources (Uses)	<u>(5,000)</u>	<u>(2,802)</u>	<u>2,198</u>			
Net Change in Fund Balances	<u>\$ 900</u>	1,548	<u>\$ 648</u>	<u>\$ -</u>	74,492	<u>\$ 74,492</u>
Fund Balances, Beginning of the Year		<u>12,695</u>			<u>54,829</u>	
Fund Balances, End of the Year		<u>\$ 14,243</u>			<u>\$ 129,321</u>	

SPECIAL REVENUE FUNDS

RTIF SAN JOAQUIN COUNTY			RTIF LATHROP LOCAL WEST			RTIF SJCOG		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ 131,711	\$ 249,188	\$ 117,477	\$ 907,803	\$ 803,360	\$ (104,443)	\$ 197,566	\$ 373,782	\$ 176,216
	2,631	2,631		85,277	85,277		3,945	3,945
<u>131,711</u>	<u>251,819</u>	<u>120,108</u>	<u>907,803</u>	<u>888,637</u>	<u>(19,166)</u>	<u>197,566</u>	<u>377,727</u>	<u>180,161</u>
131,711	251,819	(120,108)	5,000	436	4,564	197,566	377,728	(180,162)
<u>131,711</u>	<u>251,819</u>	<u>(120,108)</u>	<u>5,000</u>	<u>436</u>	<u>4,564</u>	<u>197,566</u>	<u>377,728</u>	<u>(180,162)</u>
			<u>902,803</u>	<u>888,201</u>	<u>(14,602)</u>		<u>(1)</u>	<u>(1)</u>
			<u>(503,406)</u>	<u>(503,406)</u>				
			<u>(503,406)</u>	<u>(503,406)</u>				
<u>\$ -</u>		<u>\$ -</u>	<u>\$ 399,397</u>	384,795	<u>\$ (14,602)</u>	<u>\$ -</u>	(1)	<u>\$ (1)</u>
				<u>3,701,864</u>			<u>1</u>	
	<u>\$ -</u>			<u>\$ 4,086,659</u>			<u>\$ -</u>	

(Continued)

CITY OF LATHROP  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	RTIF LATHROP LOCAL EAST			CLSP SERVICE CFD		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ 60,270	\$ 1,028,170	\$ 967,900	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties				221,400	221,400	
Intergovernmental						
Use of money and property		21,081	21,081		88	88
Other						
Total Revenues	<u>60,270</u>	<u>1,049,251</u>	<u>988,981</u>	<u>221,400</u>	<u>221,488</u>	<u>88</u>
Expenditures:						
Current:						
Community development						
Public safety						
Public works	5,000	436	4,564	346,677	346,677	
Capital outlay						
Total Expenditures	<u>5,000</u>	<u>436</u>	<u>4,564</u>	<u>346,677</u>	<u>346,677</u>	
Excess (Deficiency) of Revenues over Expenditures	<u>55,270</u>	<u>1,048,815</u>	<u>993,545</u>	<u>(125,277)</u>	<u>(125,189)</u>	<u>88</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)				(47,771)	(47,771)	
Total Other Financing Sources (Uses)				<u>(47,771)</u>	<u>(47,771)</u>	
Net Change in Fund Balances	<u>\$ 55,270</u>	1,048,815	<u>\$ 993,545</u>	<u>\$ (173,048)</u>	(172,960)	<u>\$ 88</u>
Fund Balances, Beginning of the Year		<u>88,681</u>			<u>9,212</u>	
Fund Balances, End of the Year		<u>\$ 1,137,496</u>			<u>\$ (163,748)</u>	

SPECIAL REVENUE FUNDS

STIP AUGMENTATION			UNIVERSAL HIRING GRANT			LATHROP MANTECA FIRE DISTRICT MEASURE C		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
205,570	36,752	(168,818)	54,000	23,565	(30,435)		2,804	2,804
<u>205,570</u>	<u>36,752</u>	<u>(168,818)</u>	<u>54,000</u>	<u>23,565</u>	<u>(30,435)</u>		<u>2,804</u>	<u>2,804</u>
			54,000	23,573	(30,427)	1,420,000	2,334,368	(914,368)
			<u>54,000</u>	<u>23,573</u>	<u>(30,427)</u>	<u>1,420,000</u>	<u>2,334,368</u>	<u>(914,368)</u>
<u>205,570</u>	<u>36,752</u>	<u>(168,818)</u>		<u>(8)</u>	<u>(8)</u>	<u>(1,420,000)</u>	<u>(2,331,564)</u>	<u>(911,564)</u>
<u>(205,570)</u>	<u>(36,752)</u>	<u>168,818</u>				<u>1,420,000</u>	<u>2,606,200</u>	<u>1,186,200</u>
<u>(205,570)</u>	<u>(36,752)</u>	<u>168,818</u>				<u>1,420,000</u>	<u>2,606,200</u>	<u>1,186,200</u>
<u>\$ -</u>		<u>\$ -</u>	<u>\$ -</u>	<u>(8)</u>	<u>\$ (8)</u>	<u>\$ -</u>	<u>274,636</u>	<u>\$ 274,636</u>
							<u>428,809</u>	
	<u>\$ -</u>			<u>\$ (8)</u>			<u>\$ 703,445</u>	

(Continued)

CITY OF LATHROP  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	NORTH LATHROP TRANSPORTATION			STEWART ECONOMIC DEVELOPMENT FEE 80% CFF		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties						
Intergovernmental						
Use of money and property		9,674	9,674		2,031	2,031
Other						
Total Revenues		9,674	9,674		2,031	2,031
Expenditures:						
Current:						
Community development					32,000	(32,000)
Public safety						
Public works						
Capital outlay						
Total Expenditures					32,000	(32,000)
Excess (Deficiency) of Revenues over Expenditures		9,674	9,674		(29,969)	(29,969)
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)						
Total Other Financing Sources (Uses)						
Net Change in Fund Balances	<u>\$ -</u>	9,674	<u>\$ 9,674</u>	<u>\$ -</u>	(29,969)	<u>\$ (29,969)</u>
Fund Balances, Beginning of the Year,		452,649			33,367	
Fund Balances, End of the Year		<u>\$ 462,323</u>			<u>\$ 3,398</u>	

SPECIAL REVENUE FUNDS

CITYWIDE ECONOMIC DEVELOPMENT FEE 20% CFF			RIVER ISLANDS CFD 2013-1			LATHROP LAND ACQUISITIONS		
Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
\$ 200,000	\$ 375,000	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			296,337	274,842	(21,495)			
	20,468	20,468		4,517	4,517		284	284
				73,678	73,678			
<u>200,000</u>	<u>395,468</u>	<u>195,468</u>	<u>296,337</u>	<u>353,037</u>	<u>56,700</u>		<u>284</u>	<u>284</u>
			20,790	21,512	(722)			
			20,790	21,512	(722)			
<u>200,000</u>	<u>395,468</u>	<u>195,468</u>	<u>275,547</u>	<u>331,525</u>	<u>55,978</u>		<u>284</u>	<u>284</u>
			(283,392)	(261,379)	22,013			
			(283,392)	(261,379)	22,013			
<u>\$ 200,000</u>	<u>395,468</u>	<u>\$ 195,468</u>	<u>\$ (7,845)</u>	<u>70,146</u>	<u>\$ 77,991</u>	<u>\$ -</u>	<u>284</u>	<u>\$ 284</u>
	<u>779,694</u>			<u>125,265</u>			<u>415</u>	
	<u>\$ 1,175,162</u>			<u>\$ 195,411</u>			<u>\$ 699</u>	

(Continued)

CITY OF LATHROP  
 BUDGETED NON-MAJOR FUNDS  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGE IN FUND BALANCES  
 BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2019

SPECIAL REVENUE FUNDS

	ULOP RD-17 LEVEE IMPACT			DWR GRANT - ULOP PROJECT		
	Final Budget	Actual	Variance Positive (Negative)	Final Budget	Actual	Variance Positive (Negative)
Revenues:						
Taxes and assessments	\$ -	\$ 1,643,922	\$ 1,643,922	\$ -	\$ -	\$ -
Fines, forfeitures, and penalties						
Intergovernmental				5,008,958	108,725	(4,900,233)
Use of money and property		282	282			
Other						
Total Revenues		<u>1,644,204</u>	<u>1,644,204</u>	<u>5,008,958</u>	<u>108,725</u>	<u>(4,900,233)</u>
Expenditures:						
Current:						
Public safety						
Public works	121,000	1,716,248	(1,595,248)			
Capital outlay						
Total Expenditures	<u>121,000</u>	<u>1,716,248</u>	<u>(1,595,248)</u>			
Excess (Deficiency) of Revenues over Expenditures	<u>(121,000)</u>	<u>(72,044)</u>	<u>48,956</u>	<u>5,008,958</u>	<u>108,725</u>	<u>(4,900,233)</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers (out)				<u>(5,008,958)</u>	<u>(394,213)</u>	<u>4,614,745</u>
Total Other Financing Sources (Uses)				<u>(5,008,958)</u>	<u>(394,213)</u>	<u>4,614,745</u>
Net Change in Fund Balances	<u>\$ (121,000)</u>	<u>(72,044)</u>	<u>\$ 48,956</u>	<u>\$ -</u>	<u>(285,488)</u>	<u>\$ (285,488)</u>
Fund Balances, Beginning of the Year,		<u>73,298</u>			<u>301,909</u>	
Fund Balances, End of the Year		<u>\$ 1,254</u>			<u>\$ 16,421</u>	



## AGENCY FUNDS

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

### CSCDA LEASE REVENUE BONDS FUND

To account for the proceeds from the issuance of the lease revenue bonds.

### LOUISE AVENUE FUND

To account for the special assessments associated with the storm drain capital improvements pursuant to Improvement Bond Act 1915.

### MOSSDALE VILLAGE ASSESSMENT DISTRICT FUND

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

### LATHROP SANITARY 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.

### TOT TRUST FUND

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

### COMMUNITY FACILITIES DISTRICT 2006-1 CLSP INFRASTRUCTURE FUND

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

### DEVELOPERS' DEPOSIT AND PILOT FLYING J FUNDS

To account for the deposits held for developers in accordance with agreements with the City.

### PILOT FLYING J FUND

To account for the deposits held from the developer related to the Pilot Flying J project.

### MOSSDALE VILLAGE REASSESSMENT 2015 – 1 FUND

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

CITY OF LATHROP  
 AGENCY FUNDS  
 COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 June 30, 2019

	CSCDA Lease Revenue Bonds	Louise Avenue	Mossdale Village Assessment District	Crossroads Assessments	Joint Wastewater Community Facilities District
<b>ASSETS</b>					
Cash and investments	\$ 572	\$ -	\$ 1,035,843	\$ 536,788	\$ 696,924
Cash and investments with fiscal agents			955,169	831,644	725,852
Accounts receivable		119,698		1,612,369	
Interest receivable			2,108	988	1,461
<b>Total Assets</b>	<b>\$ 572</b>	<b>\$ 119,698</b>	<b>\$ 1,993,120</b>	<b>\$ 2,981,789</b>	<b>\$ 1,424,237</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 883	\$ -	\$ 131,157
Deposits payable					
Due to developers					
Due to bondholders	572	\$119,698	1,992,237	2,981,789	1,293,080
<b>Total Liabilities</b>	<b>\$ 572</b>	<b>\$ 119,698</b>	<b>\$ 1,993,120</b>	<b>\$ 2,981,789</b>	<b>\$ 1,424,237</b>

North Harlan Water Improvement	Lathrop Sanitary Sewer Assessment District No. 1	TOT Trust	Community Facilities District 2006-1 CLSP Infrastructure	Developers' Deposits	Pilot Flying J	Mossdale Village Reassessment 2015-1	Totals
\$ 173,769	\$ 7,471	\$ 909,604	\$ 64,914	\$ 1,868,035	\$ 563	\$ 638,611	\$ 5,933,094
92,635	353,265		4,114,011			242,491	7,315,067
	1,068	11,173		1,207,268			2,951,576
391	35	2,156	189	6,027	2	1,350	14,707
<u>\$ 266,795</u>	<u>\$ 361,839</u>	<u>\$ 922,933</u>	<u>\$ 4,179,114</u>	<u>\$ 3,081,330</u>	<u>\$ 565</u>	<u>\$ 882,452</u>	<u>\$ 16,214,444</u>
\$ 249,842	\$ -	\$ -	\$ 506	\$ 3,338	\$ 553	\$ 54,475	\$ 440,754
	361,839						361,839
				3,077,992	12	827,977	3,905,981
16,953		922,933	4,178,608				11,505,870
<u>\$ 266,795</u>	<u>\$ 361,839</u>	<u>\$ 922,933</u>	<u>\$ 4,179,114</u>	<u>\$ 3,081,330</u>	<u>\$ 565</u>	<u>\$ 882,452</u>	<u>\$ 16,214,444</u>

CITY OF LATHROP  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b><u>CSCDA Lease Revenue Bonds</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 572	\$ 572	\$ 572	\$ 572
Total Assets	<u>\$ 572</u>	<u>\$ 572</u>	<u>\$ 572</u>	<u>\$ 572</u>
<b>LIABILITIES</b>				
Due to bondholders	\$ 572	\$ 572	\$ 572	\$ 572
Total Liabilities	<u>\$ 572</u>	<u>\$ 572</u>	<u>\$ 572</u>	<u>\$ 572</u>
<b><u>Louise Avenue</u></b>				
<b>ASSETS</b>				
Accounts receivable	\$ -	\$ 119,698	\$ -	\$ 119,698
Total Assets	<u>\$ -</u>	<u>\$ 119,698</u>	<u>\$ -</u>	<u>\$ 119,698</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to bondholders	<u>-</u>	<u>119,698</u>	<u>-</u>	<u>119,698</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,698</u>
<b><u>Mossdale Village Assessment District</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 990,710	\$ 1,035,843	\$ 990,710	\$ 1,035,843
Cash and investments with fiscal agents	951,585	3,584		955,169
Interest receivable	1,947	2,108	1,947	2,108
Total Assets	<u>\$ 1,944,242</u>	<u>\$ 1,041,535</u>	<u>\$ 992,657</u>	<u>\$ 1,993,120</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 619	\$ 883	\$ 619	\$ 883
Due to bondholders	1,943,623	1,040,652	992,038	1,992,237
Total Liabilities	<u>\$ 1,944,242</u>	<u>\$ 1,041,535</u>	<u>\$ 992,657</u>	<u>\$ 1,993,120</u>

(Continued)

CITY OF LATHROP  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
 (Continued)

<b><u>Crossroads Assessments</u></b>	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>ASSETS</b>				
Cash and investments	\$ 586,742	\$ 536,788	\$ 586,742	\$ 536,788
Cash and investments with fiscal agents	826,870	4,774		831,644
Accounts receivable	1,560,729	1,612,369	1,560,729	1,612,369
Interest receivable	1,207	988	1,207	988
	<u>1,207</u>	<u>988</u>	<u>1,207</u>	<u>988</u>
Total Assets	<u>\$ 2,975,548</u>	<u>\$ 2,154,919</u>	<u>\$ 2,148,678</u>	<u>\$ 2,981,789</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to bondholders	2,975,548	2,154,919	2,148,678	2,981,789
	<u>2,975,548</u>	<u>2,154,919</u>	<u>2,148,678</u>	<u>2,981,789</u>
Total Liabilities	<u>\$ 2,975,548</u>	<u>\$ 2,154,919</u>	<u>\$ 2,148,678</u>	<u>\$ 2,981,789</u>
 <b><u>Joint Wastewater Community Facilities District</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 661,048	\$ 35,876	\$ -	\$ 696,924
Cash and investments with fiscal agents	721,884	725,852	721,884	725,852
Interest receivable	1,329	1,461	1,329	1,461
	<u>1,329</u>	<u>1,461</u>	<u>1,329</u>	<u>1,461</u>
Total Assets	<u>\$ 1,384,261</u>	<u>\$ 763,189</u>	<u>\$ 723,213</u>	<u>\$ 1,424,237</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 131,096	\$ 61	\$ -	\$ 131,157
Due to bondholders	1,253,165	763,128	723,213	1,293,080
	<u>1,253,165</u>	<u>763,128</u>	<u>723,213</u>	<u>1,293,080</u>
Total Liabilities	<u>\$ 1,384,261</u>	<u>\$ 763,189</u>	<u>\$ 723,213</u>	<u>\$ 1,424,237</u>
 <b><u>North Harlan Water Improvement</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 165,210	\$ 173,769	\$ 165,210	\$ 173,769
Cash and investments with fiscal agents	92,638	92,635	92,638	92,635
Interest receivable	354	391	354	391
	<u>354</u>	<u>391</u>	<u>354</u>	<u>391</u>
Total Assets	<u>\$ 258,202</u>	<u>\$ 266,795</u>	<u>\$ 258,202</u>	<u>\$ 266,795</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 243,922	\$ 5,920	\$ -	\$ 249,842
Due to bondholders	14,280	260,875	258,202	16,953
	<u>14,280</u>	<u>260,875</u>	<u>258,202</u>	<u>16,953</u>
Total Liabilities	<u>\$ 258,202</u>	<u>\$ 266,795</u>	<u>\$ 258,202</u>	<u>\$ 266,795</u>

(Continued)

CITY OF LATHROP  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
 (Continued)

<b><u>Lathrop Sanitary Sewer Assessment District No.1</u></b>	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>ASSETS</b>				
Cash and investments	\$ 5,191	\$ 2,280	\$ -	\$ 7,471
Cash and investments with fiscal agents	262,468	353,265	262,468	353,265
Accounts receivable		1,068		1,068
Interest receivable	26	35	26	35
	<u>26</u>	<u>35</u>	<u>26</u>	<u>35</u>
Total Assets	<u>\$ 267,685</u>	<u>\$ 356,648</u>	<u>\$ 262,494</u>	<u>\$ 361,839</u>
<b>LIABILITIES</b>				
Accounts payable	\$ (1,068)	\$ 1,068	\$ -	\$ -
Deposits payable	268,753	355,580	262,494	361,839
	<u>268,753</u>	<u>355,580</u>	<u>262,494</u>	<u>361,839</u>
Total Liabilities	<u>\$ 267,685</u>	<u>\$ 356,648</u>	<u>\$ 262,494</u>	<u>\$ 361,839</u>
 <b><u>TOT Trust</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 784,196	\$ 125,408	\$ -	\$ 909,604
Accounts receivable	13,589	11,173	13,589	11,173
Interest receivable	1,766	2,156	1,766	2,156
	<u>1,766</u>	<u>2,156</u>	<u>1,766</u>	<u>2,156</u>
Total Assets	<u>\$ 799,551</u>	<u>\$ 138,737</u>	<u>\$ 15,355</u>	<u>\$ 922,933</u>
<b>LIABILITIES</b>				
Due to bondholders	\$ 799,551	\$ 138,737	\$ 15,355	\$ 922,933
	<u>799,551</u>	<u>138,737</u>	<u>15,355</u>	<u>922,933</u>
Total Liabilities	<u>\$ 799,551</u>	<u>\$ 138,737</u>	<u>\$ 15,355</u>	<u>\$ 922,933</u>
 <b><u>Community Facilities District 2006-1 CLSP Infrastructure</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 108,871	\$ 2,566	\$ 46,523	\$ 64,914
Cash and investments with fiscal agents	334,716	3,779,295		4,114,011
Interest receivable	297		108	189
	<u>297</u>	<u>3,779,295</u>	<u>108</u>	<u>189</u>
Total Assets	<u>\$ 443,884</u>	<u>\$ 3,781,861</u>	<u>\$ 46,631</u>	<u>\$ 4,179,114</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,403	\$ 506	\$ 8,403	\$ 506
Due to bondholders	435,481	3,781,355	38,228	4,178,608
	<u>435,481</u>	<u>3,781,355</u>	<u>38,228</u>	<u>4,178,608</u>
Total Liabilities	<u>\$ 443,884</u>	<u>\$ 3,781,861</u>	<u>\$ 46,631</u>	<u>\$ 4,179,114</u>

(Continued)

CITY OF LATHROP  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
 (Continued)

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b><u>Developers' Deposits</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 1,646,040	\$ 1,868,035	\$ 1,646,040	\$ 1,868,035
Accounts receivable	1,137,609	1,207,268	1,137,609	1,207,268
Interest receivable	5,357	6,027	5,357	6,027
	<u>5,357</u>	<u>6,027</u>	<u>5,357</u>	<u>6,027</u>
Total Assets	<u>\$ 2,789,006</u>	<u>\$ 3,081,330</u>	<u>\$ 2,789,006</u>	<u>\$ 3,081,330</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 27	\$ 3,338	\$ 27	\$ 3,338
Due to developers	2,788,979	3,077,992	2,788,979	3,077,992
	<u>2,788,979</u>	<u>3,077,992</u>	<u>2,788,979</u>	<u>3,077,992</u>
Total Liabilities	<u>\$ 2,789,006</u>	<u>\$ 3,081,330</u>	<u>\$ 2,789,006</u>	<u>\$ 3,081,330</u>
<b><u>Pilot Flying J</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 552	\$ 563	\$ 552	\$ 563
Interest receivable	1	2	1	2
	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>
Total Assets	<u>\$ 553</u>	<u>\$ 565</u>	<u>\$ 553</u>	<u>\$ 565</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 553	\$ -	\$ 553
Due to developers	553	12	553	12
	<u>553</u>	<u>12</u>	<u>553</u>	<u>12</u>
Total Liabilities	<u>\$ 553</u>	<u>\$ 565</u>	<u>\$ 553</u>	<u>\$ 565</u>
<b><u>Mossdale Village reassessment 2015-1</u></b>				
<b>ASSETS</b>				
Cash and investments	\$ 616,296	\$ 638,611	\$ 616,296	\$ 638,611
Cash and investments with fiscal agents	241,571	242,491	241,571	242,491
Interest receivable	1,253	1,350	1,253	1,350
	<u>1,253</u>	<u>1,350</u>	<u>1,253</u>	<u>1,350</u>
Total Assets	<u>\$ 859,120</u>	<u>\$ 882,452</u>	<u>\$ 859,120</u>	<u>\$ 882,452</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 54,189	\$ 54,475	\$ 54,189	\$ 54,475
Due to developers	804,931	827,977	804,931	827,977
	<u>804,931</u>	<u>827,977</u>	<u>804,931</u>	<u>827,977</u>
Total Liabilities	<u>\$ 859,120</u>	<u>\$ 882,452</u>	<u>\$ 859,120</u>	<u>\$ 882,452</u>

(Continued)

CITY OF LATHROP  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019  
 (Continued)

<b><u>Total Agency Funds</u></b>	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>ASSETS</b>				
Cash and investments	\$ 5,565,428	\$ 4,420,311	\$ 4,052,645	\$ 5,933,094
Cash and investments with fiscal agents	3,431,732	5,201,896	1,318,561	7,315,067
Accounts receivable	2,711,927	2,951,576	2,711,927	2,951,576
Interest receivable	13,537	14,518	13,348	14,707
	<u>11,722,624</u>	<u>12,588,301</u>	<u>8,096,481</u>	<u>16,214,444</u>
Total Assets	<u>\$ 11,722,624</u>	<u>\$ 12,588,301</u>	<u>\$ 8,096,481</u>	<u>\$ 16,214,444</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 437,188	\$ 66,804	\$ 63,238	\$ 440,754
Deposits payable	268,753	355,580	262,494	361,839
Due to developers	3,594,463	3,905,981	3,594,463	3,905,981
Due to bondholders	7,422,220	8,259,936	4,176,286	11,505,870
	<u>11,722,624</u>	<u>12,588,301</u>	<u>8,096,481</u>	<u>16,214,444</u>
Total Liabilities	<u>\$ 11,722,624</u>	<u>\$ 12,588,301</u>	<u>\$ 8,096,481</u>	<u>\$ 16,214,444</u>



## STATISTICAL SECTION

This part of the City's Comprehensive Annual 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

<b>STATISTICAL SECTION (Continued)</b>
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***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. Water Customers
7. Sales Tax Producers

***Sources***

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

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities:</b>										
Net investments in capital assets	\$ 127,893,609	\$ 127,372,107	\$ 124,614,693	\$ 127,600,645	\$ 140,357,523	\$ 145,671,748	\$ 148,474,931	\$ 155,971,046	\$ 159,727,304	\$ 179,501,255
Restricted	3,801,132	4,182,107	6,738,303	6,989,280	4,865,583	7,733,824	10,223,760	11,858,920	10,376,172	13,552,647
Unrestricted	33,983,648	35,576,555	31,849,848	31,954,985	31,716,374	35,612,693	38,941,548	47,769,952	52,396,920	72,645,973
<b>Total governmental activities net position</b>	<b>\$ 165,678,389</b>	<b>\$ 167,130,769</b>	<b>\$ 163,202,844</b>	<b>\$ 166,544,910</b>	<b>\$ 176,939,480</b>	<b>\$ 189,018,265</b>	<b>\$ 197,640,239</b>	<b>\$ 215,599,918</b>	<b>\$ 222,500,396</b>	<b>\$ 285,699,875</b>
<b>Business-type activities:</b>										
Net investments in capital assets	\$ 73,700,760	\$ 73,171,504	\$ 73,145,195	\$ 76,371,218	\$ 88,125,585	\$ 92,350,319	\$ 93,906,914	\$ 103,695,833	\$ 120,279,431	\$ 150,452,677
Restricted	3,979,788	3,387,089	2,865,215	2,865,251	2,696,850	2,995,846	2,698,250	1,706,637	1,650,031	1,652,234
Unrestricted	13,669,310	16,299,696	17,446,635	19,333,520	25,692,676	23,944,509	26,437,255	37,146,214	30,919,752	34,710,083
<b>Total business-type activities net position</b>	<b>\$ 91,349,858</b>	<b>\$ 92,858,289</b>	<b>\$ 93,457,045</b>	<b>\$ 98,569,989</b>	<b>\$ 116,515,111</b>	<b>\$ 119,290,674</b>	<b>\$ 123,042,419</b>	<b>\$ 142,548,684</b>	<b>\$ 152,849,214</b>	<b>\$ 186,814,994</b>
<b>Primary government:</b>										
Net investments in capital assets	\$ 201,594,369	\$ 200,543,611	\$ 197,759,888	\$ 203,971,863	\$ 228,483,108	\$ 238,022,067	\$ 242,381,845	\$ 259,666,879	\$ 280,006,735	\$ 329,953,932
Restricted	7,780,920	7,569,196	9,603,518	9,854,531	7,562,433	10,729,670	12,922,010	13,565,557	12,026,203	15,204,881
Unrestricted	47,652,958	51,876,251	49,296,483	51,288,505	57,409,050	59,557,202	65,378,803	84,916,166	83,316,672	107,356,056
<b>Total Primary government net position</b>	<b>\$ 257,028,247</b>	<b>\$ 259,989,058</b>	<b>\$ 256,659,889</b>	<b>\$ 265,114,899</b>	<b>\$ 293,454,591</b>	<b>\$ 308,308,939</b>	<b>\$ 320,682,658</b>	<b>\$ 358,148,602</b>	<b>\$ 375,349,610</b>	<b>\$ 452,514,869</b>

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

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

	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses:</b>										
<b>Governmental activities:</b>										
General government	\$ 4,901,677	\$ 3,871,620	\$ 4,233,613	\$ 3,733,840	\$ 4,680,110	\$ 7,449,500	\$ 5,614,173	\$ 4,580,381	\$ 4,917,617	\$ 5,307,052
Public safety	6,388,417	3,951,676	4,173,142	4,624,518	5,940,125	6,962,351	8,048,625	9,683,636	10,965,814	11,284,963
Public works	9,626,215	8,664,363	12,303,005	10,246,951	13,888,678	10,864,104	7,864,470	13,125,373	13,066,756	16,835,406
Culture and leisure	1,978,663	1,285,893	1,096,206	1,161,712	1,111,917	779,976	1,395,287	1,300,832	1,331,811	1,442,202
Community development	3,178,772	1,067,638	1,284,271	1,472,084	1,537,972	602,719	1,712,156	993,885	1,256,506	977,552
Interest on long-term debt	22,940	393,819	382,402	369,832	924,941	340,120	880,036	319,164	100,088	46,410
Total governmental activities expense	26,096,684	19,234,997	23,472,639	21,608,937	28,119,743	26,998,770	25,514,747	30,003,271	31,638,592	35,893,585
<b>Business-type activities:</b>										
Water	6,222,856	6,435,955	6,367,625	7,090,866	7,376,261	5,108,071	4,941,845	5,828,411	4,969,618	6,303,489
Wastewater	3,900,239	4,475,157	4,357,544	3,987,951	6,289,560	4,433,501	3,587,602	5,393,728	1,204,762	9,206,503
Total business-type activities expenses	10,123,095	10,911,112	10,725,169	11,078,817	13,665,821	9,541,572	8,529,447	11,222,139	6,174,380	15,509,992
<b>Total primary government expenses</b>	<b>\$ 36,219,779</b>	<b>\$ 30,146,109</b>	<b>\$ 34,197,808</b>	<b>\$ 32,687,754</b>	<b>\$ 41,785,564</b>	<b>\$ 36,540,342</b>	<b>\$ 34,044,194</b>	<b>\$ 41,225,410</b>	<b>\$ 37,812,972</b>	<b>\$ 51,403,577</b>
<b>Program revenues:</b>										
<b>Governmental activities:</b>										
Charges for services:										
General Government	\$ 729,695	\$ 383,128	\$ 277,653	\$ 335,511	\$ 397,607	\$ 491,076	\$ 551,613	\$ 462,696	\$ 438,974	\$ 528,673
Public Safety	182,863	438,919	159,813	174,862	716,360	356,989	365,009	231,164	424,909	775,581
Public Works	358,900	93,291	79,604	178,067	202,488	248,089	258,005	1,697,831	1,184,297	1,874,445
Culture and leisure	372,150	166,066	153,062	152,379	242,500	220,963	205,376	283,662	279,505	341,016
Community development	712,323	531,273	808,268	1,515,837	2,189,603	2,551,889	3,947,881	3,131,768	2,916,089	3,880,593
Operating grants and contributions	4,260,528	5,119,784	5,066,429	5,076,581	4,947,223	4,969,720	5,016,283	4,841,037	5,459,511	5,674,834
Capital grants and contributions	10,361,739	3,594,176	4,285,232	8,304,237	23,115,518	22,155,191	9,759,080	30,838,179	10,069,773	40,920,445
<b>Total governmental activities program revenues</b>	<b>16,978,198</b>	<b>10,326,647</b>	<b>10,831,051</b>	<b>15,737,494</b>	<b>31,811,299</b>	<b>30,993,917</b>	<b>20,103,247</b>	<b>41,486,337</b>	<b>20,773,058</b>	<b>53,995,587</b>
<b>Business-type activities:</b>										
Charges for services:										
Water	4,539,135	5,551,012	5,561,650	6,293,790	6,551,486	6,042,517	5,849,963	6,856,028	8,331,835	9,052,906
Wastewater	3,980,622	4,501,620	4,959,693	5,186,053	5,627,902	5,730,148	5,233,840	5,791,155	6,533,098	7,923,942
Operating grants and contributions	-	-	-	3,710,000	12,002,670	-	-	-	-	-
Capital grants and contributions	188,710	1,025,014	263,903	159,854	159,854	159,854	159,854	159,854	159,854	32,556,339
Total business-type activities program revenues	8,708,467	11,077,646	10,785,246	15,349,697	24,541,912	11,932,519	11,243,657	12,807,037	15,024,787	49,533,187
<b>Total primary government program revenues</b>	<b>\$ 25,686,665</b>	<b>\$ 21,404,293</b>	<b>\$ 21,616,297</b>	<b>\$ 31,087,191</b>	<b>\$ 56,353,211</b>	<b>\$ 42,926,436</b>	<b>\$ 31,346,904</b>	<b>\$ 54,293,374</b>	<b>\$ 35,797,845</b>	<b>\$ 103,528,774</b>
<b>Net revenues (expenses):</b>										
<b>Governmental activities</b>	\$ (9,118,486)	\$ (8,908,350)	\$ (12,641,588)	\$ (5,871,443)	\$ 3,691,556	\$ 3,995,147	\$ (5,411,500)	\$ 11,483,066	\$ (10,865,534)	\$ 18,102,002
<b>Business-type activities</b>	(1,414,628)	166,534	60,077	4,270,880	10,876,091	2,390,947	2,714,210	1,584,886	8,850,407	34,023,195
<b>Total net revenues (expenses)</b>	<b>\$ (10,533,114)</b>	<b>\$ (8,741,816)</b>	<b>\$ (12,581,511)</b>	<b>\$ (1,600,563)</b>	<b>\$ 14,567,647</b>	<b>\$ 6,386,094</b>	<b>\$ (2,697,290)</b>	<b>\$ 13,067,964</b>	<b>\$ (2,015,127)</b>	<b>\$ 52,125,197</b>
<b>General revenues and other changes in net position:</b>										
<b>Governmental activities:</b>										
Taxes:										
Property tax	\$ 2,848,080	\$ 2,915,881	\$ 2,821,113	\$ 2,810,704	\$ 2,946,083	\$ 3,273,006	\$ 3,566,656	\$ 3,980,606	\$ 4,285,832	\$ 4,710,374
Sales and use taxes	2,314,007	2,126,447	2,512,565	3,128,882	6,676,994	5,947,812	6,209,105	6,337,138	9,211,228	12,001,476
Franchise taxes	695,644	662,429	679,295	667,509	705,450	685,140	518,183	771,288	877,633	1,204,106
Other taxes	230,842	231,125	231,125	466,328	419,267	449,950	743,896	565,715	634,335	666,791
Motor vehicle in lieu, unrestricted	1,158,133	1,200,720	1,100,388	1,076,010	1,118,489	1,324,094	1,555,026	1,794,526	1,794,526	1,898,011
Investment income	281,441	168,650	104,018	38,959	67,431	80,844	346,915	19,282	979,493	1,996,503
Other general revenues	301,700	55,824	63,662	262,023	395,610	301,192	1,745,978	10,090,096	379,591	149,364
Transfers	(371,206)	1,297,654	1,200,418	763,094	(5,626,465)	(84,391)	(421,353)	(16,842,538)	(137,582)	2,439,302
<b>Total governmental activities business-type activities:</b>	<b>7,458,641</b>	<b>8,658,730</b>	<b>8,713,663</b>	<b>9,213,509</b>	<b>6,703,014</b>	<b>11,891,159</b>	<b>14,033,474</b>	<b>6,476,613</b>	<b>18,025,056</b>	<b>25,065,927</b>
Investment income	161,045	111,034	178,169	59,419	49,915	63,492	200,063	214,510	405,014	782,839
Miscellaneous	2,309,689	2,640,839	1,560,928	1,545,739	1,392,651	675,204	416,119	864,319	907,527	1,599,048
Transfers	371,206	(1,297,654)	(1,200,418)	(763,094)	5,626,465	84,391	421,353	16,842,538	137,582	(2,439,302)
<b>Total business-type activities</b>	<b>2,841,940</b>	<b>1,454,219</b>	<b>538,679</b>	<b>842,064</b>	<b>7,069,031</b>	<b>823,087</b>	<b>1,037,535</b>	<b>17,921,367</b>	<b>1,450,123</b>	<b>(57,415)</b>
<b>Total primary government</b>	<b>\$ 10,300,581</b>	<b>\$ 10,112,949</b>	<b>\$ 9,252,342</b>	<b>\$ 10,055,573</b>	<b>\$ 13,772,045</b>	<b>\$ 12,714,246</b>	<b>\$ 15,071,009</b>	<b>\$ 24,397,980</b>	<b>\$ 19,475,179</b>	<b>\$ 25,008,512</b>
<b>Changes in net position</b>										
Governmental activities	\$ (1,659,845)	\$ (249,620)	\$ (3,927,925)	\$ 3,342,066	\$ 10,394,570	\$ 15,886,306	\$ 8,621,974	\$ 17,959,679	\$ 7,159,522	\$ 43,167,929
Business-type activities	1,427,312	1,620,753	598,756	5,112,944	17,945,122	3,214,034	3,751,745	19,506,265	10,300,530	33,965,780
<b>Total primary government</b>	<b>\$ (232,533)</b>	<b>\$ 1,371,133</b>	<b>\$ (3,329,169)</b>	<b>\$ 8,455,010</b>	<b>\$ 28,339,692</b>	<b>\$ 19,100,340</b>	<b>\$ 12,373,719</b>	<b>\$ 37,465,944</b>	<b>\$ 17,460,052</b>	<b>\$ 77,133,709</b>

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General fund:</b>										
Reserved	\$ 7,078,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undesignated	9,672,867	-	-	-	-	-	-	-	-	-
Nonspendable	-	6,371,601	7,235,931	7,175,257	6,380,018	6,852,691	6,665,677	6,180,434	5,650,104	5,225,742
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	742,197	402,197	-	-	-	2,233,234	-	-	-
Assigned	-	189,925	1,248,093	1,229,504	-	-	-	-	-	-
Unassigned	-	10,735,806	8,038,858	9,784,715	16,234,527	11,091,860	12,861,107	16,496,212	21,538,365	31,169,562
<b>Total general fund</b>	<b>\$ 16,751,159</b>	<b>\$ 18,039,529</b>	<b>\$ 16,925,079</b>	<b>\$ 18,189,476</b>	<b>\$ 22,614,545</b>	<b>\$ 17,944,551</b>	<b>\$ 21,760,018</b>	<b>\$ 22,676,646</b>	<b>\$ 27,188,469</b>	<b>\$ 36,395,304</b>
<b>All other governmental funds:</b>										
Reserved	\$ 403,736	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undesignated, reported in:										
Designated special revenue funds	-	-	-	-	-	-	-	-	-	-
Special revenue funds	12,202,368	-	-	-	-	-	-	-	-	-
Capital projects funds	9,659,263	-	-	-	-	-	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	4,356,700	3,813,152	4,142,620	3,890,049	6,823,678	4,513,322	4,701,300	3,797,087	4,701,645
Committed	-	18,976,921	19,727,430	19,333,997	12,977,322	22,534,880	25,829,474	35,779,675	36,015,106	49,619,728
Assigned	-	-	-	264,923	930,347	880,383	975,042	784,139	663,674	549,720
Unassigned	-	-	259,533	-	-	(364)	(233)	(120)	-	(163,756)
<b>Total all other governmental funds</b>	<b>\$ 22,265,367</b>	<b>\$ 23,333,621</b>	<b>\$ 23,800,115</b>	<b>\$ 23,741,540</b>	<b>\$ 17,797,718</b>	<b>\$ 30,238,577</b>	<b>\$ 31,317,605</b>	<b>\$ 41,264,994</b>	<b>\$ 40,475,867</b>	<b>\$ 54,707,337</b>

In fiscal year ended June 30, 2011, the City of Lathrop implemented GASB-54, which changed the classification of fund balances.

Source: City of Lathrop, California

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues:</b>										
Taxes and assessments	\$ 8,226,053	\$ 10,144,813	\$ 10,091,942	\$ 12,092,527	\$ 15,462,332	\$ 21,268,849	\$ 18,494,460	\$ 22,885,183	\$ 22,571,206	\$ 35,307,490
Licenses and permits	602,334	466,256	406,819	634,934	749,845	1,373,909	1,283,193	1,808,623	1,266,197	1,823,951
Fines, forfeitures, and penalties	4,258,962	1,653,515	1,588,643	1,564,795	1,476,258	1,486,888	1,658,639	1,949,910	2,237,680	2,542,551
Intergovernmental	3,474,547	3,981,076	3,672,978	7,107,760	13,291,995	11,177,149	5,489,546	3,134,272	4,420,261	4,373,978
Use of Money & Property	281,441	212,076	135,177	62,939	16,968	159,262	382,724	392,493	1,366,160	2,433,126
Charges for current services	1,410,750	818,899	835,195	1,449,684	2,727,193	2,207,080	3,725,964	3,605,846	3,508,608	4,656,065
Contributions	-	-	-	-	9,779,408	1,094,140	-	19,675,946	2,751,850	536,277
Other	2,198,731	409,088	1,633,542	1,275,270	536,779	4,202,190	3,523,548	1,353,215	813,734	550,982
<b>Total revenues</b>	<b>\$ 20,452,818</b>	<b>\$ 17,687,723</b>	<b>\$ 18,344,296</b>	<b>\$ 24,187,909</b>	<b>\$ 44,140,778</b>	<b>\$ 42,969,467</b>	<b>\$ 34,558,074</b>	<b>\$ 54,805,488</b>	<b>\$ 38,935,696</b>	<b>\$ 52,224,420</b>
<b>Expenditures</b>										
Current:										
General government	\$ 3,790,927	\$ 3,685,441	\$ 3,952,670	\$ 3,318,835	\$ 4,240,661	\$ 8,063,724	\$ 4,675,898	\$ 4,406,106	\$ 4,770,853	\$ 5,137,588
Community development	2,332,574	854,670	987,494	1,222,152	1,323,932	1,254,836	1,657,178	784,763	1,109,714	838,993
Public safety	4,425,923	3,802,298	4,088,676	4,510,204	5,829,809	7,030,624	7,297,872	9,560,119	10,724,423	11,222,012
Public works	9,102,647	7,488,100	9,007,812	9,197,006	17,040,900	15,482,137	6,687,275	7,616,246	7,048,016	9,984,165
Culture and leisure	930,548	879,453	1,043,340	1,069,332	1,063,957	1,048,531	1,296,370	1,226,638	1,275,334	1,384,798
Capital Outlay	552,469	989,761	480,929	3,795,717	9,334,496	1,604,530	4,361,924	2,920,897	9,761,990	2,643,451
Debt service:										
Principal retirement	277,060	237,211	249,347	262,103	274,370	289,709	1,683,347	265,000	285,000	-
Interest and fiscal charges	22,940	393,819	382,402	369,832	924,941	340,120	390,710	319,164	100,088	46,410
<b>Total expenditures</b>	<b>\$ 21,435,088</b>	<b>\$ 18,330,753</b>	<b>\$ 20,192,670</b>	<b>\$ 23,745,181</b>	<b>\$ 40,033,066</b>	<b>\$ 35,114,211</b>	<b>\$ 28,050,574</b>	<b>\$ 27,098,933</b>	<b>\$ 35,075,418</b>	<b>\$ 31,257,417</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>\$ (982,270)</b>	<b>\$ (643,030)</b>	<b>\$ (1,848,374)</b>	<b>\$ 442,728</b>	<b>\$ 4,107,712</b>	<b>\$ 7,855,256</b>	<b>\$ 6,507,500</b>	<b>\$ 27,706,555</b>	<b>\$ 3,860,278</b>	<b>\$ 20,967,003</b>
<b>Other financing sources (uses):</b>										
Proceeds from issuance of long-term	-	-	-	-	-	-	(1,191,652)	-	-	-
Transfers in	12,323,269	7,402,707	11,926,959	9,379,077	18,471,301	17,566,636	12,971,420	10,394,523	12,389,403	14,380,867
Transfers out	(12,694,475)	(6,105,053)	(10,726,541)	(8,615,983)	(24,097,766)	(17,651,027)	(13,392,773)	(27,237,061)	(12,526,985)	(11,941,565)
<b>Total other financing sources (uses)</b>	<b>\$ (371,206)</b>	<b>\$ 1,297,654</b>	<b>\$ 1,200,418</b>	<b>\$ 763,094</b>	<b>\$ (5,626,465)</b>	<b>\$ (84,391)</b>	<b>\$ (1,613,005)</b>	<b>\$ (16,842,538)</b>	<b>\$ (137,582)</b>	<b>\$ 2,439,302</b>
<b>Net change in fund balances</b>	<b>\$ (1,353,476)</b>	<b>\$ 654,624</b>	<b>\$ (647,956)</b>	<b>\$ 1,205,822</b>	<b>\$ (1,518,753)</b>	<b>\$ 7,770,865</b>	<b>\$ 4,894,495</b>	<b>\$ 10,864,017</b>	<b>\$ 3,722,696</b>	<b>\$ 23,406,305</b>
<b>Debt service as a percentage of noncapital expenditures</b>	1.5%	3.8%	3.3%	3.3%	4.1%	1.9%	9.6%	2.5%	1.5%	0.2%

The City of Lathrop implemented GASB 34 for the fiscal year ended June 30, 2004. Information prior to the implementation of GASB 34 is not available.

Source: City of Lathrop, California Comprehensive

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

<b>Fiscal Year</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Collection in Subsequent Years</b>	<b>Total Collection to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2010	\$ 2,916,408	\$ 2,916,408	100.00%	\$ -	\$ 2,916,408	100.00%
2011	2,816,884	2,816,884	100.00%	-	2,816,884	100.00%
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%

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					Total Direct Tax Rate
	Gross Taxable Assessed Value			Less: Exemptions	Net Taxable Assessed Value	
	Secured	Unsecured	Utility			
2010	\$ 1,850,787,425	\$ 179,585,651	\$ 2,596,710	\$ (16,165,484)	\$ 2,016,804,302	0.108%
2011	1,808,135,694	168,302,063	2,596,710	(17,258,003)	1,961,776,464	0.111%
2012	1,768,784,321	157,292,463	2,596,710	(18,032,279)	1,910,641,215	0.142%
2013	1,715,513,321	166,654,851	2,596,710	(18,026,074)	1,866,738,808	0.144%
2014	1,820,939,152	136,568,139	5,070,340	(18,189,943)	1,944,387,688	0.145%
2015	2,033,039,699	148,740,696	5,070,340	(24,251,442)	2,162,599,293	0.143%
2016	2,193,673,873	198,223,989	5,070,340	(23,850,559)	2,373,117,643	0.141%
2017	2,559,631,458	163,463,517	6,170,020	(18,624,442)	2,710,640,553	0.138%
2018	2,930,927,027	174,127,391	6,170,020	(7,886,582)	3,103,337,856	0.133%
2019	3,127,335,013	190,732,243	6,170,020	(9,551,288)	3,314,685,988	0.130%

**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.



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

<b>Taxpayer</b>	<b>2019</b>		<b>2010</b>	
	<b>Taxable Assessed Value</b>	<b>Percent of Total City Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Percent of Total City Taxable Assessed Value</b>
Lit Industrial LP	\$ 160,013,030	4.83%	\$ -	0.00%
Tesla Motors Inc	156,857,099	4.73%	-	0.00%
Super Stores Industries	61,761,500	1.86%	51,327,387	2.77%
J.R. Simplot Company Corp.	60,458,001	1.82%	39,118,999	1.92%
River Islands Development LLC	57,196,513	1.73%	-	0.00%
Califia LLC	52,999,945	1.60%	55,543,294	2.74%
Centerpoint Properties Trust	50,779,170	1.53%	-	0.00%
Ashley Furniture Industries Inc	44,990,970	1.36%	-	0.00%
California Natural Products Corp	44,454,715	1.34%	-	0.00%
CVICH Lathrop I LLC	38,206,832	1.15%	-	0.00%

*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)

<b>Fiscal Year</b>	<b>Basic County-wide Levy <sup>(1)</sup></b>	<b>School <sup>(2)</sup></b>	<b>All Other</b>	<b>Total Rate</b>
2010	1.00000%	0.05240%	0.00000%	1.05240%
2011	1.00000%	0.05640%	0.00000%	1.05640%
2012	1.00000%	0.05980%	0.00000%	1.05980%
2013	1.00000%	0.06100%	0.00000%	1.06100%
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%

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.

(2) Information prior to 2005 is not available.

Source: *California Municipal Statistics, Inc.*

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

<b>Fiscal Year</b>	<b>City Direct Rate</b>	<b>Measure K Rate</b>	<b>Measure C General Purpose</b>	<b>Transportation Development Act Rate</b>	<b>San Joaquin County Rate</b>	<b>State of California Rate</b>	<b>Total</b>
2010	1.00%	0.50%	-	0.25%	1.00%	6.00%	8.75%
2011	1.00%	0.50%	-	0.25%	1.00%	6.00%	8.75%
2012	1.00%	0.50%	-	0.25%	1.00%	5.00%	7.75%
2013	1.00%	0.50%	1.00% (2)	0.25%	1.00%	5.25%	9.00%
2014	1.00%	0.50%	1.00% (2)	0.25%	1.00%	5.25%	9.00%
2015	1.00%	0.50%	1.00% (2)	0.25%	1.00%	5.25%	9.00%
2016	1.00%	0.50%	1.00% (2)	0.25%	1.00%	5.25%	9.00%
2017	1.00%	0.50%	1.00% (2)	0.25%	1.00%	5.00%	8.75%
2018	1.00%	0.50%	1.00% (2)	0.25%	1.00%	5.00%	8.75%
2019	1.00%	0.50%	1.00% (2)	0.25%	1.00%	5.00%	8.75%

**NOTE:**

(1) 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.

(2) 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**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Gross Assessed Valuation	\$ 2,032,969,786	\$ 1,979,034,467	\$ 1,928,673,494	\$ 1,884,764,847	\$ 1,962,577,631	\$ 2,186,850,735	\$ 2,396,968,202	\$ 2,729,264,995	\$ 3,111,224,438	\$ 3,324,237,276
Debt Margin Ratio (1)	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
Debt Margin (Limit)	\$ 76,236,367	\$ 74,213,793	\$ 72,325,256	\$ 70,678,682	\$ 73,596,661	\$ 82,006,903	\$ 89,886,308	\$ 102,347,437	\$ 116,670,916	\$ 124,658,898
Less: total net debt applicable to limit: General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Legal Debt Margin	\$ 76,236,367	\$ 74,213,793	\$ 72,325,256	\$ 70,678,682	\$ 73,596,661	\$ 82,006,903	\$ 89,886,308	\$ 102,347,437	\$ 116,670,916	\$ 124,658,898

Total debt applicable to the limit  
as a percentage of debt limit

	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
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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  
Outstanding Debt  
Last Ten Fiscal Years**

Fiscal Year	Governmental Activities				Business-type Activities								Total Primary Government	Percentage of Personal Income	Debt Per Capita (3)
	Capital Leases	Total Governmental Activities	Water Revenue Bonds	Notes	Certificates of Participation	Compass Bank Loan	State Revolving Fund Loan	Capital Leases	Total Business-type Activities						
2010	\$ 7,888,413	\$ 7,888,413	\$ 30,505,000	-	\$ 6,685,000	\$ -	\$ -	\$ 21,046	\$ 37,211,046	\$ 45,099,459	213.77%	\$ 2,510			
2011	7,651,202	7,651,202	29,920,000	-	6,500,000	-	2,574,893	24,130	39,019,023	46,670,225	222.57%	2,502			
2012	7,651,202	7,651,202	29,305,000	-	-	6,203,000 (2)	9,528,982	31,055	45,068,037	52,719,239	249.46%	2,788			
2013	7,139,752	7,139,752	24,945,000	-	-	5,950,203	9,340,188	23,717	40,259,108	47,398,860	219.52%	2,468			
2014	6,865,382	6,865,382	12,970,000	-	-	5,667,004	8,956,038	-	27,593,042	34,458,424	148.51%	1,738			
2015	6,599,319	6,599,319	12,635,000	-	-	5,373,806	8,562,968	-	26,571,774	33,171,094	135.50%	1,630			
2016	4,190,000	4,190,000	12,635,000	-	-	5,070,256	8,160,773	-	25,866,029	30,056,029	106.77%	1,359			
2017	3,925,000	3,925,000	11,455,000	(4)	-	4,755,863	7,749,237	-	23,960,100	27,885,100	93.94%	1,207			
2018	3,640,000	3,640,000	10,846,145	(4)	-	4,430,488	7,328,146	-	22,604,779	26,244,779	82.22%	1,081			
2019	3,640,000	3,640,000	10,207,524	(4)	-	4,093,638	6,897,278	-	21,198,440	24,838,440	73.34%	996			

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 with Regent Lathrop, LLC 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**  
**Computation of Direct and Overlapping Debt**  
**June 30, 2019**

FY 2018/19 City Assessed Valuation	\$ 3,314,685,988
Redevelopment Agency Incremental Valuation	\$ -
Adjusted Assessed Valuation	<u>\$ 3,314,685,988</u>

Overlapping Tax and Assessment Debt	Total Debt 6/30/19	Percentage Applicable to City of Lathrop (1)	City's Share of Debt 6/30/2019
San Joaquin Delta Community College District	\$ 198,475,000	4.085%	\$ 8,107,704
Manteca Unified School District	147,964,885	19.787%	29,277,812
Tracy Unified School District	36,450,000	2.780%	1,013,310
Banta School District	500,000	54.257%	271,285
Manteca Unified School District Community Facility District No. 1989-2	24,640,000	20.749%	5,112,554
Manteca Unified School District Community Facility District No. 2005-4	5,520,000	100.000%	5,520,000
Banta School District Community Facilities District No. 2011-1	5,861,000	100.000%	5,861,000
River Islands Public Financing Authority Community Facilities District No. 2003-1	190,535,000	100.000%	190,535,000
River Islands Public Financing Authority Community Facilities District No. 2015-1	250,000,000	100.000%	250,000,000
City of Lathrop Community Facilities District No 2003-1	5,705,000	100.000%	5,705,000
City of Lathrop Community Facilities District No 2003-2	5,745,000	100.000%	5,745,000
City of Lathrop Community Facilities District No 2018-1, I.A.s 1-5	45,735,000	100.000%	45,735,000
City of Lathrop Community Facilities District No 2018-2	26,037,800	100.000%	26,037,800
City of Lathrop 1915 Act Bonds	25,165,000	100.000%	25,165,000
Reclamation District No. 17 Assessment District	22,689,592	59.448%	13,488,509
	<u>\$ 991,023,277</u>		<u>\$ 617,574,973</u>

**Ratios to FY 2018/19 Assessed Valuation:**  
**Total Overlapping Tax and Assessment Debt** **18.63%**

Direct and Overlapping General Fund Obligation Debt	Total Debt 6/30/19	Percentage Applicable to City of Lathrop (1)	City's Share of Debt 6/30/2019
San Joaquin County Certificates of Participation	\$ 81,070,000	4.463%	\$ 3,618,154
Manteca Unified School District Certificates of Participation	21,967,000	19.787%	4,346,610
City of Lathrop General Fund Obligations	3,640,000	100.000%	3,640,000
<b>Total Direct and Overlapping General Fund Debt</b>	<u>\$ 11,604,764</u>		<u>\$ 11,604,764</u>
<b>Total Direct Debt</b>	<u>\$ 3,640,000</u>		<u>\$ 3,640,000</u>
<b>Total Overlapping Debt</b>	<u>\$ 625,539,737</u>		<u>\$ 625,539,737</u>
<b>Combined Total Debt</b>	<u>\$ 629,179,737</u>		<u>\$ 629,179,737</u>

(1) Percentage of overlapping agency's assessed valuation located within boundaries of the City.

**Ratios to Adjusted Assessed Valuation**  
**Total Direct Debt** **0.11%**  
**Combined Total Debt** **18.98%**

STATE SCHOOL BUILDING AID REPAYABLE AS OF 06/30/2019: \$0

Source: California Municipal Statistics, Inc.

**CITY OF LATHROP**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year	2000 Certificates of Participation/Compass Bank Loan (1)				2003 Certificates of Participation & SRF Loan (2)					
	Water Revenue (3)	Less Operating Expenses (4)	Net Available Revenue	Debt Service			Net Available Revenue (5)	Debt Service		
				Principal	Interest	Coverage		Principal	Interest	Coverage
2010	\$ 6,867,231	\$ 2,549,867	\$ 4,317,364	\$ 175,000	\$ 402,273	7.48%	\$ 3,740,092	\$ 560,000	\$ 1,798,138	1.59%
2011	7,846,547	2,509,302	5,337,245	185,000	393,348	9.23%	4,758,897	585,000	1,771,818	2.02%
2012	7,115,515	3,332,047	3,783,468	-	353,750	10.70%	3,429,718	615,000	1,743,738	1.45%
2013	7,803,287	3,989,183	3,814,104	252,797	236,203	7.80%	3,325,104	650,000	1,713,603	1.41%
2014	7,884,887	3,815,990	4,068,897	283,199	205,801	8.32%	3,579,897	680,000	1,681,102	1.52%
2015	6,642,758	3,484,902	3,157,856	293,198	195,802	6.46%	2,668,856	728,070	954,719	1.59%
2016	6,385,191	3,479,010	2,906,181	303,550	185,450	5.94%	2,417,181	402,196	945,592	1.79%
2017	7,834,887	4,366,161	3,468,726	314,393	174,733	7.09%	2,979,600	411,536	936,254	2.21%
2018	8,491,689	4,969,618	3,522,071	325,363	163,637	7.20%	3,033,071	421,091	926,699	2.25%
2019	9,220,728	5,010,145	4,210,583	336,850	152,150	8.61%	3,721,583	1,069,489	475,545	2.41%

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 COPs were refunded by the Compass Bank Loan on May 4, 2012.

The Required Debt coverage ratio for the Compass Bank Loan is 1.10%.

(2) The Required Debt coverage ratio for 2003 COPs & SRF Loan is 1.00%.

(3) Gross revenues include interest earnings and connection fees.

(4) Operating expenses include operating transfers and exclude depreciation.

(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**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (2)</u>
2010	17,969	\$ 21,097,089	31,547	16.5%
2011	18,656	20,968,710	31,071	16.6%
2012	18,908	21,133,128	30,732	14.8%
2013	19,209	21,591,743	31,013	12.2%
2014	19,831	23,203,279	33,024	10.5%
2015	20,353	24,480,660	34,755	10.7%
2016	22,112	28,150,538	38,769	8.5%
2017	23,110	29,684,494	40,458	8.1%
2018	24,268	31,920,185	42,822	7.0%
2019	24,936	33,866,043	44,995	6.1%

Sources: (1) *State of California Department of Finance*  
(2) *Bureau of Economic Analysis - U.S. Department of Commerce (data shown is for San Joaquin County)*



**CITY OF LATHROP  
Principal Employers  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>2019</b>		<b>2010</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>	<b>Number of Employees</b>	<b>Percent of Total Employment</b>
California Natural Products	450	5.29%	245	2.36%
Super Store Industries	450	5.29%	450	4.33%
Diamond Pet Foods Inc	200	2.35%	0	0.00%
Swiss American Sausage CO	200	2.35%	165	1.59%
J R Simplot CO	200	2.35%	190	1.83%
Smart Refrigerated Transport	200	2.35%	250	2.41%
In-N-Out Burger	200	2.35%	0	0.00%
Cbc Steel Buildings	150	1.76%	100	0.96%
Home Depot	150	1.76%	125	1.20%
Target	150	1.76%	155	1.49%
Food 4 Less Warehouse	150	1.76%	0	0.00%
Pflug	150	1.76%	0	0.00%
Cen Cal Plastering	100	1.18%	0	0.00%
Engeo Inc	100	1.18%	0	0.00%
Antonini Enterprises LLC	100	1.18%	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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	24.30	24.50	25.50	25.50	23.40	23.60	24.60	23.60	23.60	24.60
Neighborhood & Community Services (1)	5.00	5.00	5.00	5.00	-	-	-	-	-	-
Public Safety (2)	32.00	30.33	30.33	30.33	32.00	36.98	36.98	37.98	35.98	36.98
Public Works	41.00	41.00	41.00	41.00	21.83	22.83	29.50	30.80	33.80	40.47
Community Development	20.75	23.75	23.75	23.75	8.34	6.67	4.00	3.10	4.10	4.43
Culture & Leisure	19.12	19.64	19.64	20.64	18.41	20.76	21.00	20.56	21.01	21.01
Total Positions	142.17	144.22	145.22	146.22	103.98	110.84	116.08	116.04	118.49	127.49
less Unfunded Positions (3)	35.54	50.54	52.61	53.61	-	-	-	-	-	-
Net Employees	106.63	93.68	92.61	92.61	103.98	110.84	116.08	116.04	118.49	127.49

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

(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**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Arrests	850	775	612	670	489	708	572	705	550	558
Parking Citations issues	1,034	759	567	291	380	444	696	1,385	1,084	1,389
Code Enforcement										
Housing Cases	144	31	21	40	20	35	29	28	54	74
Public Nuisance Cases	336	459	185	213	61	206	287	345	204	126
Vehicle Cases	85	54	21	28	12	11	67	193	140	118
Weed Abatement Cases	677	520	31	-	5	-	2	108	122	126
Building Permits										
Single Family Dwellings	169	87	63	146	130	350	220	291	317	393
Parks and recreation:										
Number of recreation classes	46	40	49	49	202	34	56	67	116	126
Number of facility rentals	192	231	302	675	1,870	542	450	390	1,598	1,388
Water:										
New connections	168	93	38	140	190	266	179	163	200	317
Average daily consumption (thousands of gallons)	3,230	3,267	3,110	4,014	3,550	3,508	3,052	3,274	4,200	4,128
Sewer:										
New connections	168	93	38	140	190	266	179	163	200	317

NOTE:

Source: City of Lathrop, California departmental sources.

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations (1)	-	-	-	-	-	-	-	-	-	-
Public works:										
Streets (miles)	79.81	79.81	72.74	82.80	82.80	84.20	84.20	84.20	92.90	92.90
Streetlights	905	905	1,433	1,433	1,433	1,448	1,472	1,472	1,835	1,835
Parks and recreation:										
Parks	13	13	13	14	16	16	16	16	16	16
Community centers	1	1	1	1	2	2	2	2	2	2
Senior centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	73.08	73.08	73.08	101.40	99.60	101.80	101.80	101.80	101.80	142.00
Maximum daily capacity (thousands of gallons)	20,126	20,126	20,126	21,700	15,250	15,250	15,250	15,250	15,250	16,500
Wastewater:										
Sanitary sewer (miles)	57.16	57.16	57.16	60.40	62.03	71.00	71.00	71.00	71.00	91.80
Miles of Reclaimed Water Lines	18.33	18.33	18.33	18.33	21.40	21.80	21.80	21.80	21.80	21.80
Maximum daily treatment capacity (thousands of gallons)	2,140	2,140	2,140	2,416	2,416	2,200	2,200	1,450	1,450	3,140

**NOTE:**

(1) The City of Lathrop's fire protection is provided by the Lathrop-Manteca Fire District.

*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:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Residential	645,140	675,141	656,723	740,938	690,963	671,095	628,208	625,187	745,359	738,530
Industrial	244,561	266,145	263,466	329,816	291,935	343,231	283,410	278,985	395,110	415,471
Commercial	73,962	75,107	68,559	107,530	116,496	91,599	71,396	101,549	139,290	135,130
Governmental	167,846	135,512	129,524	265,931	157,119	172,972	177,791	139,511	149,952	126,761
Construction	47,495	40,465	16,720	20,995	39,058	1,615	-	49,923	103,309	91,038
<b>Total</b>	<b>1,179,004</b>	<b>1,192,370</b>	<b>1,134,992</b>	<b>1,465,210</b>	<b>1,295,571</b>	<b>1,280,512</b>	<b>1,160,805</b>	<b>1,195,155</b>	<b>1,533,020</b>	<b>1,506,930</b>

Total direct rate  
per 1,000 gallons \$ 2.11 \$ 2.24 \$ 2.45 \$ 2.45 \$ 2.63 \$ 2.63 \$ 3.04 \$ 3.49 \$ 3.99 \$ 3.99

Source: City of Lathrop, California Public Works Department

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

<b>Fiscal Year</b>	<b>Monthly Base Rate</b>	<b>Rate per 1,000 Gallons</b>	<b>CSCDA Loan (1)</b>	<b>SCSWSP Facility Charge (2)</b>
2010	9.30	2.11	-	9.10
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

**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 of 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**  
**Water Customers**  
**Current Year and Nine Years Ago**

<b>Water Customer</b>	<b>2019</b>		<b>2010</b>	
	<b>Water Charges</b>	<b>Percent of Total Water Revenues</b>	<b>Water Charges</b>	<b>Percent of Total Water Revenue</b>
California Natural Products	\$ 931,421	11.63%	\$ 222,472	3.24%
City of Lathrop	412,427	5.15%	234,968	3.42%
Manteca Unified School District	234,984	2.93%	109,580	1.60%
Super Store Industries	136,981	1.71%	61,556	0.90%
Pilot Travel Centers	114,420	1.43%	-	0.00%
River Islands Public Finance Authority	107,365	1.34%	-	0.00%
Tesla Motors Inc	66,481	0.83%	-	0.00%
Banta Elementary School District	54,289	0.68%	-	0.00%
Camino Real Mobile Estates	51,313	0.64%	34,396	0.50%
IN-N-OUT Burger #804	51,252	0.64%	-	0.00%

*Source: City of Lathrop, California Finance Department*

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

2019		2010	
Business Name	Business Category	Business Name	Business Category
Arco AM PM	Service Stations	Anderson Truss	Contractors
Ashley Furniture Distr Center	Fulfillment Centers	Arco AM PM	Service Stations
CBC Steel Buildings	Contractors	Carpenter	Textiles/Furnishings
Chevron	Service Stations	Cascade Steel Rolling Mills	Heavy Industrial
Dragon Products	Warehse/Farm/Const/Equip	CBC Steel Buildings	Contractors
Eagles Nest Harley Davidson	Boats/Motorcycles	Central Precast Concrete	Contractors
Flying J Travel Plaza	Service Stations	Chevron	Service Stations
ISI Design & Installation Solutions	Furnishings	Circle K Union 76	Service Stations
Joes Travel Plaza	Service Stations	Creative Touch Interiors	Home Furnishings
Material Handling Systems	Warehse/Farm/Const/Equip	Delta Powersports	Boats/Motorcycles
Nemo Building Systems	Contractors	Eagles Nest Harley Davidson	Boats/Motorcycles
Norcraft Companies	Building Materials	Fast Lane	Service Stations
Pape Kenworth	New Motor Vehicle Dealers	Joes Travel Plaza	Service Stations
Pratt Industries	Light Industrial/ Printers	Lathrop Chevron	Service Stations
Raymond Handling Concepts	Warehse/Farm/Const/Equip	Lathrop Shell	Service Stations
Response Fire Supply	Building Materials	McDonalds	Quick-Service Restaurants
Target	Discount Dept Stores	Medcal Sales	Medical/ Biotech
Tec Equipment	Trailers/Auto Parts	Save Mart	Grocery Stores Liquor
Tesla Motors	New Motor Vehicle Dealers	Target	Discount Dept Stores
Top Gun Drywall Supply	Building Materials	Top Gun Drywall Supply	Building Materials
Tower Market	Service Stations	Tower Mart	Service Stations
Tri West	Building Materials	Two Guys Food & Fuel	Service Stations
Tuff Boy Sales	Trailers/RVs	USAMotors.Com	Used Automotive Dealers
Two Guys Food & Fuel	Service Stations	Utility Trailer Sales	Trailers/RVs
Utility Trailer Sales	Trailers/RVs	Walgreens	Drug Stores

\* Firms Listed Alphabetically

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